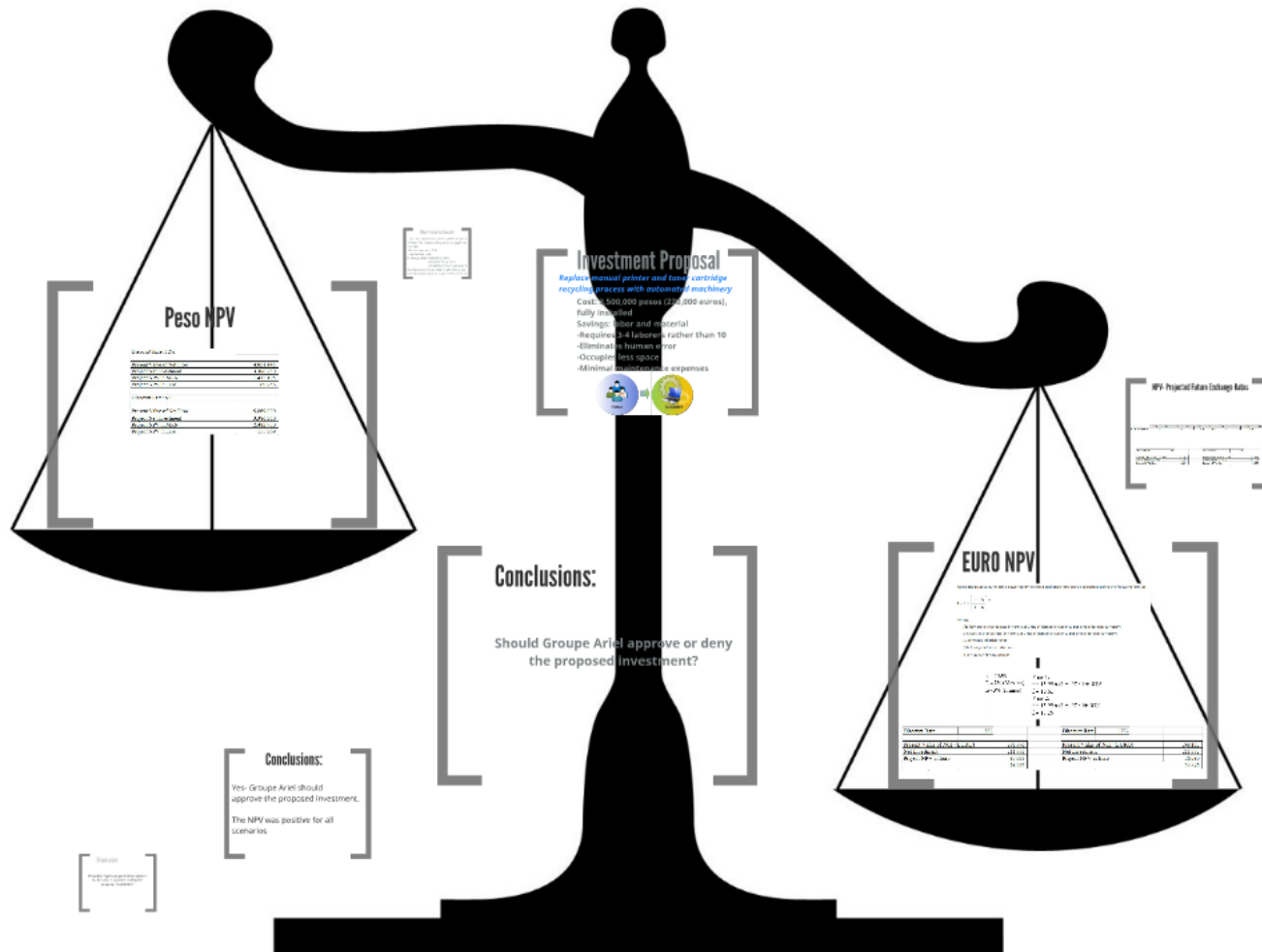
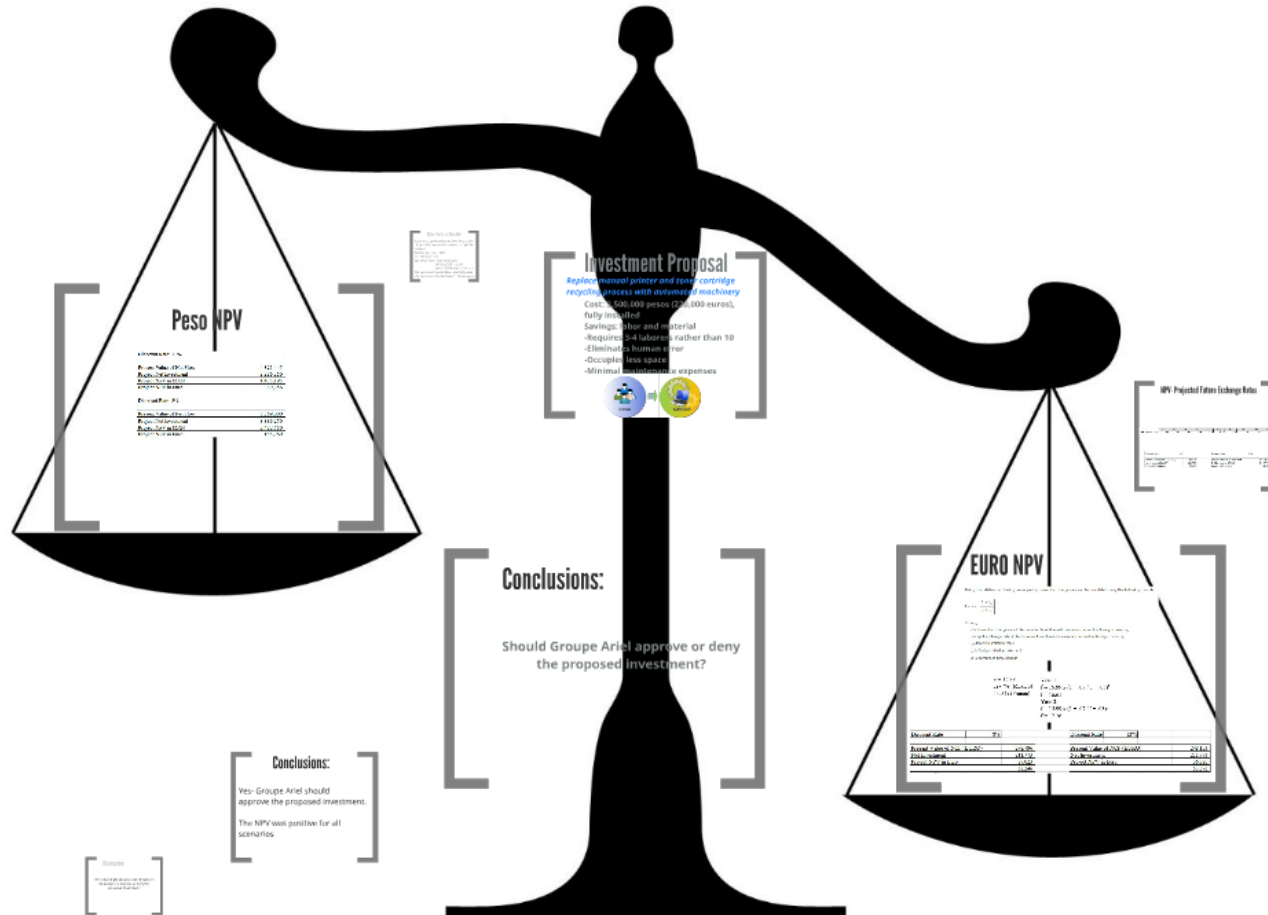


# Imprimante S.A. Cross-Border Valuation and Parity Conditions



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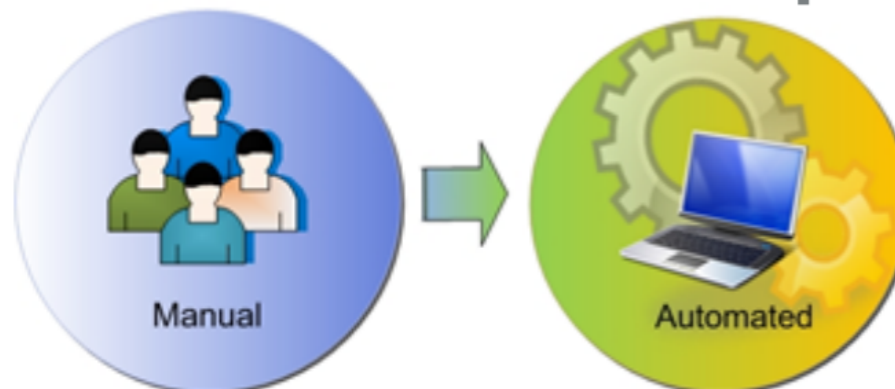
# Investment Proposal

*Replace manual printer and toner cartridge recycling process with automated machinery*

**Cost: 3,500,000 pesos (220,000 euros), fully installed**

**Savings: labor and material**

- Requires 3-4 laborers rather than 10
- Eliminates human error
- Occupies less space
- Minimal maintenance expenses



# Other Points to Consider

- Does not significantly affect working capital
- 10 year life, depreciating under straight-line method

- Mexico tax rate = 35%

- Hurdle Rate = 8%

Exchange Rate= MXN15.99/EUR

MXN20/EUR in 2011

MXN25/EUR from 2013-2018

Old Equipment Book Value = 250,000 pesos

Old Equipment Market Value= 175,000 pesos

# Peso NPV

Discount Rate: 12%

Present Value of Net Flow	4,821,445
Project Net Investment	3,386,250
Project NPV in MXN	1,435,195
Project NPV in Euro	89,756

Discount Rate: 8%

Present Value of Net Flow	5,869,000
Project Net Investment	3,386,250
Project NPV in MXN	2,482,750
Project NPV in Euro	155,269