

# INVESTMENT OPPORTUNITIES

MOBIL 20  
Hotel Quito



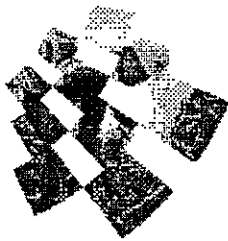
Ecuador  
love life



*Patna!*



Ministerio Coordinador  
de Producción, Empleo  
y Competitividad



# HOTEL QUITO

INVESTMENT in | Hotel Quito  
Property



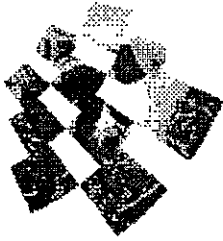
MOBIL 20

Investment	Private Financial Initiative
Type of Investment:	Direct Investment
Phases of Investment:	Building, Operation and Ownership (BOO)

**Selling Partner:**

Banco del Instituto  
Ecuatoriano de Seguridad Social  
(BIESS)

*Patna!*

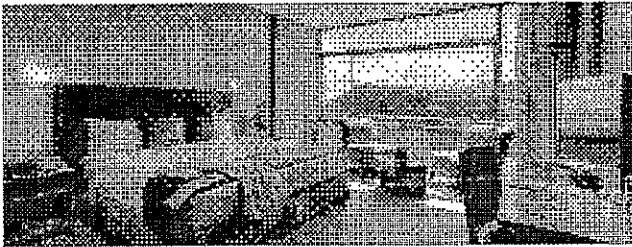


# HOTEL QUITO

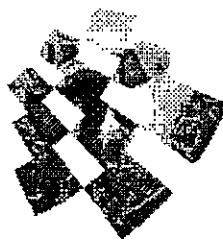
**Investment in:** Acquisition of the shares BIESS has on Quito Lindo S.A. (Company that owns and runs the hotel)

MORA 4+20

Upgrade in facilities and capital increase



*¡Patria!*



# HOTEL QUITO

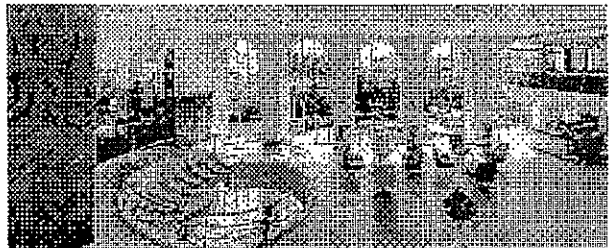
## Highlights



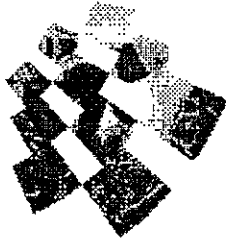
Located in one of the most exclusive neighborhoods of Quito, with one of the highest real-state value.

Breathtaking view of Guapulo, the valleys, and snowcapped mountains

4-star hotel with 215 rooms, 2 restaurants, one bar, 8 meeting rooms, spa & health club, souvenir shops, outdoor pool and business center



*¡Patria!*

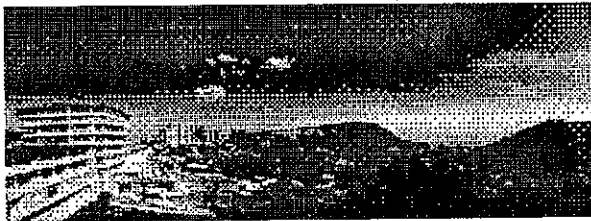


# HOTEL QUITO

ADDRESS | Av. González Suárez N27  
142,  
Quito - Ecuador

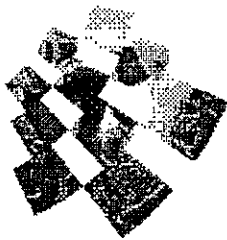
Land area 26,805 m<sup>2</sup>

Constructed area 18,821 m<sup>2</sup>



*Patria!*

Potential  
Luxury Hotel, with  
shopping plaza, and  
apartment/office  
tower



# HOTEL QUITO

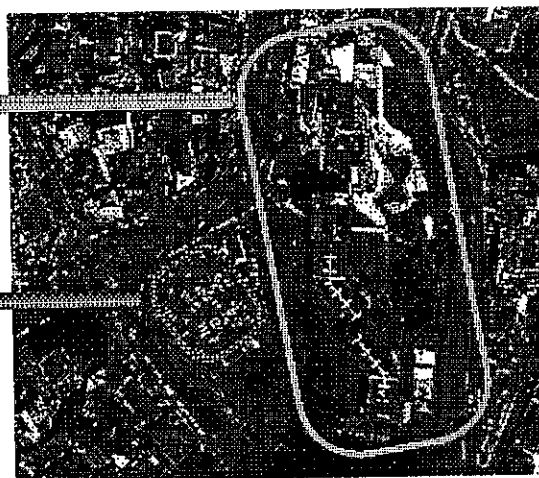
Construction  
consideration



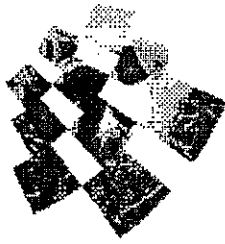
Hotel property is considered a cultural heritage site. External facade and pool cannot be modified, but internal renovations and room expansions are possible. The parking lot doesn't have the cultural site restrictions

Hotel Property, considered Cultural Heritage site, with an extension of 22,106 m<sup>2</sup>

Parking lot of the Hotel, with an extension of 4,700 m<sup>2</sup>

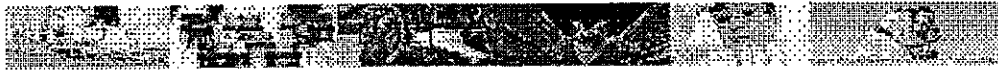


*Patria!*



# ECUADOR

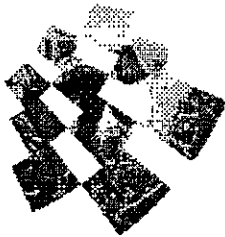
## The Business Gateway to South America



*¡Viva la Patria!*

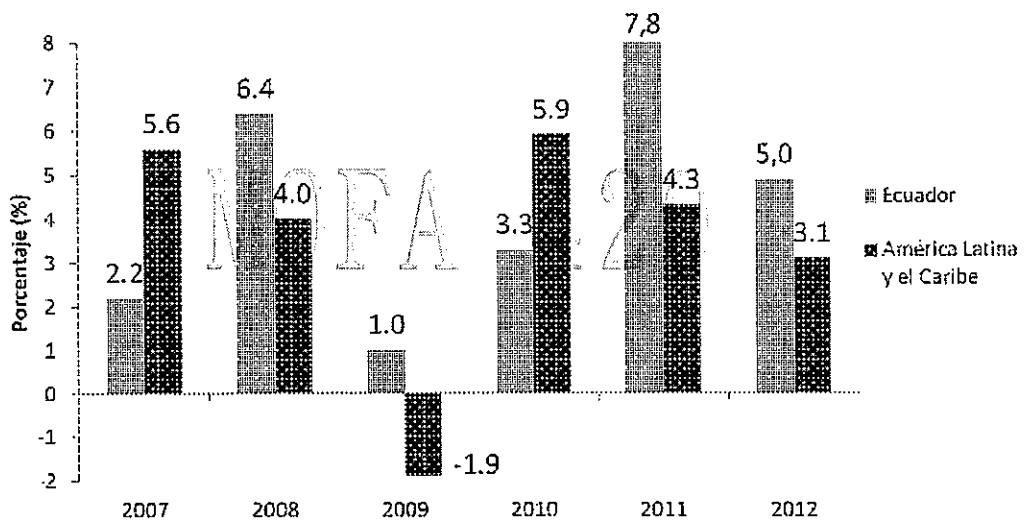


Ministerio Coordinador  
de Producción, Empleo  
y Competitividad

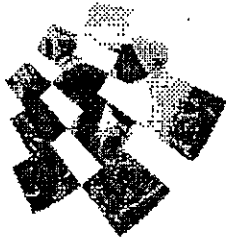


# PROFILE OF ECUADOR

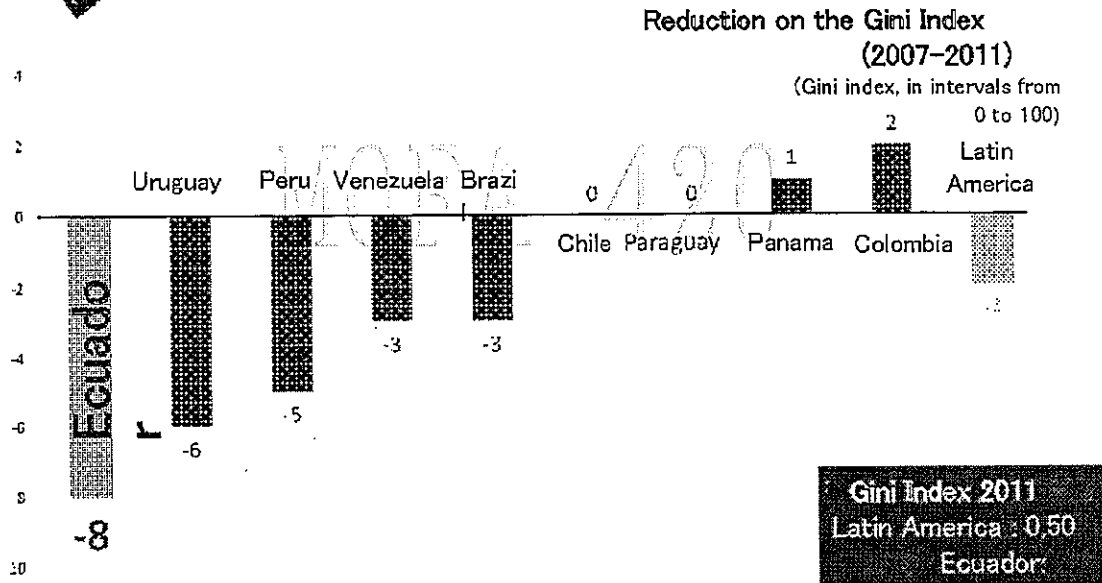
GDP growth rate chart 2007 – 2012  
(in percentage)



*¡Viva la Patria!*

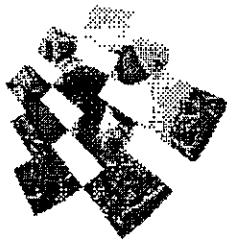


# PROFILE OF ECUADOR



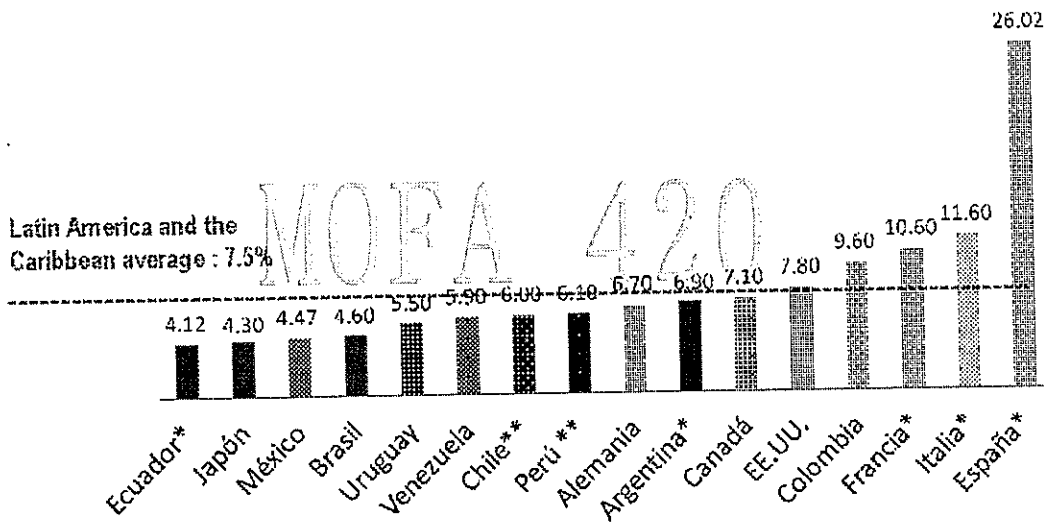
*Patria!*

Source: Economic Commission for Latin America and the Caribbean (ECLAC)



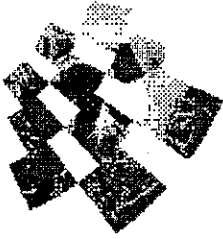
# PROFILE OF ECUADOR

## 2012: Unemployment rates by country



*Patria!*

Source: Central Banks from countries



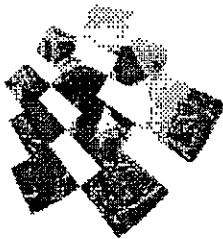
# PROFILE OF ECUADOR

**Fortune Global 500  
Companies**

that operate in Ecuador

General Motors	Bayer	Schlumberger
Sinopec	Sanofi Aventis	Holcim
Nestlé	Novartis	Mapfre Group
Petrobras	Pepsi Co	Kimberly-Clark
Telefónica de España (Movistar)	Coca Cola	SABMiller
Repsol YPF	Kraft Foods	GlaxoSmith Klein
Johnson & Johnson	FedEx	Veolia Environment
Unilever	America Movil	Merck
Microsoft	Abbott Laboratories	Lafarge
Pfizer	3M	

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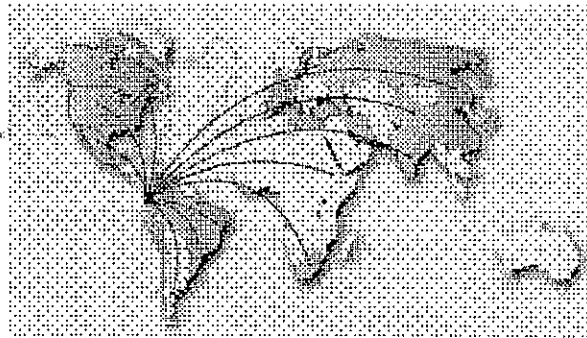
# PROFILE OF ECUADOR

**Flight time from  
Quito:**

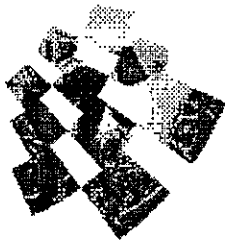
ñ USA	4.5 h
ñ Europe	11 h
ñ Panama	1.5 h
ñ Caracas	2 h
ñ San Jose	2 h
ñ Guayaquil	35 min
ñ Bogota	1 h
ñ Medellin	1.5 h
ñ Cali	1 h
ñ Lima	1.5 h

**Airports: 20**

· 4 international · 11 domestic  
· 5 local



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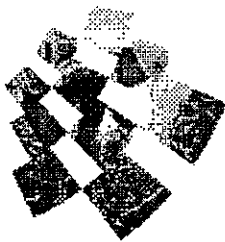


# MOFA 420

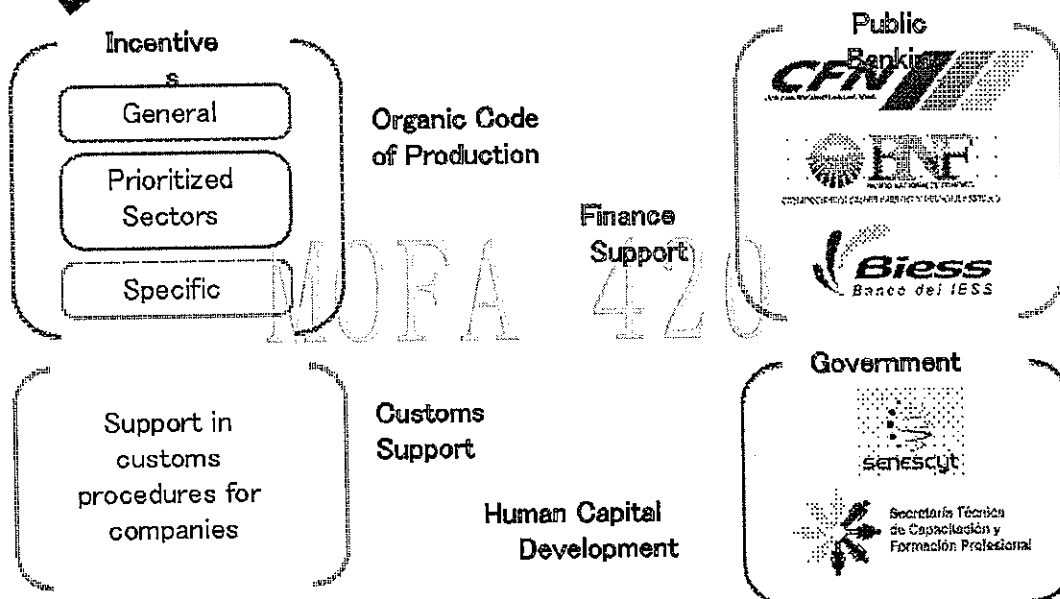
## INCENTIVES FOR INVESTMENTS



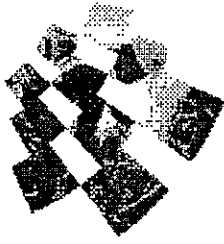
*Patria!*



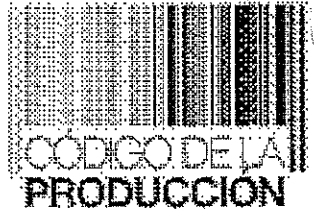
## INVESTMENTS PROMOTION



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## CODE OF PRODUCTION



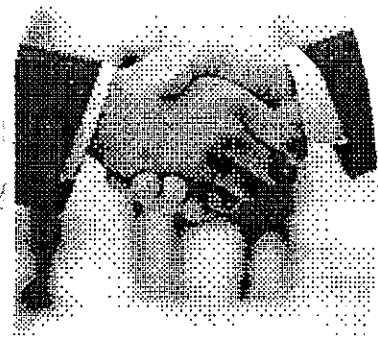
- ñ An organic law with specific regulations for each area.
- ñ Supports the production process in the stages of production, distribution, exchange, trade, consumption, externalities management and investment oriented to the productive realization of Good Living
- ñ Provides tax and non-tax incentives to investments in the Ecuadorian Territory

*Patria!*



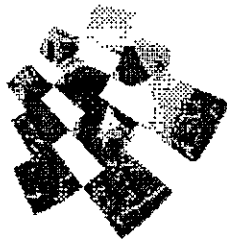
## LEGAL SECURITY

- ñ International Arbitration for FDI
- ñ No confiscation or nationalization allowed
- ñ Investment Contract for 15 years, renewable for 15 more
- ñ Freedom to invest without conditions or authorizations of any kind
- ñ **National Treatment:** no minimum requirements of % of domestic investment or joint ventures



*Patria!*



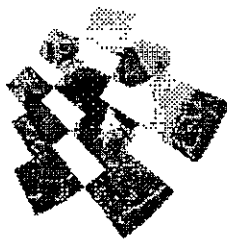


# MOFA 420

## GENERAL INCENTIVES FOR INVESTMENTS



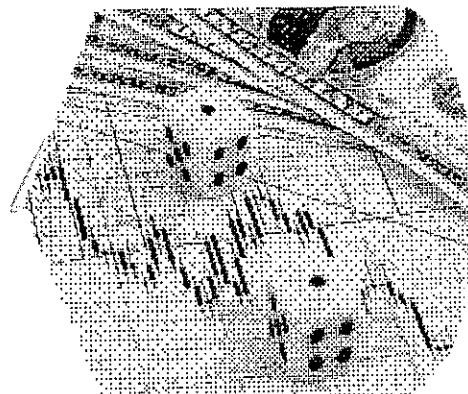
*Patna!*



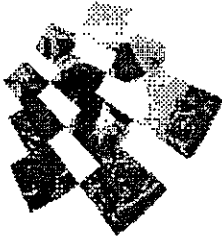
## GENERAL INCENTIVES

Who can apply?

- ñ Any company
- ñ Anywhere in the country
- ñ In any economic sector, prioritized or not



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# GENERAL INCENTIVES

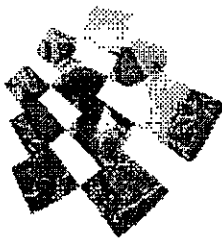
## What are they?

### Income Tax



- ñ Reduction of 10 points of the Income Tax for investing the profits in productive assets. Currently the Income Tax is 22%. After the incentive, IT will be 12%
- ñ Modification of the calculation base for the advanced payment of Income Tax, for employment generation and purchase of productive assets.
- ñ Additional deductions for payments of the dignified wage, for Income Tax
- ñ Payment deferment of the Income Tax up to 5 years, for opening the stock equity of the company to employees
- ñ Exemption of the advanced payment of Income Tax for 5 years for new investments by new companies (after December 29th of 2010)

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# GENERAL INCENTIVES

### Ease on Tax Payments

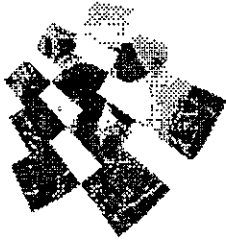
### Currency Outflow Tax (ISD)

Monthly payments up to 2 years, on generated taxes over US\$10,000, for imports on Capital Goods

Exemption of the ISD on the re-payment of interest and principal of foreign loans



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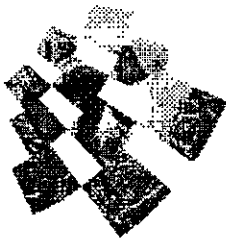


MOBA 420

## SPECIFIC INCENTIVES FOR INVESTMENTS

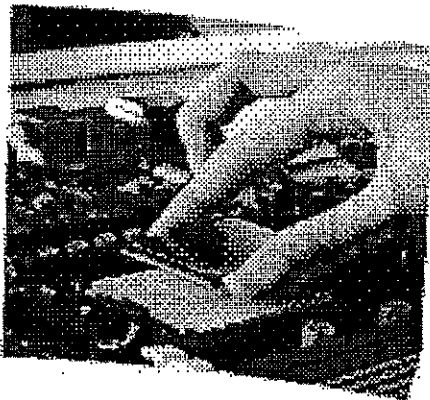


Padma!



## SPECIFIC INCENTIVES

### ENVIRONMENTAL

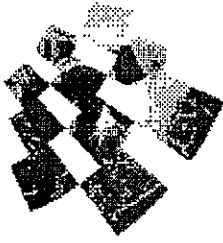


Have an additional deduction 100% (double) on expenses incurred for calculating the Income Tax:

MOBA 420

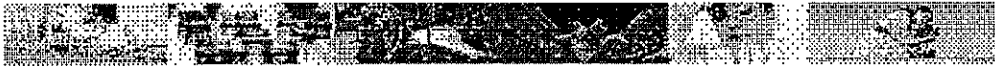
Depreciation for purchasing machinery and equipment for cleaner production and for the implementation of renewable energy systems (solar, aeolic, or similar), or for the mitigation of environmental impact. —Ministry of Environment Agreement 027

Padma!



# MORA 420

## INVESTMENT CONTRACT WITH THE GOVERNMENT

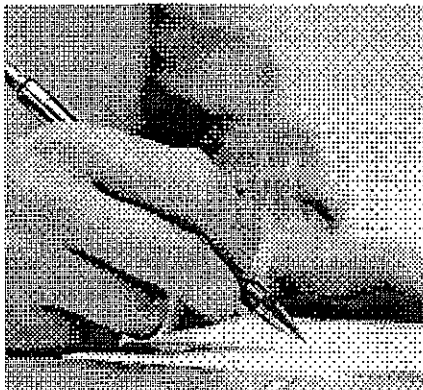


*¡Viva la Patria!*



## INVESTMENT CONTRACT

### Characteristics of the contract:



- ñ **Purpose** : Establish the treatment of investment under the code of production and other provisions that are crucial for the activity
- ñ **Optional**: Not an obligation to sign contract to access to the incentives
- Minimum investment:** US\$ 250,000 for the first year, and over US\$ 1 million for the totality of the project
- ñ International Arbitration for FDI
- ñ Can be requested at any time
- ñ It lasts for 15 years, and it's renewable for 15 years more

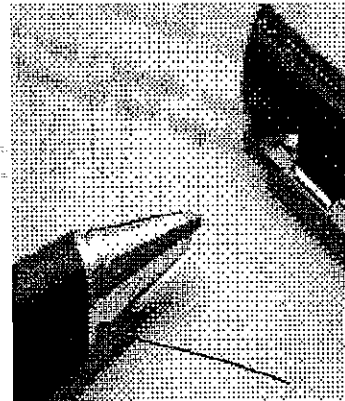
*¡Viva la Patria!*



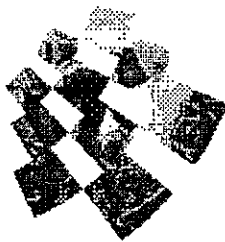
# INVESTMENT CONTRACT

## Contract signature process:

- ñ Signature request
- ñ Receive documentation
  - ñ Legal Information
  - ñ Economic Information
  - ñ Finance Information
- ñ 30 days evaluation
- ñ Technical Secretariat report to the CSP (Council of Production)
- ñ CSP authorizes the contract
- ñ Signature of the contract
- ñ Supervision stage



*¡Padria!*



# INVESTMENT CONTRACT

## Success stories in 2013

- |   |   |
|---|---|
| <p><b>1</b> SwissGas</p> <p>Production of natural gases for its commercialization to other industries<br/>Investment amount: US\$ 9 million</p> | <p><b>2</b> Ecuacorriente SA (ECSA)</p> <p>Mining company from China that has the concession of a copper mine in the south-east region of Ecuador<br/>Investment amount: US\$ 2,014 million</p> |
| <p><b>3</b> Tenaris</p> <p>Production of steel pipes for the petroleum industry<br/>Investment amount: US\$ 13 million</p>                      | <p><b>4</b> Templavid SA</p> <p>Production of tempered and float glass<br/>Investment amount: US\$ 3 million</p>  |
| <p><b>5</b> Mastercubox SA</p> <p>Production of alfalfa pellets<br/>Investment amount: US\$ 2.2 million</p>                                     |   |

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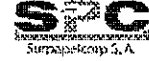
# INVESTMENT CONTRACT

Success stories in 2013

Holcim



Surpapel



6

Investment on a new plant to produce clinker

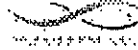
Investment amount: US\$ 300 million

7

Production of carton and paper supplies

Investment amount: US\$ 130 million

Promopesca



8

Extraction, production and commercialization of sea products

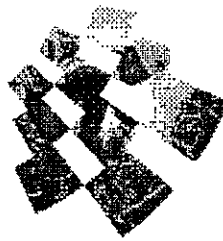
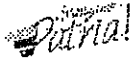
Investment amount: US\$ 8.6 million

Total investment amount:

US\$ 2.5 billion

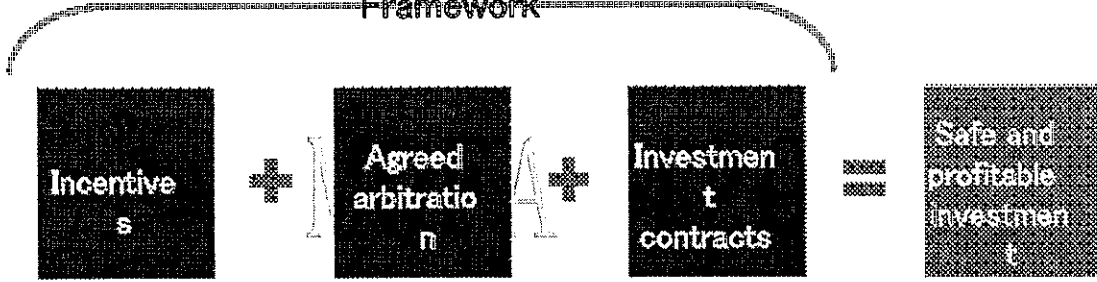
Total employment generated:

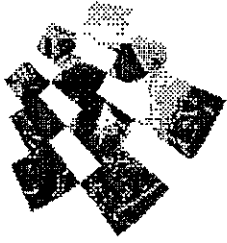
1,000 direct employees



# INVESTMENT PROTECTION

Ecuador's Legal Framework





## CONTACT INFORMATION

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*¡Viva!*

MOFA 420

