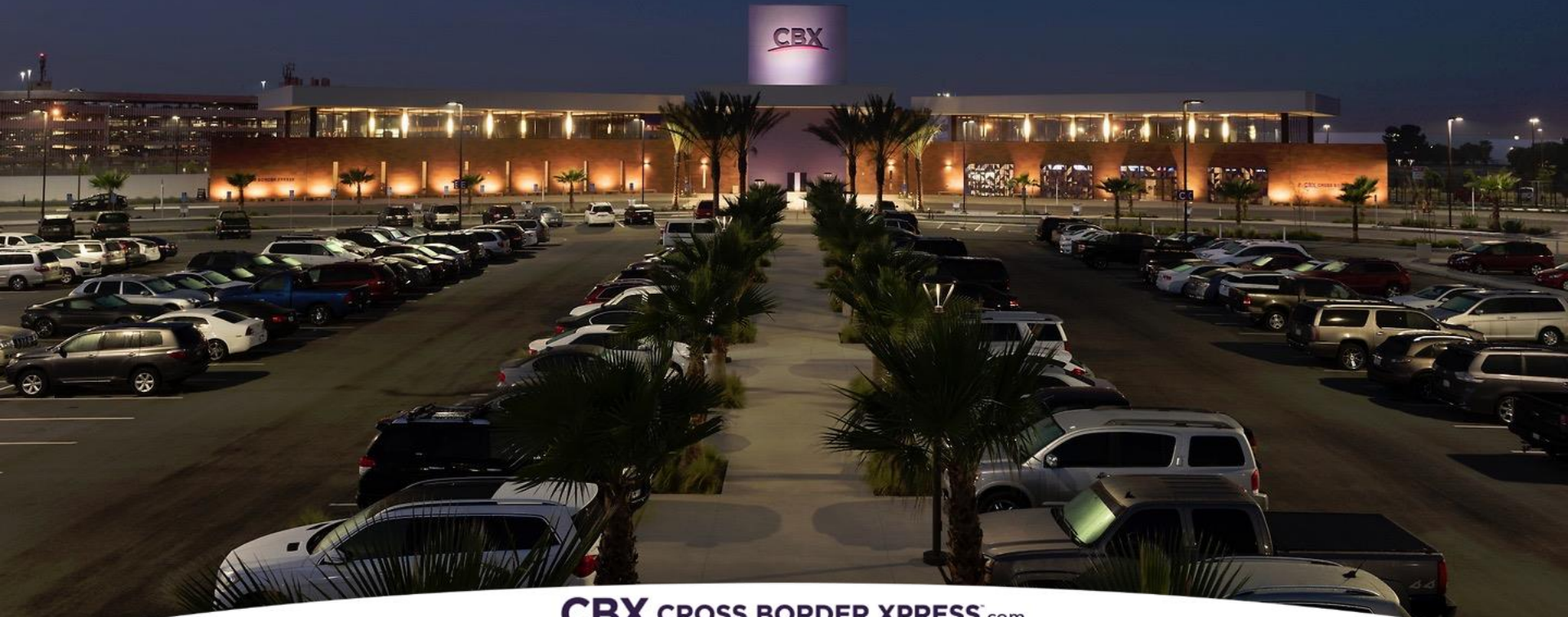


Cross Border Xpress

South County Economic Development
Corporation

February 7, 2017

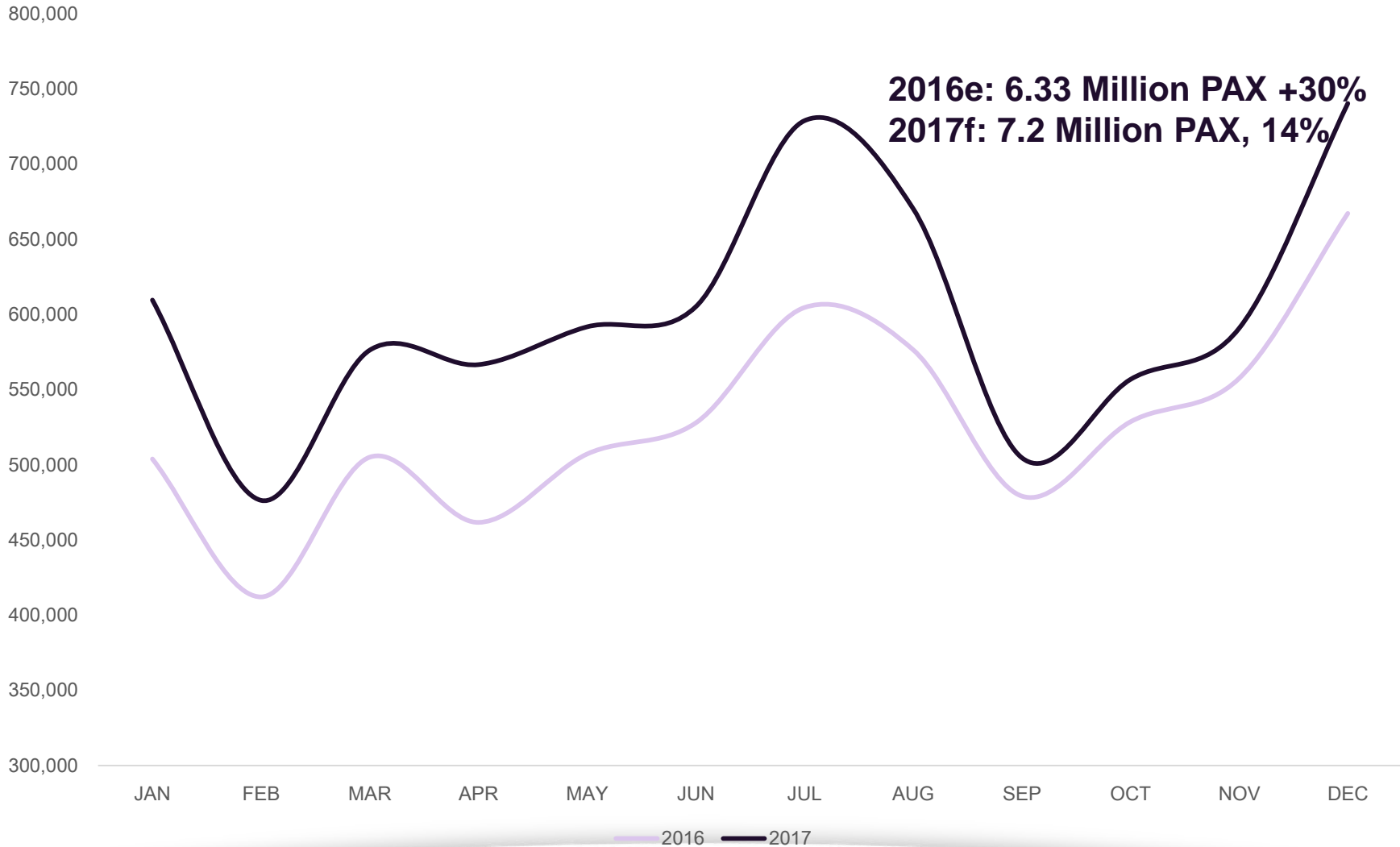


How does CBX measure performance?

- Percentage of total TIJ passengers using the CBX bridge (penetration rate)
- Total Passengers
- Parking Occupancy
- Customer Service Delivery
- Average Crossing Times for Customers

Tijuana International Airport

30% growth



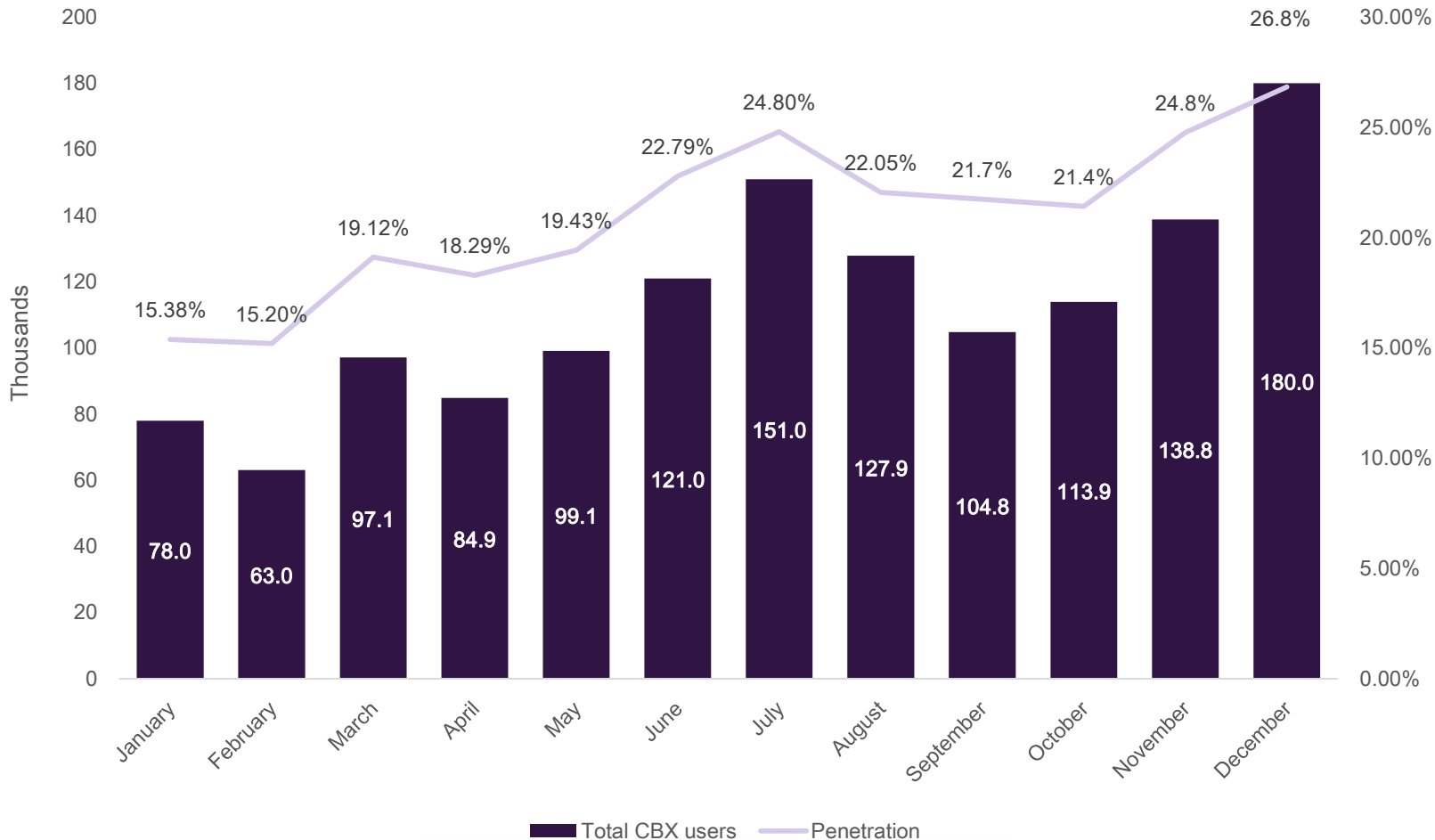
Penetration and CBX Users

1,359,456

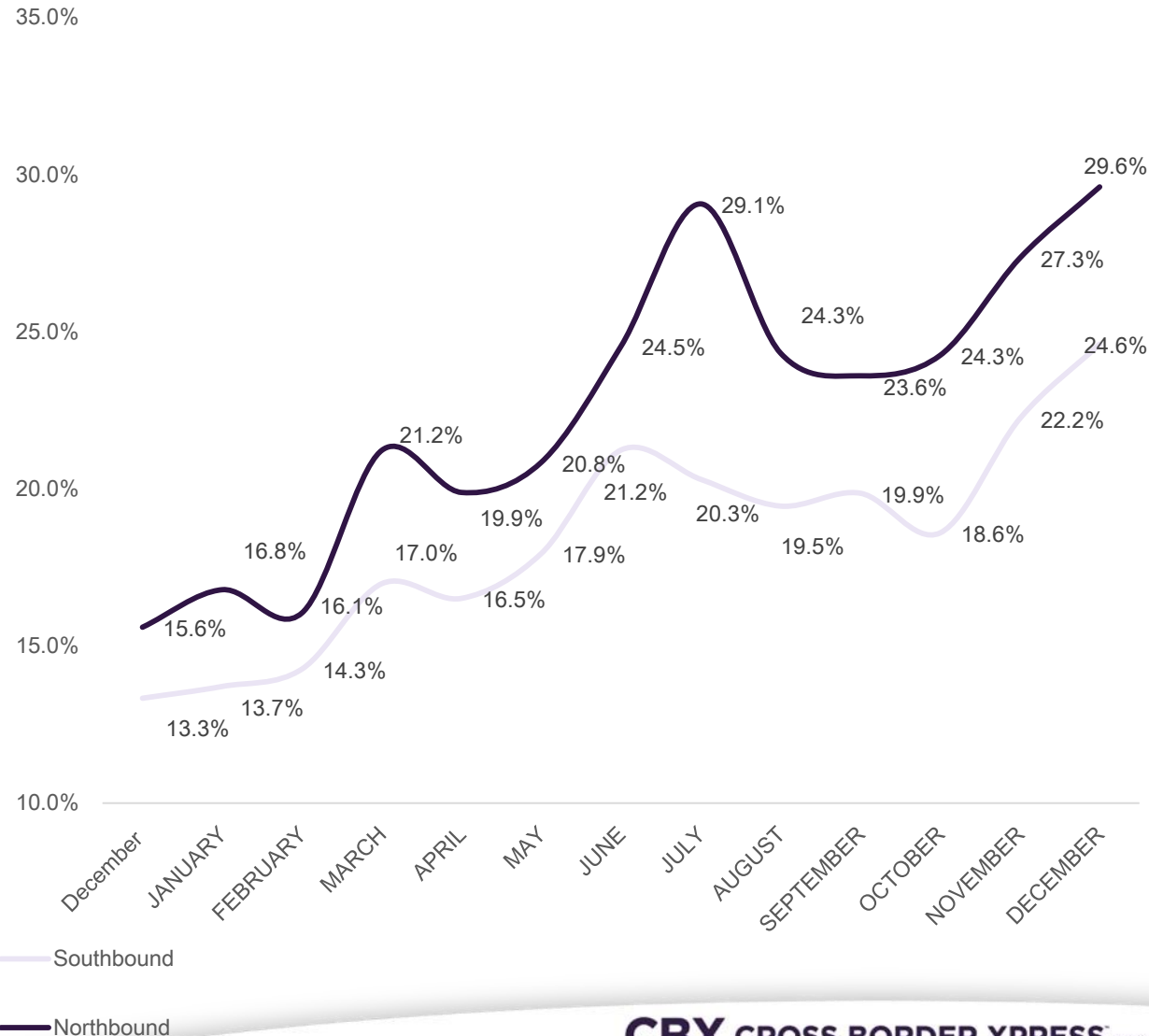
Year Ending December 31, 2017

21.35%

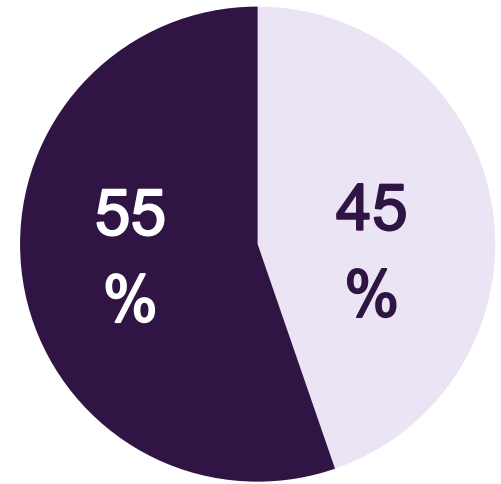
Average Penetration Rate



Penetration by Direction

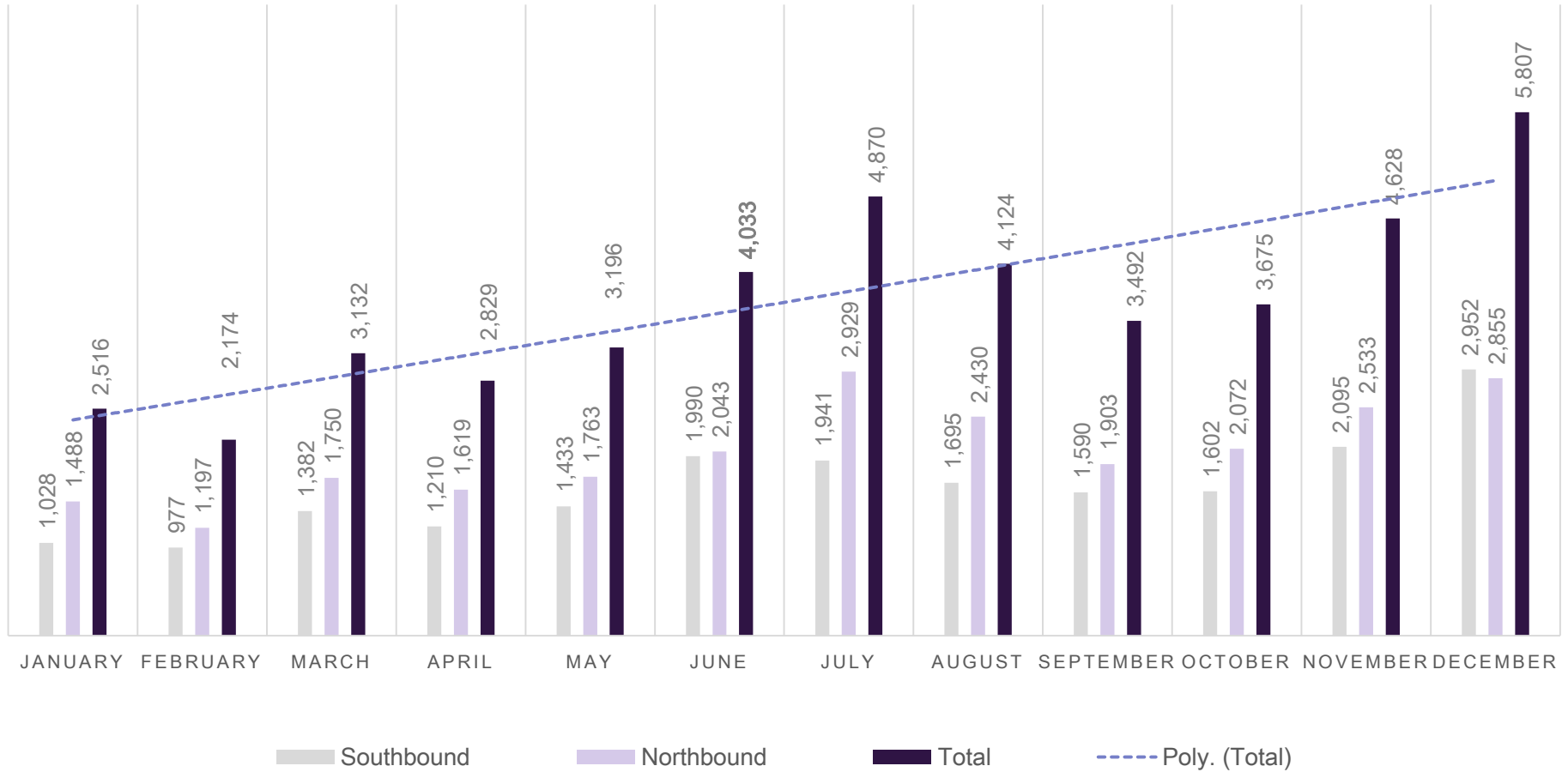


Users Distribution

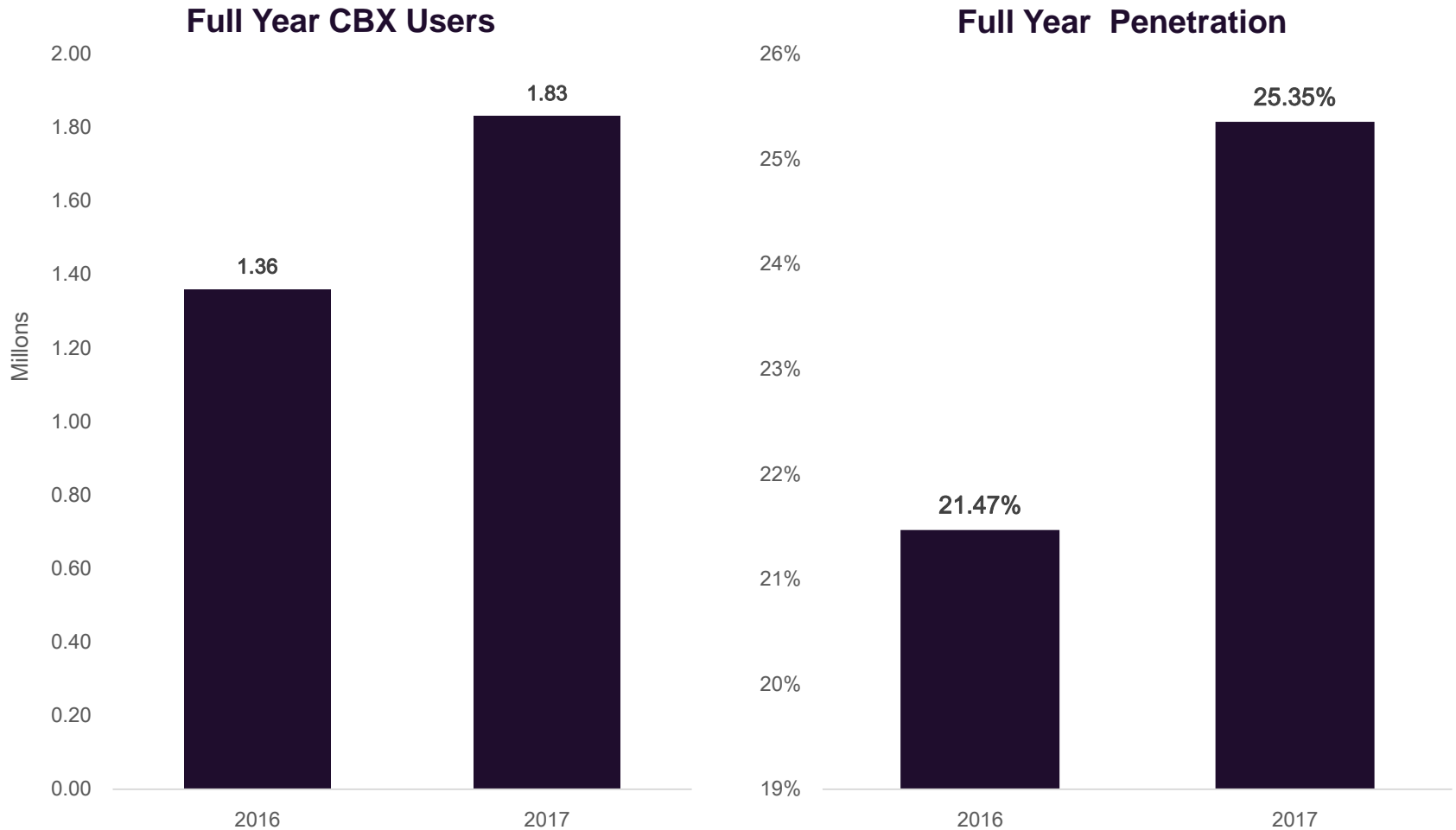


■ Southbound ■ Northbound

Daily Average CBX Users



CBX Forecast 1.83 million in 2017



Who's Using CBX?

- ✓ 30% growth in Tijuana International Airport 2016 over 2015
- ✓ 45% of the TIJ traffic originate in Southern California
 - 17% from LA area
 - 4% from Orange County
 - 2% from San Diego
- ✓ 74% of all TIJ passengers are crossing the border = potential market of 3.8 million
- ✓ Largest Source Markets from Mexico (in order!):
 - Guadalajara
 - México
 - León
 - Culiacán

Old and New Markets

- ✓ Traditional ethnic market
 - Residents in US visiting family in Mexico
 - Family in Mexico visiting family in US
- ✓ Tourists from Mexico visiting Southern California
 - More than 700,000 in 2016
 - Visiting attractions and shopping
- ✓ Residents from Southern California traveling to Mexico more often
 - Surfers
 - Spring Breakers
 - Resort homeowners
 - Tourists
 - Retirees
 - Adventure Tourism
- ✓ Business Travellers Northbound and Southbound

Airlines Serving TIJ

✓*AeroMexico



✓*AeroMexico Connect **AEROMEXICO**



✓*Volaris

volaris

✓**Interjet



✓Viva Aerobus



✓Calafia Airlines



✓TAR



**Check-in is available on site for Aeromexico and Volaris.*

***Interjet check-in is available through kiosk*

24/7 Operation

Car Rentals



Money Exchange and ATM



CBX Shuttle

Downtown/SAN airport \$10 every 2 hours

San Ysidro \$5 every 30 minutes

LA \$20 5/day

Wheelchair Services

Porters

Free Baggage carts

Customer Service

Safe and Secure Parking On Site

Current: 700 stalls (not enough!)

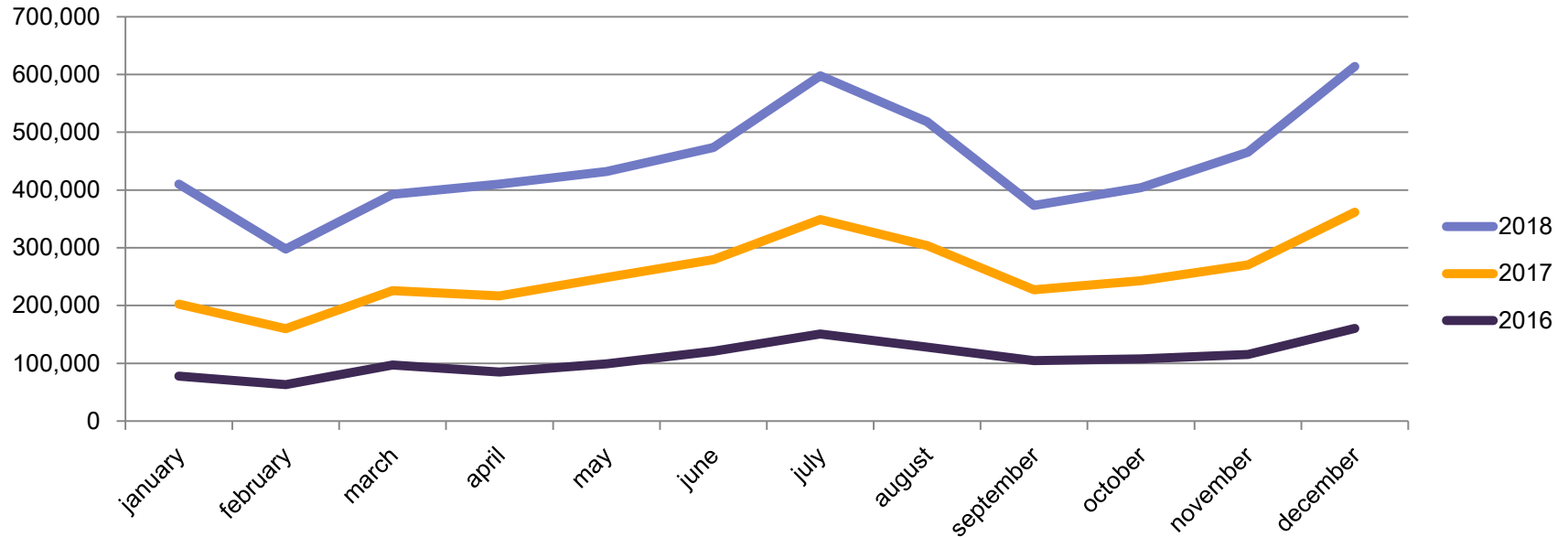
New: 520 stalls

Seeking city permits for temporary lots to additional stalls.

\$17/day



What does the future hold?



- ✓ Expansion of TIJ Airport by 25% and new process for CBX passengers by August 2017
- ✓ Stimulation of new air services from Asia and South America - catchment area now includes southern California so will supplement air service in the region
- ✓ 20 year strategic plan to determine future development – terminal expansion, hotel, car rental/bus transfer location, gas station – more parking!!

Conclusions

- ✓ CBX is transforming the travel experience for TIJ passengers who currently cross the border each year
- ✓ CBX is stimulating the economy on both sides of the border by facilitating travel by new markets to new destinations for business and leisure
- ✓ CBX is a symbol of successful, bi-national investment and cooperation.
- ✓ CBX introduced TIJ as regional airport option for US air travelers who haven't before considered the airport

Thank you!

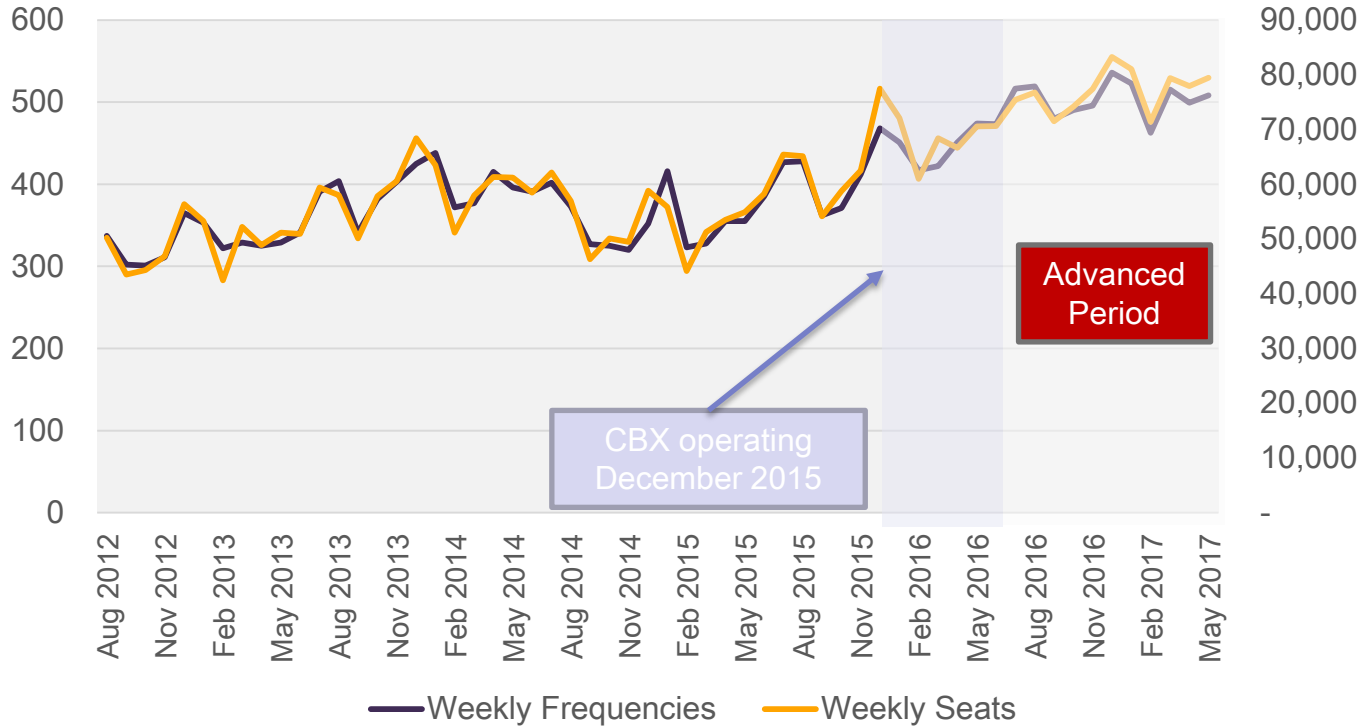


Introduction

Concurrent with the opening of the CBX, Mexican carriers have increased their frequencies to Tijuana by 34% (May)

Tijuana Weekly Number of Frequencies by Month
Jan 2012 - May 2016

Weekly Frequencies

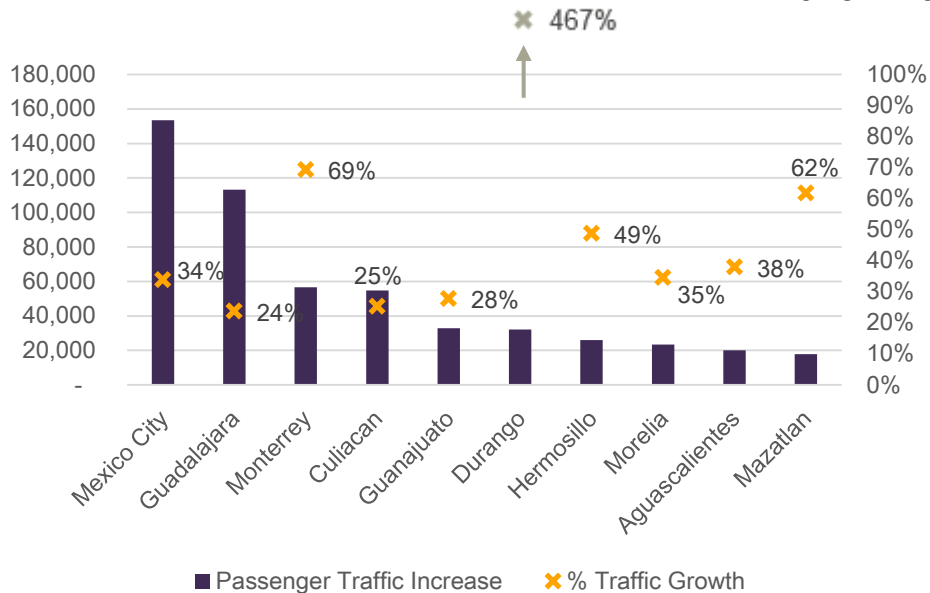


Traffic in Tijuana is highly linked to the capacity and Mexican carriers have increased their capacity year over year

Number of Weekly Frequencies by Carrier							
	Volaris	Interjet	Aeromexico	Vivaaerobus	Aero Calafia	TAR	Total
May 2015	231	52	72	-	-	-	355
May 2016	289	50	97	28	10	2	476

All of TIJ's top markets experienced significant traffic growth, most notably Durango

6 Month (Dec-May) Year-On Traffic Growth Rate for Top TIJ Markets
2015 – 2016



Destination	Passenger Traffic Increase	% Traffic Growth	% Capacity Growth
Mexico City	153,500	34%	34%
Guadalajara	113,241	24%	27%
Monterrey	56,546	69%	135%
Culiacan	54,675	25%	21%
Leon-Guanajuato	32,824	28%	20%
Durango	32,207	467%	427%
Hermosillo	25,979	49%	42%
Morelia	23,383	35%	28%
Aguascalientes	20,130	38%	34%
Mazatlan	17,910	62%	62%

- The increase in year on passenger traffic growth has been met with similar increase in capacities from airlines operating in TIJ (except for Monterrey)
- Top markets where year-on traffic growth out-paced capacity growth were Culiacan, Guanajuato, Durango, Hermosillo, and Morelia – market stimulation came from more than just increased air service

Flights from TIJ to interior Mexico are traditionally cheaper than LAX during peak seasons

TIJ vs LAX/SAN lowest available round trip fare
Peak Season (Snapshot¹ August 2016)

Destination	LAX Total Fare	Nonstop Weekly Frequencies from LAX	SAN Total Fare	Nonstop Weekly Frequencies from SAN	TIJ Total Fare	Nonstop Weekly Frequencies from TIJ	Fare Difference: TIJ vs. LAX	Fare Difference: TIJ vs. SAN
Guadalajara	\$ 346.00	78	-	-	\$ 106.00	115	\$ (240.00)	-
Mexico City	\$ 412.00	74	\$ 232.00	4	\$ 120.00	119	\$ (292.00)	\$ (112.00)
Leon-Guanajuato	\$ 497.00	25	-	-	\$ 193.00	28	\$ (304.00)	-
Cancún	\$ 387.00	48	-	-	\$ 165.00	2	\$ (222.00)	-
San José del Cabo	\$ 292.00	37	\$ 280.00	17	\$ 227.00	11	\$ (65.00)	\$ (53.00)
Puerto Vallarta	\$ 289.00	19	\$ 439.00	3	\$ 193.00	7	\$ (96.00)	\$ (246.00)
Morelia	\$ 290.00	6	-	-	\$ 214.00	13	\$ (76.00)	-
Zacatecas	\$ 305.00	4	-	-	\$ 330.00	8	\$ 25.00	-
Aguascalientes	\$ 300.00	4	-	-	\$ 212.00	12	\$ (88.00)	-
Durango	\$ 239.00	2	-	-	\$ 165.00	9	\$ (74.00)	-
Uruapan	\$ 305.00	1	-	-	\$ 242.00	9	\$ (63.00)	-
Weighted Average Fare	\$ 368.17		\$ 291.88		\$ 143.19		\$ (224.98)	\$ (148.69)

1/Note: Fares were obtained from cheapest round trip ticket option on booking websites. Traveling dates were restricted to the month of August

Source: OAG, Kayak, Airline Website

During the low season, TIJ remains cheaper than LAX and SAN

TIJ vs LAX/SAN lowest available round trip fare
Mid-Season (Snapshot¹ October 2016)

Destination	LAX Total Fare	Nonstop Weekly Frequencies from LAX	SAN Total Fare	Nonstop Weekly Frequencies from SAN	TIJ Total Fare	Nonstop Weekly Frequencies from TIJ	Fare Difference: TIJ vs. LAX	Fare Difference: TIJ vs. SAN
Guadalajara	\$ 232.00	61	-	-	\$ 117.00	102	\$ (115.00)	-
Mexico City	\$ 412.00	70	-	-	\$ 93.00	114	\$ (319.00)	-
Leon-Guanajuato	\$ 497.00	23	-	-	\$ 180.00	24	\$ (317.00)	-
Cancún	\$ 258.00	4	-	-	\$ 184.00	14	\$ (74.00)	-
San José del Cabo	\$ 251.00	3	-	-	\$ 258.00	5	\$ 7.00	-
Puerto Vallarta	\$ 259.00	3	-	-	\$ 152.00	12	\$ (107.00)	-
Morelia	\$ 247.00	2	-	-	\$ 153.00	7	\$ (94.00)	-
Zacatecas	\$ 320.00	1	-	-	\$ 187.00	8	\$ (133.00)	-
Aguascalientes	\$ 289.00	16	\$ 397.00	3	\$ 99.00	6	\$ (190.00)	\$ (298.00)
Durango	\$ 292.00	33	\$ 220.00	17	\$ 209.00	5	\$ (83.00)	\$ (11.00)
Uruapan	\$ 283.00	21	-	-	-	-	-	-
Weighted Average Fare	\$ 329.12		\$ 246.55		\$ 123.74		\$ (205.38)	\$ (122.81)

1/Note: Fares were obtained from cheapest round trip ticket option on booking websites. Traveling dates were restricted to the month of October

Source: OAG, Kayak, Airline Website