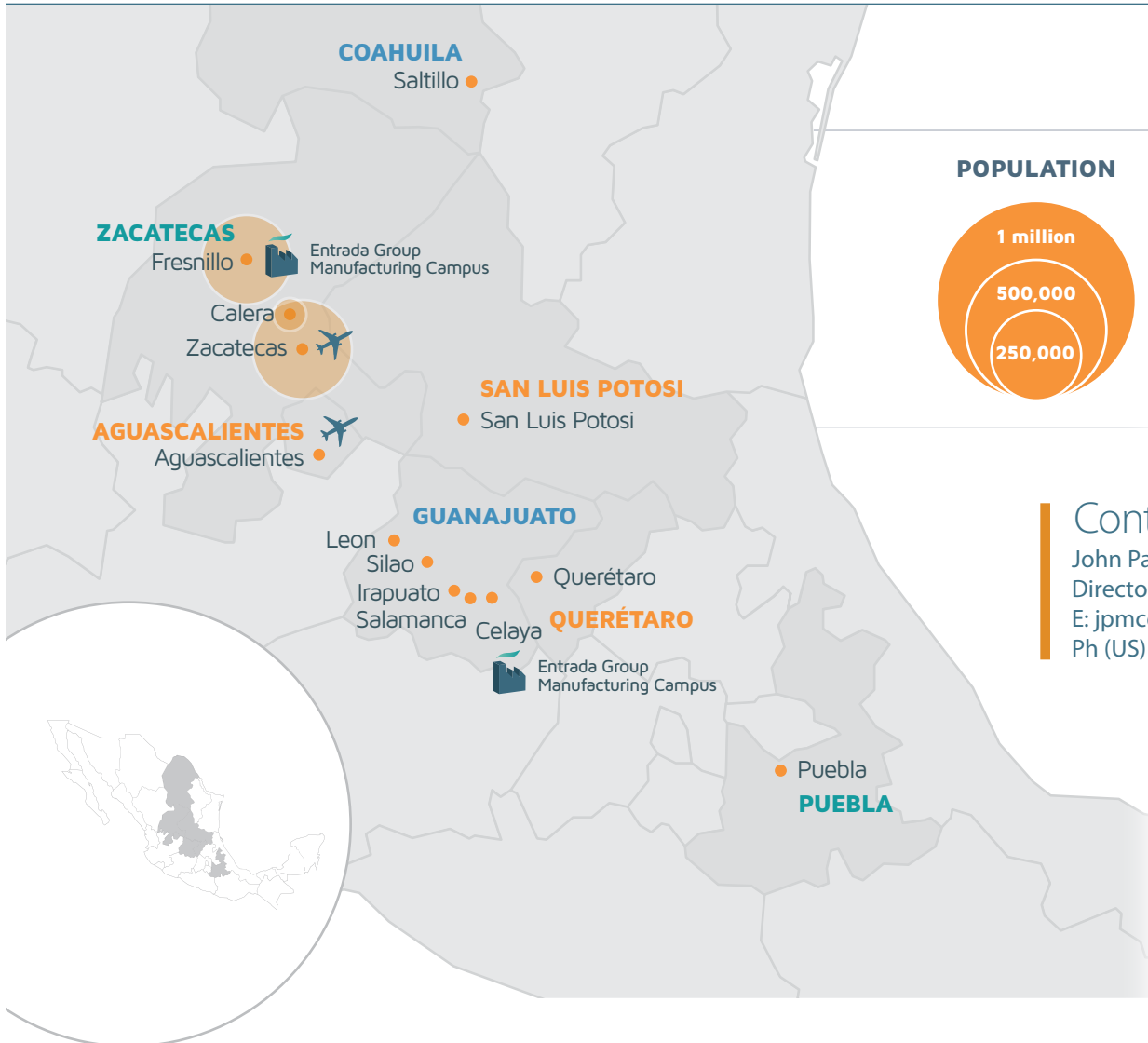


FRESNILLO – GATEWAY TO THE NORTH AMERICAN MARKET



Strengths

- ▶ Abundant, highly trainable direct labor
- ▶ High retention rate of skilled labor
- ▶ Community is large enough to support growth but too small to attract OEMs, resulting in less upward pressure on wages
- ▶ One of few locations in Mexico without busing or cafeteria costs
- ▶ Well situated for shipping to U.S. as well as to domestic Mexico market
- ▶ Affordable “Colonial” Mexican lifestyle

Challenges

- ▶ Limited amenities for expatriates
- ▶ Emerging manufacturing market, requiring more focus on training (from government and companies)
- ▶ Focus of local government is on mining and agriculture
- ▶ Greater distance to potential Mexican clients and service suppliers