

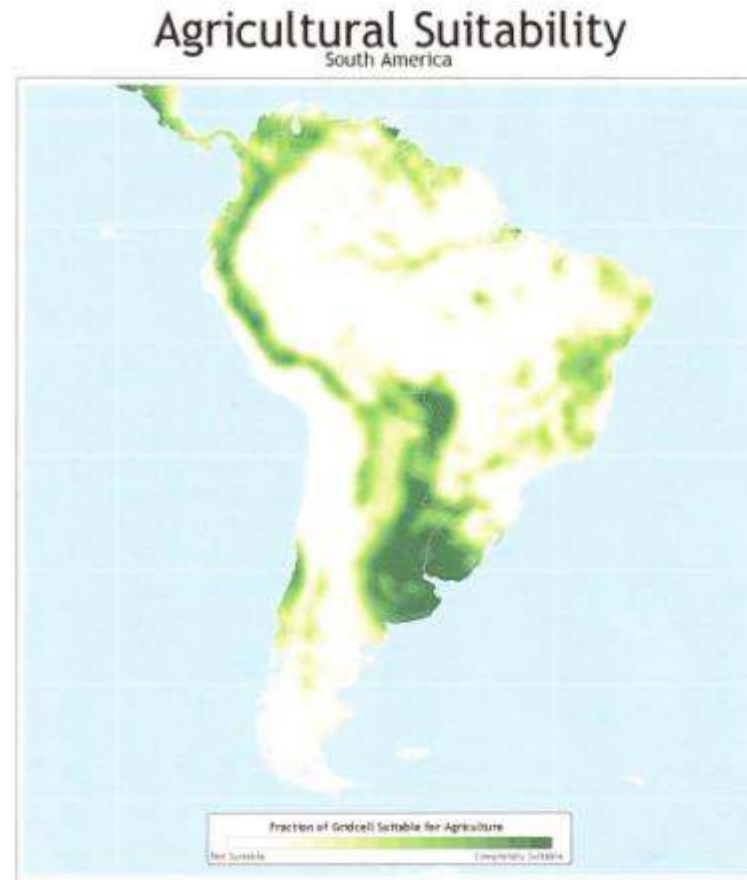
FARMLAND IN URUGUAY

Advantages of farmland

- Global demand for food, increasing trend
- Consistent long-term appreciation
- Annual cash return
- Non-volatile asset
- Store of value

Why farmland in Uruguay?

- Most suitable country
- Turnkey, easy
- Transparent market



Source: Atlas of the Biosphere
Center for Sustainability and the Global Environment
University of Wisconsin - Madison

Types of land in Uruguay

- Farms (soybeans, wheat, rice, dairy)
- Cattle ranches
- Forestry
- Vineyards / olives / blueberries
- Oceanside ranches / rural land for development





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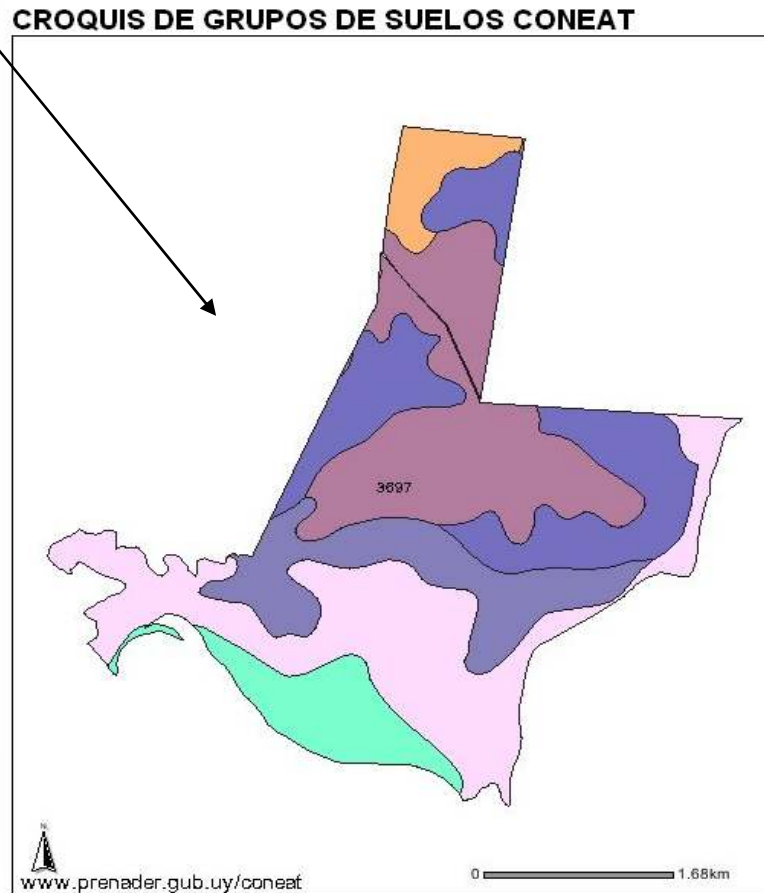
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Productivity by type of land

- All of Uruguay is mapped, with soil types classified according to their productivity
- Productivity is measured by an index, known as the “CONEAT index”
- For any property, plug in the lot numbers in the CONEAT website: www.prenader.gub.uy/coneat
- The system will show:
 - a detailed map of the property
 - types of soil in different colors
 - productivity index of each type of soil
 - average CONEAT index for the property

Example of online CONEAT system

Map of the property, with different soil types



Location of the property



Average CONEAT index for the property

Suelos		
10.8a	10.8b	03.10
03.3	03.2	09.4

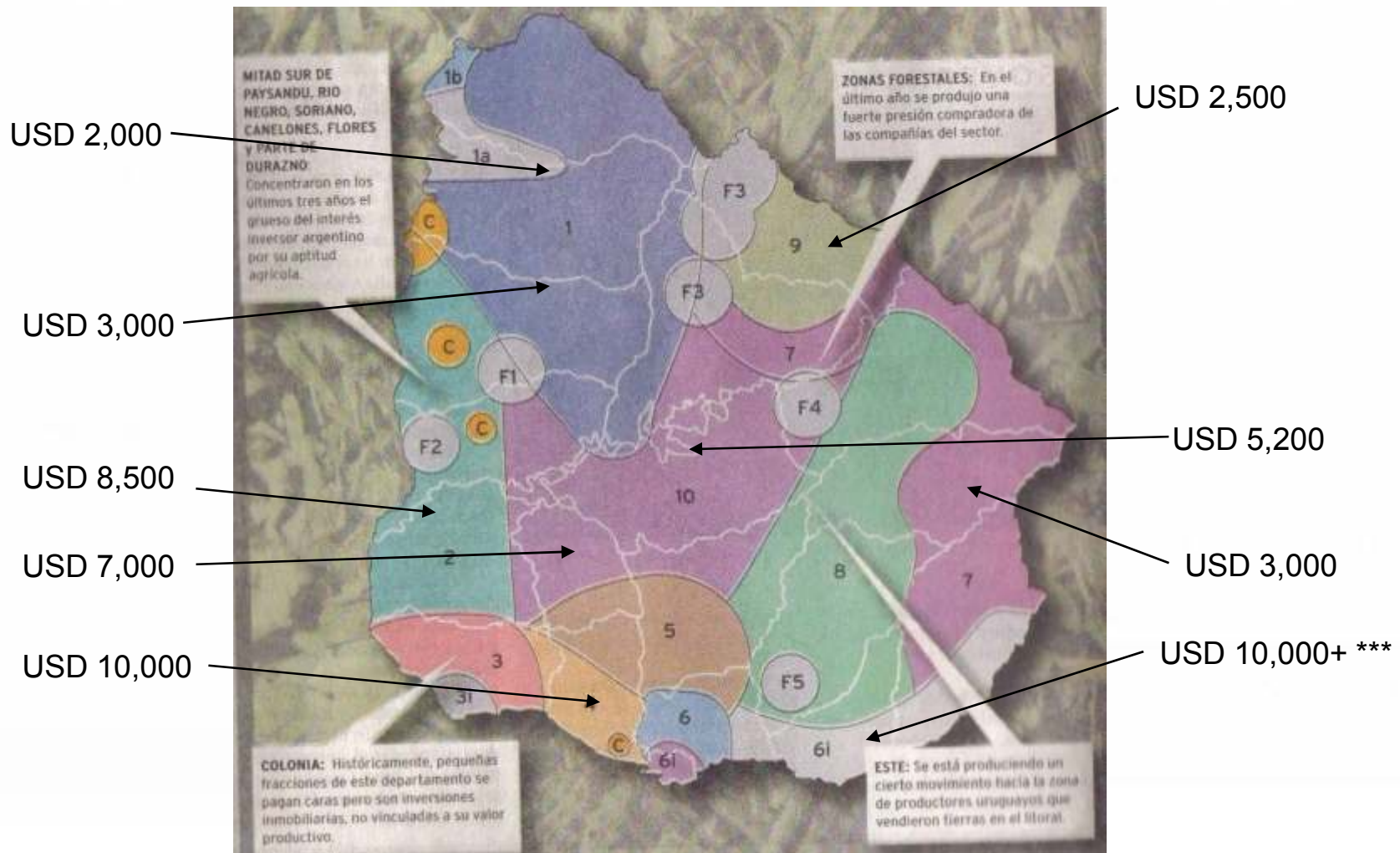
DEPARTAMENTO	NRO. PADRON	SECC. JUDICIAL	SUP. CATASTRAL (Has.)	IND. PROD.
San Jose	3697	2	1143.3621	113

Property number

Advantages of the CONEAT system

- It allows anyone to verify the productivity potential of a property in Uruguay
- It provides a tool to determine uses for a specific farm
- The CONEAT index of a property correlates with the price of the land. The market is transparent, and it is easy to compare properties and determine their fair value

The cost of land (per hectare)



CONEAT index and prices

CONEAT Index	USD per hectare
50	1,800
80	2,400
100	3,500
130	5,000
160	6,500
190	8,500

Profitability by use of land

Type of use given to the land	Profitability as a % of the price of land
Agricultural (soybeans, wheat, rice, others)	6-12%
Cattle breeding	6-12%
Forestry	13%
Buy land and lease it	3-4 %

The eastern seashore market

- Rural land that has higher value due to proximity to Punta del Este / Rocha / Colonia areas
- Not for agricultural use. Residential use or for development
- Value: USD 10,000+ upwards per hectare
- Opportunities to subdivide into lots

The eastern seashore market



Taxes in farming

Farming has favorable tax treatment in Uruguay:

- Income tax:
 - Flat 25% income tax rate (effective rate can be 10-20% according to deductions)
 - For small farms, rate is lower: farms with income below USD 205,000 per year have a capped tax amount of USD 5,125
- No asset tax, even if held by a corporate vehicle
- Low property taxes: avg. 0.2% or less
- No V.A.T. or sales tax on most supplies and machinery
- No V.A.T. or sales tax on sale of farm products (except 1% municipal sales tax on sale of livestock)

Fischer & Schickendantz

- Leading Full-Service Law Firm:
 - Clients: mostly foreign companies and individuals
- Staff:
 - Bilingual
 - Attorneys, Tax Advisors; Notaries Public
- Services (covering all of Uruguay):
 - Notary / Legal Assistance in the Purchase Process
 - Tax and Banking Advice
 - Company Formation
 - Title Insurance Advice
 - Immigration / Residency

Fischer & Schickendantz

- Main office: Rincón 487, Piso 4, Montevideo, Uruguay
- References:
 - First American Corp. (world's largest title insurance company)
 - World Bank (www.doingbusiness.org)
 - Global law firms: Mayer, Brown, Rowe & Maw; White & Case;
 - Member Transatlantic Law International (www.transatlanticlaw.com)
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Further Information

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www.uruguayinvest.com

Detailed presentations on:

- Legal Landmarks and Taxes
- The Property Purchase Process
- Residency and Immigration

Or write to:

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