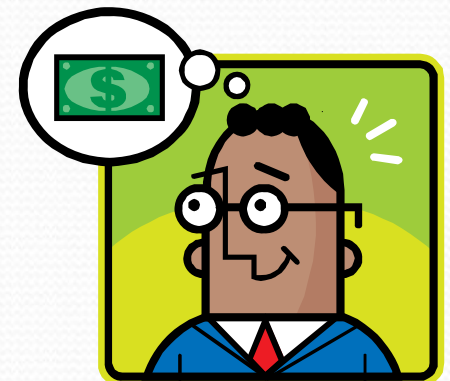


AgroFinance 101

Understanding Essentials Necessary to Complete a
Successful Financing of Agricultural Projects

First Steps in knowing if you have a Financeable Project:

- Do you have at least three years experience in managing or owning a project of similar size?
- Do you have a registered company with a three year history?
- Does this company have financial statements?
- Has this company been profitable?



One Important Question?

- Do you own the land your project is to utilize?



Why is this so important?

- Banks will normally lend 33-50% of the liquidation value of land?
- This money can provide the start up funds for a project while investment capital is arranged,

BUT MOST IMPORTANTLY...

**IT SHOWS INVESTORS WHO DON'T KNOW SANTIAGO,
DR FROM SANTIAGO, CHILE....**

***THAT SOMEONE WHO KNOWS THE LOCAL MARKET
HAS CONFIDENCE IN THE PROJECT***

What are Investors Looking For:

- Free Cash Flow

What is Free Cash Flow?

- Your financial commitment to the Project.

How much is enough?

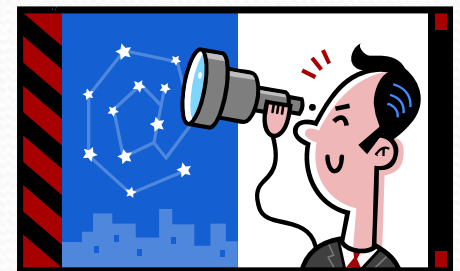
I have No Money

- Equity

What is Equity?

- Return

How Much is Enough?



Remember:

- Investors Look at Dozens of Deals Each Day:

WE HAVE TO MAKE YOUR DEAL SEEM SPECIAL!



The SNV System:

- Designed in 2002 to help investment banks attract funds to real estate projects after 9/11
- First Used in Mobile Home Communities in South Carolina (USA)
- It is a win-win system for the owner of the project, the investors, and the intermediaries.
- Risk is mitigated.
- It is only one of many systems which can be used in today's market
- It is highly flexible

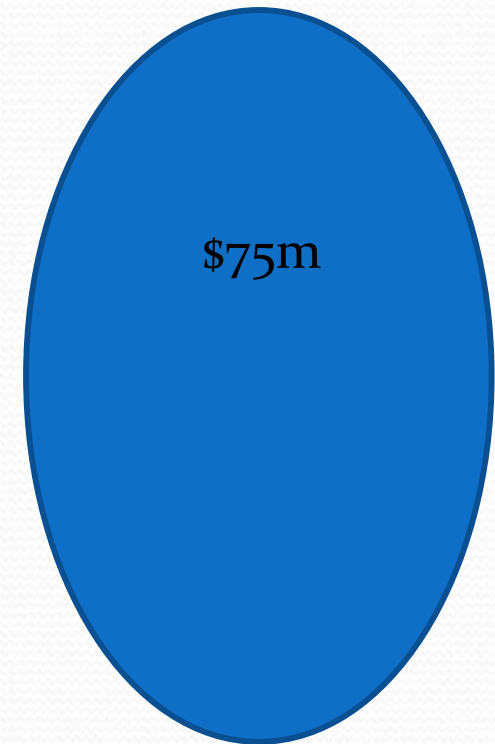


A Sample: How It works

Jim Jones owns Jones' Farms and wants to build a 10m m² greenhouse, costing \$1mm. He owns land valued conservatively at \$75m, and he has Available cash of \$50,000.

- 1) A local bank agrees to lend \$25m against the land (33%)

This \$25m, and the \$50m are added to the project.



Step 2

The Project now has funding to get started
But there is \$925,000 missing,
Where will it come from?

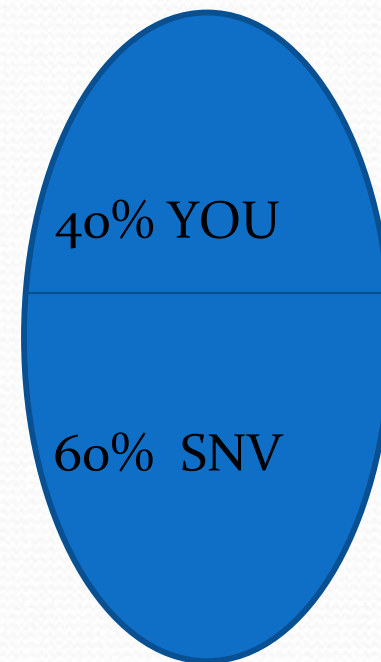


Step 3

SNV has a numbers of investors interested in well designed projects:

So you “GIVE” 60% of your whole Project to SNV.

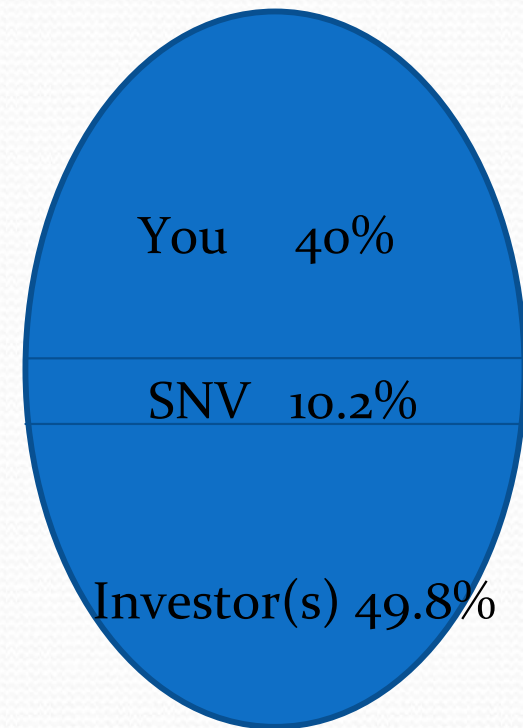
Sounds horrible, but WAIT!!



Step 4

SNV then sells 83% of its 60%
to Investors, to one or many,
Leaving:

No One Group with a Voting
Control, all really Partners



Step 5

Let's the investor wants a 15% return/year and is willing to invest the money for 10 years. This means the investor (assuming a fixed payout beginning in the third year) will expect \$759,374 dividend payments or an average of 8.2%/year.

Step 6

Suppose in Year 4 there is \$100,000 Available for dividends.

\$40m for
you

\$10.2m for SNV

These count
towards the payoff

\$49.8m for Investor(s)

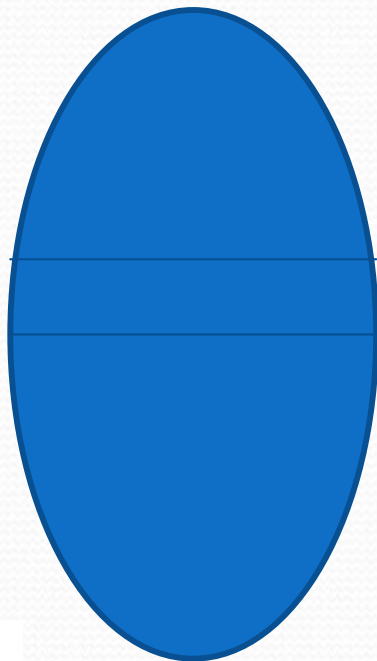


\$100m
Available for
Distribution

And Step 7

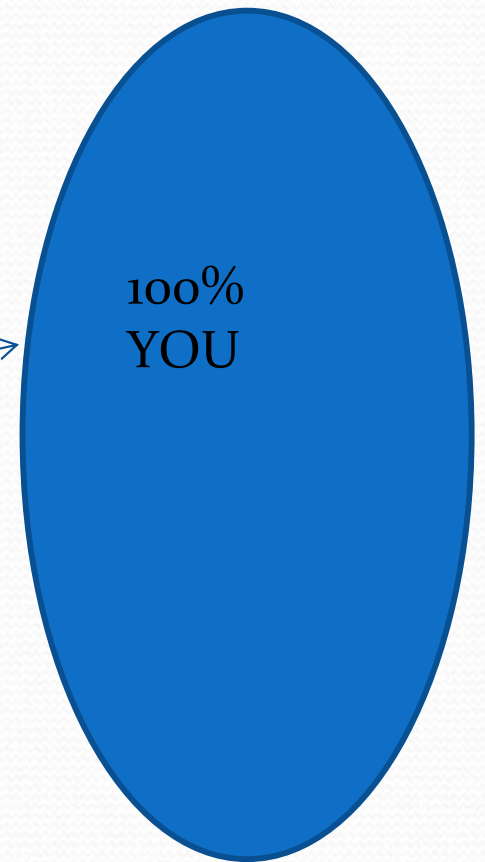
After All Payments have been Made,
All the Ownership comes back to you!!!

Before Payoff



After Payoff

100%
YOU



Remember:

1. The SNV System is just one of many models used today.
2. That almost any deal is financeable, if: and this is a big IF;

**IT IS PACKAGED CORRECTLY AND
PROFESSIONALLY**



And...

YOUR DREAMS CAN COME TRUE IF YOU ARE
REALISTIC!

THANK
YOU

Grazie

Tesekkürler

Merci

Vielen
Dank

Bedankt

Gracias

THANK YOU

Köszönettel



Ευχαριστώ

Hvala

תודה

ขอบคุณ

Back up for numbers

1. 146250
2. 146250
3. 120468
4. 102188
5. 83906
6. 65525
7. 47343
8. 29063
9. 10781
10. 7500