





COMPANY BRIEF

Miremar Cargo Agency is a family company founded in 1999 after years of previous experience on the logistics industry.

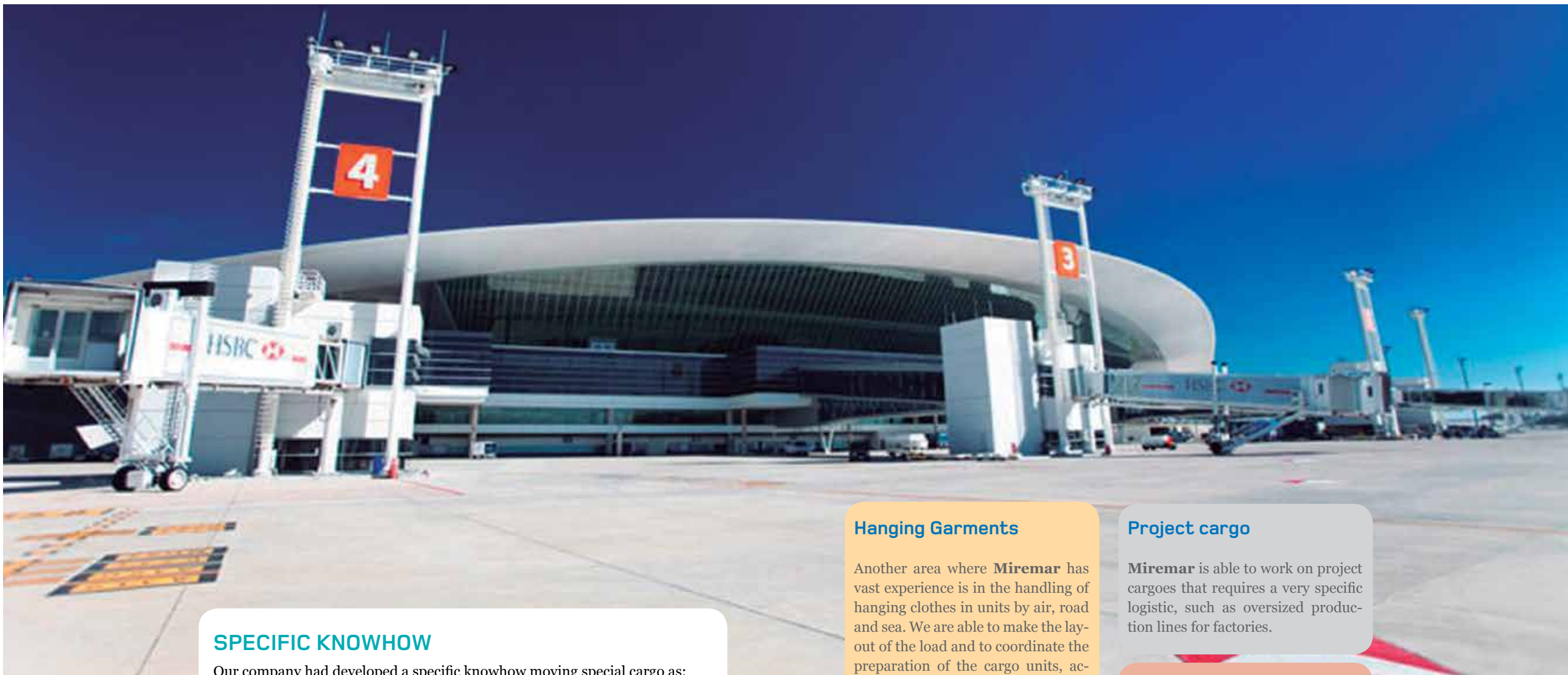
Located in Montevideo, Uruguay, our company offers a personalized and comprehensive service to our customers and foreign agents.

One of our main goals is the continued satisfaction of our clients, making their cargo reach its destination on time and with the most competitive freight rates, keeping a continuous flow of information.

Our company operates with all types of transportation (air, sea and road), warehousing, custom clearance and *all the logistics features that our country has developed for the region traffic of goods.**

**Brief summary on next pages.*





SPECIFIC KNOWHOW

Our company had developed a specific knowhow moving special cargo as:

Perishable cargo by air

The ongoing management of perishable products has given **Miremar** the right experience to apply the concepts necessary for the proper handling of these goods, ensuring arrival at their final destination in good condition.

Pharma products

Our company also works with pharmaceutical products such as medicine drugs, laboratories test samples and others. We have the knowhow of timing and the procedures with the customs to clear the goods according with their specific needs.

Hanging Garments

Another area where **Miremar** has vast experience is in the handling of hanging clothes in units by air, road and sea. We are able to make the layout of the load and to coordinate the preparation of the cargo units, according to the characteristics of the shipment.

Project cargo

Miremar is able to work on project cargoes that requires a very specific logistic, such as oversized production lines for factories.

General cargo

Our company also moves all kinds of goods that have no particular specifications in their handling. As a brief summary, **Miremar** moves a variety of products such as textiles, clothing boxes, veterinary items, leather goods, software, scientific instruments, spare parts for industry, machinery etc.

Dangerous goods

As an IATA agent our company complies with the requirements to handle all kind of dangerous goods according to the international regulations. Our staff frequently receives instructions for the handling of such goods, in order to keep up with the newest international regulations.





URUGUAY LOGISTICS

Uruguay Logistics HUB Summary

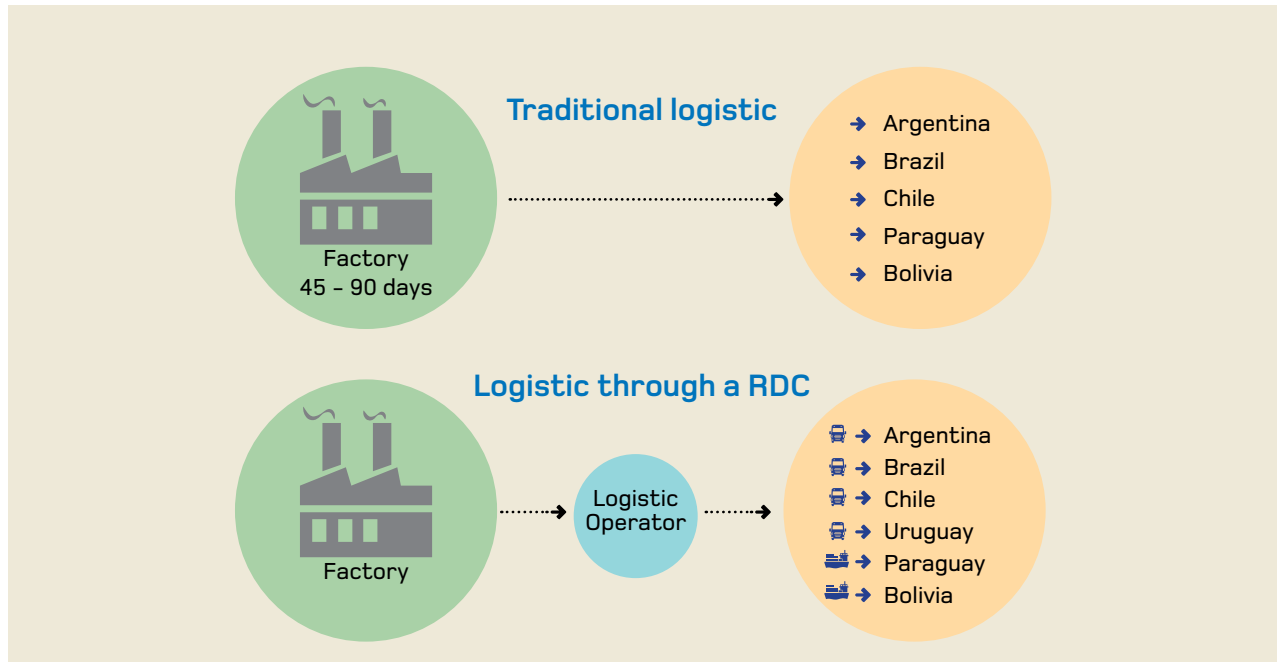
Destination for the setup of Regional Distribution Centers

Uruguay offers major advantages as a Regional Distribution Center, such as the prompt internationalization of companies in the region and the possibility to centralize highly flexible inventories in terms of volume and design. Also to serve as protection in times of uncertainty and turbulence in global economy. Moreover, Uruguay offers the possibility to set up these centers with competitive advantages in the region, by virtue of the provisions currently in force applicable to Free Zones,



Free Ports, Free Airports and Bonded Warehouses. These provisions allow storing and processing goods without payment customs duties, import and export taxes (and capital gains taxes in the case of Free Zones). Subsequently, goods are distributed to MERCOSUR, Chile, Bolivia and Mexico, making use of trade agreements in effect with Uruguay, achieving just in time deliveries, avoiding delays and reducing volumes of required stock in each destination country.

1. Traditional logistic vs. logistics through a RDC



2. Examples of International companies



Goods in transit

Goods in transit play an important role in Uruguay's foreign trade. 47% to 52% of container movements were related to Hub activities (exports from the south of Argentina and Paraguay and Argentinean, Paraguayan and Brazilian imports), while the remainder was related to export and import activities (foreign trade). Port Hub operating activities include transit operations - ship freights that leave the port and country by land, and transshipment - ship freights that leave without being nationalized or using land transport. Uruguay is an exit point for some regional goods.



Strategic location

Uruguay is strategically located as a gateway to Mercosur. Two of its main ports are located at the exit of Parana - Paraguay - Uruguay waterway. Our economy is outlined as a strategic distribution center for the region, both in terms of containers and passengers. This gives the possibility to reach 140 million people in less than 3 hours by air.

3. Movement of containers in the port of montevideo. In TEUS

Foreign trade/Hub	2008	2009	2010	2011	2012	J-J 2013
Foreing Trade	324,418	302,931	352,904	404,408	399,193	191,205
HUB	350,855	285,479	319,048	456,756	354,696	211,235
TOTAL	675,273	588,410	671,952	861,164	753,889	402,440

4. DUAS for Uruguay transit according to country of destination or product 2012

	Transit from Uruguay (U\$S million)	Transit as % of exports from UY to destination	Transit as % of total imports from destination
Paraguay	1,003	652%	8.6%
Argentina	873	174%	1.0%
Brazil	303	17%	0.1%
Chile	127	61%	0.2%
Subtotal	2,306	88.6%	0.6%
Other	1,035	16.9%	-
Aggregate	3,341	38,3%	-

5. Uruguay as a RDC for the region

UY transit registered with DUA and Argentinean, Brazilian, Chilean, Paraguayan imports (USD million)				
Cap. NCM	Description	UY transit	imports	% imports
9504	Videogames and accesories	231	744	31.1%
8443	Printers, photocopiers and accesories	142	2,493	5.7%
3303	Perfumes and colognes	139	460	30.1%
3002	Human and veterinary vaccines	124	3,864	3.2%
8471	Automated machines for data treatment or processing and thier units	88	4,907	1.8%
3004	Drugs for human use	87	5,479	1.6%
8517	Telephone, mobile phones and accesories	83	11,116	0.7%
8528	TVs	62	2,943	2.1%
8527	Radios	60	774	7.7%
8482	Bearings	57	1,098	5.2%
Other		1,232	358.826	0.3%
Aggregate		2,306	392,705	0.6%

Regulatory Framework

Incentives on the setup of Regional Distribution Centers (RDCs)

Uruguay is a highly attractive destination for the setup of Regional Distribution Centers (RDCs) given its regulatory framework. Below there is a brief description of the legal provisions that foster this type of activities in Uruguay.

1. Law on Free Zones

Free Zones can operate trade, industrial or service activities. Moreover, Free Zones can provide services to other countries and, in some cases, to Uruguay. The industrial activity may

not only involve added value but also change in the nature of goods. Foreign companies are allowed to set up branches. Up to 25% of their staff can be foreign. Sales from the national customs territory to the Free Zone are deemed exports from the country and sales from the Free Zone to the national customs territory are deemed imports and, therefore, they are subject to the applicable customs and national duties. Goods can be indefinitely kept in the free zones and their destination can be changed at any time.

Benefits granted to companies set up in Free Zones include the following areas: Corporate Income Tax (IRAE), Wealth



Tax (IP) and any other current or future domestic tax exemption. The State is the guarantor of this exemption. Dividends distributed among shareholders domiciled abroad are also tax-exempt in our country. Foreign staff may be exempt from making social security contributions in Uruguay. Sales and purchases of goods and services to and from abroad are VAT exempt. Sales and provision of services within ZF are also VAT exempt. Non-resident entities are also IRAE exempt regarding activities developed with foreign goods declared in transit or kept within Free Zone, when they are not bound for the national customs territory. They are also IRAE exempt when sales bound for the national territory do not exceed 5% of the total disposals of goods in transit or kept within Free Zone. Goods traded by Free Zones with the rest of the world are exempt from customs duties.

2. Free ports and airports

The Free Port law provides for the free movement of goods within the port customs facilities without requiring authorizations or formal processes, and for the free change of destination thereof during their stay at said facilities, free from taxes and duties applicable to imports. Within port facilities the free movement of goods is exempt from domestic taxes and services rendered are VAT exempt. Moreover, it provides for the possibility to perform several operations with goods, such as “warehousing, repacking, rebranding, classification, batching and unbatching, consolidation and deconsolidation, handling and



segmentation.” Foreign legal persons are Wealth Tax exempt for goods kept in warehouses and Corporate Income Tax exempt for income related to said goods. Carrasco International Airport, became “Free Airport.” Thus, benefits granted by law are translated into operating, customs and tax advantages to companies operating within the airport facilities. Thereafter, the main airport terminal of the country has airport customs facilities from where to provide several logistics value-added services to goods, giving rise to a Distribution Center for the region.

3. Bonded Warehouses

Bonded Warehouses are fenced-in, closed or open (esplanades), launches and pontoons (floating warehouses) and tanks where goods are stored with authorization from Customs. Foreign goods are considered in-transit by the national customs territory and can be unloaded and reshipped at any time, free from imports or exports duties and any domestic taxes. Bonded warehouses can be used for commerce, free-trade or industrial purposes. Special warehouses used for fractioning of bulk items are also allowed. The operation of Bonded Warehouses is similar to that of Free Ports, except that Bonded Warehouses can be used for industrial activities, i.e. operations destined to change the nature of goods, such as: Inclusion of local parts, features and products (such as industrialization of raw materials and semi-manufactured products). Adjustment, assembly and finishing of vehicles,



machinery and equipment. All other similar transformations. Goods are not allowed to remain under this system for more than one year, even when they are transferred to another warehouse of the same or other owner. Free Ports do not have this limitation.

4. Temporary admission

The Temporary admission scheme authorizes tax-exempt introduction of foreign goods into the market to be subsequently exported within a set timeframe. These goods can be reshipped both in the condition they were introduced or after having undergone specific transformation, manufacturing, repair or value-add-

ing processes. The term set by law for the stay of goods under this scheme is eighteen months. Also offers Stock-taking and Draw-back mechanisms. The Stock-taking mechanism consists of replacing goods imported under the general scheme with the import of similar goods, free from taxes and levies, when they have been used as input for the transformation of exported products in the country. The Draw-back mechanism gives the possibility to claim the refund of taxes and levies paid for the import under the general scheme of goods which, by definition, can be imported under temporary admission and which were used in the country for the manufacture of products bound for export.



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