

Guatemala, March 5 2009

Dear Shareholders,

The year 2008 was the first full year in which we had no commercial rail operations. As you know, this was the result of the government forcing us to suspend operations due to the “Lesividad” declaration in 2006. This has left us with a quest for justice and vindication of our investment, based on our claim against the government under CAFTA.

In the meantime, we continue to deal with the effects of the “Lesividad” declaration, which has encouraged theft of the assets given to us in usufruct. As a result, we have assigned a crew of 13 people whose main task is to oversee and report theft as it occurs to an indifferent government.

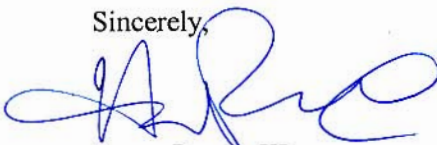
I can report that I personally saw theft not only of the rails but also of structural elements of our most important and irreplaceable bridges in January 2009: some of my photos from that day, which I describe as “A License to Steal”, are on our website, www.RRDC.com. The savagery which we are experiencing as a nation steals from itself is personally disheartening, but speaks eloquently of the government’s agenda.

With regard to our CAFTA claim, this is much better news. At every step of the way the tribunal at ICSID has affirmed that our case should go forward and thrown out every attempt by the government to force us back into their corrupt legal system. Our case is considered groundbreaking and continues to be monitored by the international legal and business press. We will be presenting our detailed case and evidence in May, and expect a decision by sometime in 2010.

Needless to say, when we embarked upon what we thought was the salvation of a national railway network by the private sector we had no idea what the local business community, through the government, had in store for us. But by the same token, we are confident that the business community never expected that our company would confront a corrupt system with such a combination of resolve and resources. We are now locked in a conflict which has implications for Guatemala well beyond “the railway”.

I could end this letter with a quote from Winston Churchill, but it is not our style to overstate. I will therefore conclude by confirming to you that your board of directors, management team and “skeleton crew” is working diligently to bring the Ferrovias Guatemala story to a resolution by next year. Because of the value that we were in the process of creating, and because we believe in justice, we do believe that our investment will be rewarded, albeit for completely different reasons than we thought when we embarked on this important project together.

Sincerely,



Henry Posner III
Chairman