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February 23, 2011

Ryan Pedraza
Program Manager
Innovative Project Delivery Division
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219

Ryan.Pedraza@VDOT.virginia.gov

RE: Letter of Interest for Development of the Hampton Roads Bridge-Tunnel (HRBT)
through a Public-Private Partnership

Dear Mr. Pedraza:

Cintra Infraestructuras S.A. ("Cintra") is pleased to present this Letter of Interest ("LOI") with preliminary information regarding our expertise and experience in performing as developer to design, build, finance, operate and maintain the expansion of the Hampton Roads Bridge-Tunnel ("HRBT," the "Project"). Cintra understands that the Virginia Department of Transportation (VDOT) accepted an unsolicited conceptual proposal for the Project in September 2010, and, pursuant to the requirements of 2010 Virginia Acts Chapter 126, is allowing the submission of competing conceptual proposals to be submitted to VDOT by February 24, 2011. Cintra submits to VDOT this LOI as an expression of interest in entering in to an official open and competitive procurement process in the event that the VDOT decides to launch such opportunity in the future. Cintra looks forward to working with VDOT in an official competitive procurement process to bring the Project to fruition for the taxpayers and motorists of the Commonwealth of Virginia.

Enclosed, please find our Letter of Interest in hard copy and PDF on CD. Cintra thanks you for the opportunity to indicate our interest in the Hampton Roads Bridge-Tunnel Project procurement as it may officially be launched in the future. We look forward to hearing from the Virginia Department of Transportation regarding the next step in the process, and following the opportunity into development and maintenance for the People of Virginia.

Yours truly,

Signature on file w/ VDOT

Jose Enrique Zapardiel
Project Manager
512.371.4862 (office)

Ryan Pedraza
Program Manager
February 23, 2011
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Cc:

The Honorable Sean Connaughton
Secretary of Transportation
Patrick Henry Building
1111 East Broad Street
Richmond, VA 23219

The Honorable Greg Whirley
Commissioner
Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

The Honorable Charley Kilpatrick
Chief Deputy Commissioner
Virginia Department of Transportation
1401 East Broad Street
Richmond, VA 23219

Matthew Benka
MDB Strategies
2300 East Cary Street, 616
Richmond, VA 23223

Hampton Roads Bridge-Tunnel (HRBT)



VIRGINIA DEPARTMENT OF TRANSPORTATION

HAMPTON ROADS BRIDGE-TUNNEL (HRBT)

**PUBLIC-PRIVATE TRANSPORTATION
LETTER OF INTEREST**

FEBRUARY 23, 2011

PROPOSING ENTITY

CINTRA INFRAESTRUCTURAS S.A.

7700 Chevy Chase Drive
Chase Park One, Suite 500
Austin, Texas 78752

Point of Contact

Jose Enrique Zapardiel
Project Manager

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1. Proposing Entity and Possible Team Members

Cintra Infraestructuras S.A. (“Cintra”) is pleased to submit to the Virginia Department of Transportation (“VDOT”) a Letter of Interest (“LOI”) as developer to design, build, finance, operate, and maintain expansion of the existing Hampton Roads Bridge-Tunnel, capacity improvements to I-64 near the Hampton Roads Bridge-Tunnel, and assumption of operations and maintenance responsibility by Concessionaire for the Hampton Roads Bridge-Tunnel, the Monitor-Merimac Memorial Bridge Tunnel, and the James River Bridge (collectively, the “Project” or “HRBT”) through a Public/Private Partnership (“P3”) in any official open and competitive procurement process that may be launched in the future by VDOT regarding the Project or any portion of the Project. While Cintra may choose to partner with other equity members once the Project is further defined, Cintra will remain the primary equity member with lead and managing Project roles over any other equity or non-equity member who may join Cintra on the proposer team, as VDOT approves.

Ferrovial Agromán S.A. (“Ferrovial Agromán”) would join Cintra on the Project as Design-Build (“DB”) Contractor, and would manage the design and construction of the Project. The Design-Build Contractor will not invest equity into this Project, but will be expected to have an at-risk security package to support the risks which will be transferred to them during the course of the Project. The Cintra-Ferrovial Agromán tandem has the proven track record and expertise to provide a feasible, practical, financially sound and sustainable project to VDOT, the State of Virginia, and their taxpayers and motorists.

Cintra’s business activities are focused on toll roads, parking facilities and railways. Cintra is a wholly-owned subsidiary of Ferrovial S.A. (“Ferrovial”). Ferrovial is one of the few companies in the world with more than 40 years of experience in infrastructure development, management, operation and maintenance. The group’s first Design, Build, Finance, Operate, and Maintain (DBFOM) project was awarded in 1968, and has recently been handed-back to the grantor after successfully completing the 35-year concession term. Today, Ferrovial is an infrastructure-focused group of companies with areas of expertise ranging from investment in to operation of a variety of assets, including but not limited to airports, toll roads and car parks, water and wastewater facilities, services and facility management.

Ferrovial’s strategy in the concessions business is geared towards growth and is handled by its subsidiary, Cintra. Cintra was incorporated in 1998 as recognition of Ferrovial’s commitment to infrastructure development after more than 30 years in transportation infrastructure design, development, financing, operation, and maintenance. Cintra experienced success due to its expert and professional staff, as well as its financial capability to commit to the large-scale outlays that concession ventures require.

Cintra-Ferrovial is currently recognized and ranked by Public Works Financing Bulletin/Magazine as the top transport developer in the world since 2007, with over 40 years of experience and 108,000+ employees worldwide. Cintra currently manages 24 toll roads in Spain, Portugal, Greece, Ireland, Chile, the U.S. and Canada, totaling over 1,900 miles of roadway. Headquartered in Spain, Cintra has subsidiaries in three continents,



including an office for the development of North American operations in Austin, Texas, and a project finance office in New York. Cintra has participated in most of the transportation AFP/P3 procurements in North America since the introduction of the concept in the early 2000s with an extraordinarily high success rate.

In North America, Cintra has demonstrated a solid track record and have established Cintra as a market leader. Beginning in Canada in 1999, a Cintra-led consortium entered into a 99-year concession agreement for Ontario's 407-ETR, a C\$ 3.5 billion, 108-mile, all-electronic, free-flow, urban tolled highway. Turning to the United States, Cintra successfully acquired the Chicago Skyway, the first Brownfield asset to come to market, and the Indiana Toll Road, the largest Brownfield asset leased thus far in the U.S. Additionally, Cintra's success in the U.S. also extends to three key Greenfield assets in Texas, including SH-130 Segments 5&6, the North Tarrant Express ("NTE") Managed Lanes and the I-635/LBJ Express project. Combined, these assets represent a total investment valued at over \$11.5 billion. In recognition of these successes, Infrastructure Investor named Cintra "2009 North American Infrastructure Developer of the Year" and "2009 Global Infrastructure Developer of the Year," thereby cementing Cintra as a premier P3 infrastructure developer rising above these challenging financial times.



2. Teaming Arrangements Proposed for Project

Cintra anticipates that the proposing entity will remain as stated herein, with **Cintra Infraestructuras S.A.** as the primary equity member, a corporation registered with the Kingdom of Spain, in Madrid, Spain, as of 2009. As stated earlier, Cintra may choose to form a consortium and partner with other equity members in the Concession Company once the project is further defined, with any teaming changes to be approved by VDOT in the appropriate forum. The Project will be managed by Cintra with support from our senior officers, expert departments in technical and financial areas and the Key Management Staff.

If Cintra should be awarded the concession, Cintra shall incorporate a specific legal and organizational structure in the US, the Special Purpose Vehicle (“SPV”), which shall enter into an Interim and/or Comprehensive Agreement with VDOT for the Project. The primary role of the Concession Company will be to secure the financing for the Project through the means of equity, to be injected by the shareholders, and debt, to be funded by either commercial banks or alternative sources.

The SPV will enter into a fixed price, fixed term design & build agreement with Ferrovial Agromán or a Design-Build Joint Venture (“DBJV”) in which Ferrovial Agromán will be a partner. Under this standard business model, the contractual responsibilities related to design and construction will be directly passed from the Concessionaire to Ferrovial Agromán, or the DBJV (if applicable), under a lump sum, back-to-back or mirror contract. However, their contract will be with the Concession Company, which will ultimately be the only party responsible to VDOT.

Recognizing Cintra’s world class operating and maintenance capabilities, Cintra, through the SPV, will serve as the lead operations and maintenance member during the term of the agreement. In addition, the Concessionaire expects to perform routine inspections and reporting to VDOT in order to ensure conformance with maintenance performance requirements and standards. In return for these valuable services, the Concessionaire expects to collect tolls throughout the life of the Project as defined in the Interim and/or Comprehensive Agreement.

Throughout the life of the project, Cintra will be the single point of contact with VDOT to ensure streamlined communications. If a consortium is formed during the procurement process, the consortium will establish a steering committee and functional sub-organizations, with Cintra ensuring that information flows effectively through the proper channels in the organization. The Designated Contact Person has sufficient capacity to manage the day-to-day activities of the Project and will report periodically to a steering committee formed by highly qualified individuals (the “Key Management Staff”) of the Equity Members with unparalleled experience in the P3 industry. As required, the Designated Contact Person will consult with this committee to address specific issues.

This structure seeks the most efficient decision-making process, where decisions are made at all times at the lowest appropriate level.



3. Related Experience of Proposing entity and Possible Teammates

Cintra has 24 concessions totaling over 1,740 miles of roadway. Four of those projects are introduced here to demonstrate the Respondent's experience in substantial P3 transportation infrastructure projects:

- ▶ Indiana Toll Road
- ▶ SH-130, Segments 5&6
- ▶ NTE Managed Lanes
- ▶ LBJ Express

Indiana Toll Road, Indiana

Client: Indiana Finance Authority (IFA)

Concession Term: 2006 - 2081

Cost: \$3.85 billion

Financial Close: 2006

Current Status: In operation



Project Description: The Indiana Toll Road is the largest privatization of an existing toll road in the United States, with a 157-mile tolled highway originally constructed in the 1950's. Traffic volumes exceed 160,000 vehicles per day. Cintra, in consortium with another toll road developer, entered into a lease agreement for 75 years with the Indiana Finance Authority starting in July 2006. After the award, the team took control of the operations and maintenance activities.

Under the agreement, the Consortium had to widen 10 miles of the highway from 2 to 3 lanes each direction as well as rehabilitate the structures within these sections (Mandatory Widening). Due to the heavy traffic roads that exist along the corridor, traffic management during the performance of construction was a key element. Cintra, working closely with the construction contractor, a joint venture between Ferrovial Agroman and Reith-Riley Construction Co. (split 75/25), helped to improve the construction staffing allowing for two lanes in each direction at all times rather than closing lanes during certain hours of the day as was anticipated.

The Indiana Toll Road is an excellent example of the experience Cintra has managing significant infrastructure maintenance. Due to the significant extension of the asset, maintenance operations are performed from four (4) separate maintenance centers. Each maintenance base employs two (2) foremen and 20 to 25 operators. Each maintenance base is individually responsible for conducting routine maintenance including snow removal, crack sealing, gardening, etc, on their respective highway sections. Much of the work force that makes up the maintenance crews are local personnel that worked on the highway prior to the beginning of the concession contract.

Project Finance: The transaction was financed with equity \$760 M and debt financing through the banking market \$3,248 M, with the total amount of debt raised as \$4,063 M.

Project	Client	Client Contact	Address	Contact Via
Indiana Toll Road	Indiana Finance Authority	Jennifer Alvey Public Finance Director of the State of Indiana	One North Capitol, Suite 900 Indianapolis, IN 46204	317.233.4338 (phone) jalvey@ifa.in.gov

SH-130, Segments 5&6, Austin to Seguin, Texas

Client: Texas Department of Transportation

Concession Term: 2012 - 2062

Cost: \$1.556 billion

Financial Close: 2008

Current Status: Under construction



Project Description: The 52-year concession agreement has been in the construction phase since April 2009. Operations are expected to begin in 2012. The tolling scheme is a free-flow system with no barriers. The overall project length is 40 miles – 11.7 miles for Segment 5 and 28.3 miles for Segment 6.

Project Finance: The transaction was financed with equity (\$209.8 M) and debt financing through the banking market (\$685.7 M) and TIFIA (\$476.2 M).

Cintra is the lead equity member in the consortium, holding an 85% share of the concession company and contributing \$197 M in equity.

The debt funding sources were:

- \$685.6 M of senior debt – Tranche A
- \$45.5 M of TIFIA capitalized interest
- \$430 M TIFIA loan with a 4.46% interest rate based on long-term U.S. treasuries.

The loan has a 35-year maturity and a 10-year capitalization period covering construction and the first five years of operation.

Project	Client	Client Contact	Address	Contact Via
SH-130 Segments 5&6	Texas Dept. of Transportation	Mark Tomlinson Director, Texas Turnpike Auth.	125 E. 11 th Street Austin, TX 78701-2483	512.936.0903 (phone) mark.tomlinson@txdot.gov



NTE Managed Lanes, Fort Worth, Texas

Client: Texas Department of Transportation

Concession Term: 2015 – 2067

Cost: \$1.8 billion

Financial Close: 2009

Current Status: Under development



Project Description: The North Tarrant Express project will construct 13 miles of managed lanes on IH-820 west of the interchange with IH 35W. The project will be developed in phases starting with Segment 1 covering 13 miles. Ferrovial Agromán is serving as DB Contractor on this project in a 60/40 DBJV with W.W. Webber.

Project Finance: Cintra raised \$1.8 billion in financing, using four (4) sources:

- \$400 M Private Activity Bonds (PABs)
- \$573 M Public funding
- \$650 M TIFIA
- \$427 M Equity

The tax-exempt PABS were placed in the United States municipal bond market. The issue, which offers an average yield of 6.98%, is a milestone in that it is the first use of PABs by a private road concession. Two separate bonds were issued: \$ 59.8 paying a 7.5% coupon and maturing on December 31, 2031, and \$340.2 million paying a 6.875% coupon and maturing on December 31, 2039. The issue was met with a very good reception in the market, where it was oversubscribed 2.4 times. It was underwritten by a syndicate of banks headed by JP Morgan and Merrill Lynch.

Financial close was attained ahead of schedule, and the NTE was the only toll road in the US to complete funding in 2009. This project is also the first transportation infrastructure project in the US to reach financial close with direct investment by a pension fund.

Project	Client	Client Contact	Address	Contact Via
NTE	Texas Dept. of Transportation	Mark Tomlinson Director, Texas Turnpike Auth.	125 E. 11 th Street Austin, TX 78701-2483	512.936.0903 (phone) mark.tomlinson@txdot.gov

LBJ Express, Fort Worth, Texas

Client: Texas Department of Transportation

Concession Term: 2015 – 2067

Cost: \$1.8 billion

Financial Close: 2009

Current Status: Pre-development

Project Description: Cintra and its sister company, Ferrovial Agromán S.A., are working together on the development of the \$2.7 Billion LBJ under a Comprehensive Development Agreement (CDA). LBJ features rebuilt main lanes, a continuous frontage road system and 17 miles of new managed lanes, five (5) miles of which will be built as a new depressed roadway. This project is being designed and built by Trinity Infrastructure LLC, a Limited Liability Company formed by Ferrovial Agromán US Corp. and W.W. Webber Inc., a subsidiary of Ferrovial Agromán S.A., in a 60/40 DBJV and under a lump sum fixed price design-build agreement signed with LBJ Infrastructure Partners, LLC, a Cintra-led Consortium.



Project Finance: As part of the security package, LBJ Infrastructure Partners LLC provided Proposal and Financial Close securities in the form of letters of credit in the amount of \$50 million and \$75 million. Additionally, Trinity Infrastructure LLC. provided a Payment and Performance Letter of Credit of \$250 Million.

The LBJ Express was the first privately-funded road development project of its kind in the US to attain Financial Close in 2010. Project funding comprised a combination of public and private funds, including private equity of \$665 million, unwrapped Private Activity Bonds (PABs) of \$615 million made available by the United States Department of Transportation (USDOT), \$496 million from the Texas Department of Transportation (TxDOT), and a TIFIA loan of \$850 million.

Cintra's Project Finance team in New York led the Cintra-headed consortium in gathering the private equity for the project, holding negotiations, and securing the PABs and the TIFIA loan for the project.

Project	Client	Client Contact	Address	Contact Via
LBJ	Texas Dept. of Transportation	Gary Moonshower Project Director	4100 McEwen Rd. #270 Dallas, TX 75244	972.661.0820 (phone) gary.moonshower@txdot.gov

4. Key Management Personnel

Name / Position	Background and Experience
Carlos Ugarte (Director of Global Business Development, Cintra)	Degree in Economics and MBA and MSc Finance (Univ. S. California, LA) In 1986 joined the Ministry of Finance in Chile In 1994 joined Credit Lyonnais Securities New York (Debt and Equity) In 1996 became CFO of Cintra Chile In 2006 returned to US to develop Cintra's business in North America In 2009 promoted to Director of Global Business Development
Alfonso Barona (Director of North American Business Development, Cintra US)	MBA from Universidad de Navarra, Madrid, Spain CFA Charterholder, Madrid, Spain Bachelor's degree in Economics and Business with specialization in Finance, Universidad Pontificia de Comillas (ICADE E-2), Madrid, Spain In 1996 Associate with The Chase Manhattan Bank in Madrid In 2000 joined JP Morgan Fleming Asset Management in London, England, as Assistant Vice President of European Equities Team In 2002 joined Fomento de Construcciones Y Contratas, S.A. in Madrid, Spain as Director of Capital Markets and Investor Relations Department In 2004 joined Cintra Infraestructuras S.A. in Madrid as Director of Investor Relations Department; in 2009 became Project Director of Corporate and Business Development Department; in 2010 became Director of North American Corporate and Business Department in Austin, Texas
Jose Enrique Zapardiel (Project Manager, Cintra)	MS in Civil Engineering, structural design, from Polytechnic Univ. of Madrid Masters in Infrastructure, Facilities and Utilities Management from Polytechnic Univ. of Madrid In 2001 joined Ferrovial Agroman as Site Manager In 2007 joined Cintra Aparcamientos as Project Manager, involved in the development and construction stages of carpark P3s In 2008 joined Cintra as Project Manager, leading the bid stage of P3 projects in Spain, Brazil, India, Mexico and North America
James Kuhr (Assistant Project Manager, Cintra US)	JD University of Texas School of Law BS Civil Engineering Texas A&M In 2010 joined Cintra as an Assistant Project Manager, working on Comprehensive Development Agreement (CDA) Projects in Texas, as well as Greenfield and Brownfield Projects throughout the US
Ricardo Sanchez (Technical Director USA, Cintra US)	MS in Transportation Engineering from Imperial College, England BS in Civil Engineering from Polytechnic University of Madrid In 1997 joined Steer Davies Gleave as Senior Transport Demand Modeling Consultant In 2002 joined Cintra as Demand and Revenue Specialist In 2007 became Cintra's U.S. Technical Department Manager, responsible for leading development of demand and revenue studies for a myriad of projects, including the Chicago Skyway, the Indiana Toll Road, Chicago's Metered Parking System Concession, and the NTE Managed Lanes in Texas

<p>T.W. Lowe (Design and Construction Manager, Technical Dept., Cintra US)</p>	<p>BS in Civil Engineering, Texas Tech University In 1997 joined CP&Y as Transportation Design and Production Engineer In 2004 joined PBS&J as Senior Project Manager In 2008 promoted to Transportation Program/Group Manager In 2010 joined Cintra as Design and Construction Manager for U.S. Responsible for coordination and oversight of Design, Construction and Maintenance on all Cintra US Concession Projects including Chicago Skyway, Indiana Toll Road, and Texas projects such as NTE Managed Lanes, LBJ Express and SH-130</p>
<p>Jose Antonio Lorenzo (Information Tech. Director, Cintra US)</p>	<p>PhD in Economics from the Universidad Nacional de Educacion a Distancia (U.N.E.D.) in Madrid B.A. in Business Administration from the Universidad Complutense In 1994 joined Getronics as Senior Consultant Appointed Project Manager at Getronics in 1998 In 2003 joined Ernst & Young as Project Manager Appointed Account Manager for Industry Business Unit at E&Y in 2003 In 2005 joined Sun Microsystems as Key Account Manager for Transp. and Public Sector; Top Account Sales Manager 2007-2008 In 2008 joined Grupo Ferrovial as US Information Technologies Director</p>
<p>Carlos Ramirez (Head of Financial Analysis Dept., Cintra)</p>	<p>Directors Development Program at University of Navarra (IESE) Business School in Madrid Financial Entities Management Specialist from Universidad Nacional de Educacion a Distancia (U.N.E.D.) in Madrid BA in Economics with Specialization in Finance from Universidad Pontificia-Comillas (ICADE) in Madrid In 1998 joined Cintra as a Financial Analyst In 2003 promoted to Head of Financial Analysis Department, responsible for reviewing financial models for all projects developed by Cintra's team of analysts and appointed financial advisors</p>
<p>Juan Sanchez Salas (Head of Financial Analysis Dept. North America., CintraUS)</p>	<p>MSc in Finance from CUNEF University in Madrid BA in Business Administration from Luis Vives CEU University in Madrid In 2005 joined Banco Santander (Madrid) as Investment Analyst In 2007 joined BNP Paribas (Madrid) as Investment Analyst In 2008 joined Cintra (Madrid) as a Financial Analyst In September 2010 promoted to Head of Financial Analysis Department North America, for reviewing financial models for all projects developed by Cintra's team of analysts and appointed financial advisors</p>

Ricardo Bosch
(Project Finance Manager, Cintra US)

Msc in Finance and Management, University of Exeter, England, 2001
Civil Industrial Engineer, Universidad de Chile, Santiago, Chile, 1997
In 1998, Financial Analyst for Tribasa Chile in Santiago, Chile
In 2002, Senior Financial Advisor for Sergio Merino y Cia in Santiago, Chile
In 2003, Financial Manager for Cintra Chile, structuring and negotiating financing for infrastructure projects and managing concession investments
Appointed Project Finance Manager for Cintra in Madrid, Spain in 2005, to structure and negotiate financing for international infrastructure projects
Appointed Project Finance Manager for Cintra US in NYC and Chicago in 2007, working on CDAs with TxDOT for LBJ Express and NTE Managed Lanes, financial commitments for \$2.3 B bid of Port Mann/Highway 1 in Canada, and \$1.15 B syndicated loan for SH-130 with TxDOT

Cristina Alvarez
(General Counsel, Cintra US)

Law degree from Universidad de Deusto, Bilbao, Spain
Master degree in European Law from the University of Louvain (UCL), Belgium
In 1995, Associate for Cuatrecasas law firm handling corporate and commercial transactions, transferring to Herbert Smith in 2003
In 2006, joined Cintra as head of the North American legal department, involved in all aspects of major North American projects including all P3s
