

March 16, 2010

GRIMOLDI S.A.

GRIM/BCBA

First Coverage: Grimoldi continues to walk through the storm

Recommendation: Market Outperform

Price: \$ 4.30

Merval: 2,379

Merval25: 2,378

- Grimoldi recovered from the 2009 financial crisis. After experiencing accumulated losses in the first semester, the company finished the 2009 fiscal year with positive earnings, after a profitable second semester.
- Grimoldi projects an increase in sales as the economy continues its recovery.
- Strong operating margins in comparison to the industry average show continued efficiency.
- Grimoldi has high Working Capital requirements and a large dependence on short-term debt.
- Investors must take into consideration that the stock has limited liquidity as insiders hold over 50% of outstanding shares
- Our 12-month target price is \$5.31

Valuation	2009A	2010E	2011E	2012E	2013E
EPS	\$0.50	\$1.93	\$3.08	\$4.23	\$5.52
P/E	8.55x	2.22x	1.40x	1.02x	0.78x
CFPS		\$0.72	\$0.93	\$1.44	\$2.08
P/CFPS		7.42x	5.75x	3.70x	2.55x

Market Capitalization		Stock Data	
Equity Market Cap (MM)	\$37,786	52 week range:	\$1.75 - \$4.30
Enterprise Value (MM)	\$135.50	12-Month Stock Performance	122.3%
Shares Outstanding(MM)	8,787	Book Value Per Share	\$6.43
Estimated Float (MM)	\$ 0.013	Beta	1.20
Daily Volume	3,200		

Company Overview

Location: Florida 251, Buenos Aires, Argentina

Industry: Shoe Industry

Description: Design, production, distribution and sales of shoes and accessories

Key products: Grimoldi shoes, Hush Puppies, Merrell, Timberland, North Face, Clarks, Kickers and Caterpillar

Company web site: www.grimoldi.com.ar

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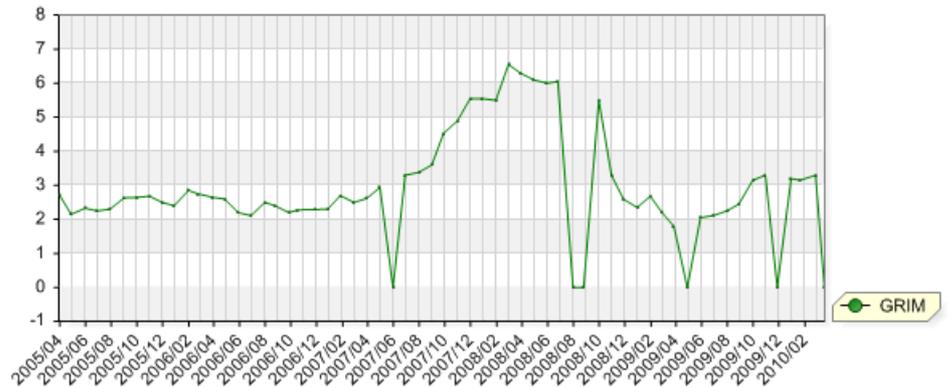
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STOCK PRICE PERFORMANCE

Figure 1: 5-year Stock price performance



INVESTMENT SUMMARY

After conducting an extensive analysis, we believe that Grimoldi is undervalued and the stock price will increase in the near future. We believe that improvements in the national and international context will drive up the stock value, and for this reason we have given Grimoldi a “Market Outperform” rating.

We have derived a market value of \$5.31 per share for the next 12-month period using a discounted cash-flow method.

INVESTMENT THESIS

Grimoldi has left behind the global recession and entered into a seemingly prosperous era. Although sales have continued to increase consistently since 2004, the 2008 fiscal year was comparatively weak in terms of growth. Nevertheless, consumption has rapidly recovered since then, and sales have taken off in a similar manner. For the 2010 fiscal year, we expect a strong recovery in sales, which will mark a very profitable era for Grimoldi. Sales will also be helped through ever-increasing inflation, which is projected to maximize at 23% for the 2010 and 2011 fiscal years, before it normalizes at ranges between 10% and 15%. Lastly, we believe Grimoldi has a significant advantage over competitors because of the brands they represent and the name they have developed over the years. Seeing as they have a license to represent several renowned brands, such as Hush Puppies, Merrell, Timberland, North Face, Clarks, Kickers and Caterpillar, we believe they are well positioned to grow significantly in the near-future.

Grimoldi has exceptionally strong operating margins when compared to other competitors within the industry. With a gross profit margin which has increased from 44% to 48% between the 2004 and 2009 fiscal years, we expect Grimoldi to continue on a profitable path. Other margins include the EBITDA margin which has increased from 7% to 10% between the 2004 and 2009 fiscal years, although it is expected to normalize at 11%. Grimoldi’s net profit margin reached a maximum of 4% prior to the crisis, but dropped to 2% during the 2008 fiscal year. We believe they will continue to improve in efficiency during the impending

years.

Grimoldi must, however, continue to improve their Working Capital Requirements. It is a key-success factor in all manufacturing and retail industries. Should they manage to manage their working capital more efficiently, and thus relieve themselves of short-term debt burdens, we can expect Grimoldi to grow beyond our projections.

Finally, we believe Grimoldi must address the issue of volatility in generating net income. They must find a way to generate consistent revenues, which will provide them with the necessary stability to enter into a more profitable era.

Opportunities

The global economic crisis has presented the shoe industry various problems. Nevertheless, it has also provided the primary participants a unique opportunity for global expansion.

Numerous actions have been taken to position the Argentine shoe industry in the world's most important markets. In 2010, the Argentine shoe industry will participate in three of the worlds most important fairs: the IFLS in Bogota, Colombia, the GDS in Dusseldorf, Germany, and the MICAM in Milan, Italy. Furthermore, the Argentina shoe-industry will set up showrooms in Chile and in Ecuador.

The large investments in fixed assets and machinery will permit the primary manufacturers in the Argentine shoe industry to position and consolidate themselves in the external markets.

Threats

The primary threat to the Argentine shoe industry is the ever-increasing imports from the Far East (and in particular, China). Although the Argentine government has taken action to control shoe imports, these have increased by approximately 40% during the 2008 fiscal year

VALUATION

We arrived at our 12-month target price of \$5.31 using four different valuation methods: Discounted Free Cash Flow, Discounted Capital Cash Flow, Discounted Equity Cash Flow and the Adjusted Present Value (APV) Method. The four valuation methods resulted in the same final value.

Relative Multiple Method: Price/Earnings Per Share

The most common valuation technique is the Discounted Cash Flow (DCF) method. Nevertheless, to compare the validity of the results generated by the DCF, we decided to calculate two relative multiples.

Using the Price/Earnings ratio, we derived a value of \$5.32 per share. This was calculated by multiplying the P/E ratio by our forecasted 12-

month EPS (1.73x by \$3.08). The value we calculated is almost identical to the value we derived using DCF methods.

*Relative Multiple
Method: Price/Cash
Flow Per Share*

The second relative multiple valuation technique we used was the Price/Cash Flow method. Using this method, we derived a value of \$5.34 per share. This value was calculated by deriving the average P/CFPS ratio of our peers and multiplying it by our forecasted 12-month CFPS (5.75x by \$0.93). As is evident, the value is almost identical to the value we derived using the DCF methods and the P/E method.

*Discounted Cash
Flow Method*

To calculate our target price, we used the Discounted Cash Flow method. This was done by projecting Grimoldi's equity cash flows and discounting it by our cost of equity.

We also projected Grimoldi's outstanding debt. As stated earlier, Grimoldi is planning to replace their short-term debt with long-term debt. This is to be done by issuing \$120 million in long-term debt, which will primarily restructure their Working Capital requirements.

Finally, to calculate our Weighted Average Cost of Capital (WACC) we:

- Established our Beta as that of the Shoe Industry according to Damodaran,
- Took into account the local risks of the industry and the country-specific risk,

Using a projected terminal growth value of 3%, our discounted cash flow to equity method derived a target price of \$5.31 per share.

INDUSTRY ANALYSIS

The Shoe Industry is composed by more than 800 companies, whose payrolls reach over 30,000 people (legal and illegal workers) and employ more than 15,000 indirect workers.

The main characteristics of this Industry are as follows:

- Heterogeneity of products
- Mass consumption
- Mass production
- Skilled labor
- Labor intensive production
- Demand highly related to consumption level

- Leather intensive production (60% of all shoes)

There are many categories included in shoe Industry; nevertheless, we break it into two primary types of shoes:

- *Sport Wear*: Defined as all the shoes deigned for different sport activities, which can also be used for casual wear. Sport wear cannot be considered as formal wear.
- *Casual Wear*: It can be divided into dress shoes, children's shoes and other shoes.

Our analysis will focus on dress shoes and children shoes, because there are the categories in which Grimoldi competes. Furthermore, casual wear can be split into men's shoes and women's shoes. Likewise, children's shoes could be sub-divided by gender, but we will consider it as a single unit.

Because the Shoe Industry is seasonal, casual wear has two main seasons: Winter and Summer (while Autumn and Spring are being identified as discount seasons). As for children's wear, it is important to identify the importance of back-to-school season.

More than 90% of the companies have their Headquarters in Buenos Aires and the Greater Buenos Aires region, while the remaining 10% are located in the Santa Fe and Cordoba provinces.

In Argentina, the ratio of "pairs of shoes-inhabitant" ranges around three units per year; a value relatively low when compared to developed countries (for example, the United States has a ratio of 6.5 pairs per year).

The trade surplus has been decreasing year by year. Currently, there is a trade deficit of approximately U\$S 360 million. The countries responsible for majority of the imports are China and Brazil. In efforts to limit the importation of shoes, the local government is imposing strict trade barriers.

Government Role

The shoe industry suffers from a strong tax pressure from government. This, in turn, has created a grey market composed of illegal workers who do not pay taxes. These workers provide cheap manual labor to small manufacturing companies, which in sell their footwear at lower-than-average-costs. This allows the small manufacturing companies to compete with their larger counterparts.

In an attempt to defend local production, the government controls the importation of footwear. In the midst of this scenario, the strategy implemented by many companies is to reach a balance between local

production and imported products, which will allow them to negotiate with the local government terms for importation.

Suppliers The primary raw material for the Argentine shoe industry is leather. Due to a reduction in cattle exports, there is greater supply locally. This has resulted in a reduced negotiation power on behalf of the suppliers, which translates into cheaper leather prices. It is also important to note that lamb leather can be used as an alternative to cattle leather, although the price situation is similar in both cases.

Potential competitors The Argentine shoe industry has low barriers to entry. As a result, there will always exist small competitors who enter using a niche strategy. For this reason, potential competitors are a constant threat to the existing companies within this sector.

Substitute products Considering the importance of shoes in modern-day culture, we do not believe there is a substitute product for footwear. Nevertheless, there are many different types of shoes which act as substitutes for others. For this reason, companies must analyze which shoe-type they wish to manufacture and develop a strategy accordingly in order to achieve their market share objectives.

Power of buyers The Argentine shoe industry has a strong, positive correlation to consumption as defined by the growth of the economy. Buyers have the power of deciding between different styles and brands offered. In an attempt to differentiate themselves, companies change various factors in terms of brands and styles; nevertheless, retailers, who attempt to deplete a stock before the end of the season, establish price and payment conditions. If price, payment conditions, product or brand awareness fail, it is likely a large portion of the stock will be sold at discount prices. In this situation, the buyers will have a commanding power.

Key Success factors -Design: In terms of design, the Argentine shoe industry is heavily influenced by its European counterpart due to modern-day technology. The accessibility of the internet allows manufacturers to download designs directly from the web. The key success factor is to modify foreign designs to local preferences. This, in addition to the value added because of the brand, differentiates Grimoldi's products from its competitors.

-Brand value/Brand awareness: History, quality, image and status are the main goals to be achieved, so significant investments in marketing are required in order to accomplish these goals.

- Clear competitive position: It is critical that Grimoldi clearly identify whether they wish to achieve a leadership in costs, a product differentiation or offer a premium product.

- Product Strategy: Grimoldi must decide whether they wish to manufacture their products locally or they prefer to import their products. These decisions are made taking into account quality or price, and can result in the success or failure of the company.

- Price: According to their competitive position and price strategy, Grimoldi sets the price for their footwear. It is important that these two strategies form a congruent position.
- Quality: The quality of the shoes sold by Grimoldi must be congruent with the expected brand value they transmit to customers.
- Margins: The shoe-industry is characterized by significant margins during the strong seasons (winter and summer) and weaker margins during the discount sales seasons (fall and spring). A key success factor is for companies to have a greater percentage of their sales during the winter and summer when compared to sales in the fall and spring.
- Logistics: Although there are not many different ways to deliver their products to retail chains, decisions to integrate logistics could provide the company with a better competitive position.
- Sales Strategies: There exist many different sales strategies: Wholesale or retail; unique sales points or multi-brand retailers. Furthermore, a manufacturer can own its sales stores or franchise their stores.

Competitors

The following chart details the different competitive segments and the main companies which participate in each segment:

SEGMENT	TYPE	COMPANIES	COMPETENCE
SPORT	PERFORMANCE	Adidas, Nike, Umbro, Fila, Unisol, Alpargatas, Penalty	Highly Concentrated
	OUTDOOR	Gaello, Oxigeno, Converse, Merrell	Middle concentration
CASUAL	WEAR	Grimoldi, Boating, Gravagna, Farji, Briantino, Tosoni, Lady Stork	Middle concentration
	CHILDREN	Plumitas, Titanitos, Arians, Calzados Ferli, Toot, Hey Day	Middle Concentration
	WORK / OTHER	Calzados Argentinos, Industrias Contardo, Industria Argentina de Botas	Highly Concentrated

Very High Concentration: 3 companies have 85% of the total M/S; Highly Concentrated: 6 to 7 companies have between 70% and 80% of the total M/S; Average Concentration: 3 to 6 companies have between 40% to 50% of the total M/S

COMPANY DESCRIPTION

Grimoldi S.A. is a family-owned business with more than 110 years of history in Argentina. The main business segments of the company consist of the manufacturing and commercialization of shoes, purses, clothing and accessories, under a series of well-known national and international brands.

<i>Products</i>	<p>Grimoldi has exclusive representation for the production and the distribution of seven international brands, which accounted for 96% of sales during the 2009 fiscal year. Grimoldi also manufactures and sells Timberland and Outscape products through their participation in Outdoors S.A. (50% participation).</p> <p>For the past 20 years, the company has boasted the representation of Hush Puppies and Kickers in Argentina, which account for two-thirds of total sales. During the 2000 fiscal year, the company added the Merrell brand to their portfolio.</p> <p>Grimoldi currently owns five brands: Ladybug, Grimoldi, Fancy Fashion, L'Epoque and American Pie. These brands accounted for only four percent of sales during the 2009 fiscal year. It is important to note that only two of them are currently in operation: American Pie and Grimoldi.</p>
<i>Strategy</i>	<p>During the 2009 fiscal year, sales were slightly over \$285 million pesos, and their EBITDA was approximately \$29 million.</p> <p>Because Grimoldi has been capable of generating high levels of sales and income, they have decided to focus on keeping their current level of business and improving their efficiency and financial profile. Between 2006 and 2008, Grimoldi opened 12 new shops in efforts to increase their presence in new markets.</p> <p>In 2009, Grimoldi decided to open stores in malls which they were not present. Furthermore, they decided to close shops which were not profitable.</p> <p>Grimoldi is the market leader in non-sport shoes, with a brand strategy focusing on the ABC1 and C2 segments. The well-known name of the brand and their associates give them a competitive advantage over other players in the industry.</p>
<i>Commercialization:</i>	<p>Most of the family-owned stores are located in Buenos Aires and the Greater Buenos Aires region. Nevertheless, Grimoldi subsidiaries and franchises can be found throughout the Argentina.</p> <p>Retail Channel: This channel includes the sales generated by family-owned stores, factory outlets and franchises, which accounted for 63% of sales during the 2009 fiscal year. It is important to note that Grimoldi manages the family-owned stores and factory outlets, whereas third-party individuals manage the franchises. The franchises retain majority of the profits and boast the advantage of being treated as subsidiaries for the ordering process. This refers to the payment process, which is 70% by credit and 30% by cash.</p> <p>The income generated by the retail channel increased by 20% in 2008. Sales generated per square meter represented a variation of approximately 13%, whereas the remaining 7% was the result of sales generated by new stores.</p> <p>Wholesale Channel: This channel includes the sales generated by sport brands and various other dress brands, which accounted for 37% of sales during the 2009 fiscal year. Although Grimoldi recommends to these</p>

chains a suggested retail price, they are capable of having promotions at year-end.

Supply

In 2008, Grimoldi completed the construction of their new manufacturing plant in Arroyo Seco. Located in the province of Santa Fe, this factory is currently producing more than 1 million pairs of shoes annually and supplies more than 25% of the total demand.

Currently, the plant is not at full capacity. This provides Grimoldi with the necessary flexibility to increase production should the costs of importation increase. This outlines an important competitive advantage Grimoldi has over their competitors.

**MANAGEMENT
PERFORMANCE
AND
BACKGROUND**

Grimoldi's insiders control 53% of the total shares outstanding.

President: Grimoldi, Alberto Luis.
Vice-President: Estrada, Alejandro Manuel.
Director: Grimoldi, Jorge Alberto.

Board of Directors

Board of directors members: Lucas, Alejandro Juan; Ahumada, Matias Benito; Badini, Cesar; Grimoldi, Alberto Ignacio; Muther, Alejandro.

**SHAREHOLDER
ANALYSIS**

As stated earlier, insiders control 53% of the total shares outstanding. This plays a determinant role in all issues related to the management of Grimoldi.

**INVESTMENT
RISKS**

- Cyclical Economies: The consumption of footwear is heavily dependent on the economies cycles. The footwear industry is more elastic to changes in the real economy than other general industries. To support this argument, we calculated a significant, positive correlation between consumption and the gross domestic product of a country.
- Capital Structure: A significant portion of Grimoldi's debt is short-term. They should attempt to refinance short-term loans to long-term loans, and thus lock in a lower interest rate. We believe in the future they will achieve greater flexibility and a less of a debt-burden related to high short-term interest rates.
- Working Capital Requirements: Grimoldi has significant working capital requirements. One of the major risks we have identified is the accumulation of stock. Grimoldi has expressed the need to address this issue in the immediate future.

**HISTORICAL
FINANCIAL
PERFORMANCE
AND
PROJECTIONS.**

The main drivers used in projecting revenues for the future were:

- The Consumer Price Index
- The variation of Gross Domestic Product
- Industrial Production
- The consumption of footwear

Sales Projections: In order to accurately project sales, we made various assumptions:

*Operating
assumptions*

- The average shoe price was adjusted for annual inflation.
- The increase in expected volume sold is calculated using:
 - The expected increase in consumption of footwear, which in turn follows the variation in GDP according to its historical trend.
 - The increase in family-owned stores and the optimization of sales per square meter; a process, which Grimoldi will pursue in the upcoming years.

Cost Assumptions:

- The primary material costs are adjusted according to annual inflation.
- Production costs were calculated as 8.5% of total revenues.
- Administrative expenses were calculated as 3.2% of total revenues.
- Commercialization expenses were calculated as 33.3% of total revenues.

Investment assumptions For Capital Expenditures and Fixed assets, we made the following assumptions:

- Rates of depreciation for Real Estate (1.9%), Machinery (2.7%), Other Accessories (6.2%), Installations (7.4%), Furniture (2.4%), Rotators (4.8%) and Computer and Software Equipment (4.8%).

- Capital Expenditures (CAPEX) would be equal to or greater than the amortization of each respective item, and thus it would never reach its residual value.

Working Capital For the calculation of Working Capital, the following assumptions were made:

- Working Capital as a percentage of sales would remain at a constant 21% after the 2011 fiscal year, with a constant improvement in the three years preceding.
- Days of Working Capital would improve after the 2011 fiscal year, remaining between 76 days and 78 days. This is a result of the investment foreseen in improving Working Capital management.

Financial assumptions Financial structure: Grimoldi informed us that their financial structure must meet the following requirements:

- Total Debt/EBITDA: < 2.75 in 2009, < 2.5 in 2010, < 1.9 in 2011
- EBITDA/Interest: < 1.3 in 2009, 1.6 in 2010, < in 2011

We also assumed that Grimoldi would owe a fixed sum of \$3 million in short-term debt. Furthermore, they would reduce the amount of long-term debt in the future.

Taxes Income tax rate was held constant at 35%

SOURCES OF INFORMATION

PROJECTED BALANCE SHEET IN AR\$ '000

ASSETS	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Total Asset							
Current Assets							
Cash and equivalents ST	\$197,985,979.70	\$247,656,195.75	\$303,816,956.04	\$372,890,392.19	\$462,905,983.95	\$564,252,698.69	\$661,287,355.82
Cash	\$158,227,789.70	\$207,898,005.75	\$264,058,766.04	\$333,132,202.19	\$423,147,793.95	\$524,494,508.69	\$621,529,165.82
Investments (ST)	\$17,054,946.07	\$22,622,924.97	\$31,059,911.72	\$44,389,988.41	\$70,388,576.15	\$113,613,569.16	\$173,240,953.69
Commercial receivable	\$16,726,104.57	\$20,573,108.62	\$24,276,268.17	\$27,917,708.40	\$32,105,364.66	\$35,315,901.12	\$38,847,491.24
Accounts receivable	\$328,841.50	\$2,049,816.35	\$6,783,643.55	\$16,472,280.01	\$38,283,211.49	\$78,297,668.03	\$134,393,462.45
Other receivable	\$56,130,742.91	\$72,168,449.01	\$88,823,418.20	\$110,073,804.80	\$134,478,255.78	\$156,635,317.51	\$170,895,652.94
Inventory	\$30,898,471.27	\$41,095,198.53	\$52,383,472.81	\$64,915,855.27	\$79,308,342.31	\$92,375,435.02	\$100,785,445.67
Other Assets	\$25,232,271.64	\$31,073,250.49	\$36,439,945.39	\$45,157,949.52	\$55,169,913.48	\$64,259,882.49	\$70,110,207.27
Non Current Assets	\$85,042,100.71	\$113,106,631.77	\$144,175,436.11	\$178,668,408.98	\$218,280,962.02	\$254,245,622.03	\$277,392,559.20
Accounts receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Inventory	\$39,758,190.00	\$39,758,190.00	\$39,758,190.00	\$39,758,190.00	\$39,758,190.00	\$39,758,190.00	\$39,758,190.00
Other receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other assets	\$30,542,415.00	\$30,542,415.00	\$30,542,415.00	\$30,542,415.00	\$30,542,415.00	\$30,542,415.00	\$30,542,415.00
Fixed Asset	\$4,314,764.00	\$4,314,764.00	\$4,314,764.00	\$4,314,764.00	\$4,314,764.00	\$4,314,764.00	\$4,314,764.00
Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Intangible Assets	\$4,901,011.00	\$4,901,011.00	\$4,901,011.00	\$4,901,011.00	\$4,901,011.00	\$4,901,011.00	\$4,901,011.00
Goodwill	\$3,641,010.00	\$3,641,010.00	\$3,641,010.00	\$3,641,010.00	\$3,641,010.00	\$3,641,010.00	\$3,641,010.00
Fixed assets	\$1,260,001.00	\$1,260,001.00	\$1,260,001.00	\$1,260,001.00	\$1,260,001.00	\$1,260,001.00	\$1,260,001.00
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
LIABILITIES							
Total Liabilities							
Current Liabilities							
Accounts Payable	\$122,308,606.09	\$144,945,367.31	\$163,956,591.63	\$184,493,916.13	\$212,884,982.42	\$241,458,667.11	\$258,778,452.52
Financial debt and Corporate Bonds	\$82,257,867.51	\$109,742,912.22	\$137,893,971.99	\$169,169,703.65	\$205,382,669.68	\$236,198,169.11	\$253,517,954.52
Financial debt	\$46,347,247.53	\$65,631,555.82	\$82,489,902.95	\$101,228,324.66	\$123,043,144.79	\$140,786,413.77	\$149,602,881.86
Financial debt (Not for Liabilites)	\$5,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,090,000.00
Corporate Bonds							
Previsions	\$5,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,090,000.00
Social and Fiscal liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fiscal liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Social liabilities	\$26,692,632.43	\$35,501,401.33	\$45,253,138.03	\$56,079,637.36	\$68,513,047.51	\$79,801,473.38	\$87,066,730.01
Other liabilities	\$18,312,223.66	\$24,355,394.80	\$31,045,479.94	\$38,472,895.64	\$47,002,717.04	\$54,747,033.00	\$59,731,292.41

Nombre de la empresa (Símbolo)	BURKENROAD REPORTS LATIN AMERICA					Fecha del reporte	
Non Current Liabilities	\$8,380,408.78	\$11,146,006.53	\$14,207,658.09	\$17,606,741.72	\$21,510,330.47	\$25,054,440.38	\$27,335,437.60
Accounts Payable	\$4,217,987.55	\$5,609,955.08	\$7,150,931.00	\$8,861,741.64	\$10,826,477.39	\$12,610,281.96	\$13,758,342.65
Financial debt and Corporate Bonds	\$40,050,738.58	\$35,202,455.09	\$26,062,619.65	\$15,324,212.47	\$7,502,312.74	\$5,260,498.00	\$5,260,498.00
Financial debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Corporate Bonds	\$34,790,240.58	\$29,941,957.09	\$20,802,121.65	\$10,063,714.47	\$2,241,814.74	\$0.00	\$0.00
Provisions							
Social and Fiscal liabilities	\$34,790,240.58	\$29,941,957.09	\$20,802,121.65	\$10,063,714.47	\$2,241,814.74	\$0.00	\$0.00
Fiscal liabilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Social liabilities	\$5,260,498.00	\$5,260,498.00	\$5,260,498.00	\$5,260,498.00	\$5,260,498.00	\$5,260,498.00	\$5,260,498.00
Other liabilities	\$114,402.00	\$114,402.00	\$114,402.00	\$114,402.00	\$114,402.00	\$114,402.00	\$114,402.00
	\$5,146,096.00	\$5,146,096.00	\$5,146,096.00	\$5,146,096.00	\$5,146,096.00	\$5,146,096.00	\$5,146,096.00
EQUITY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Social Capital							
Capital adjustment	\$75,677,373.61	\$102,710,828.44	\$139,860,364.41	\$188,396,476.06	\$250,021,001.53	\$322,794,031.58	\$402,508,903.31
Revaluation reserves	\$22,153,757.00	\$22,153,757.00	\$22,153,757.00	\$22,153,757.00	\$22,153,757.00	\$22,153,757.00	\$22,153,757.00
Sobrepeso Venta Acc	\$322,918.00	\$322,918.00	\$322,918.00	\$322,918.00	\$322,918.00	\$322,918.00	\$322,918.00
Participación en Sociedades							
Controladas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revaluation reserves	\$9,898,388.00	\$9,898,388.00	\$9,898,388.00	\$9,898,388.00	\$9,898,388.00	\$9,898,388.00	\$9,898,388.00
Legal Reserve	\$405,959.00	\$405,959.00	\$405,959.00	\$405,959.00	\$405,959.00	\$405,959.00	\$405,959.00
Other Reserve	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Conversion differences	\$2,688,171.00	\$2,688,171.00	\$2,688,171.00	\$2,688,171.00	\$2,688,171.00	\$2,688,171.00	\$2,688,171.00
Retained earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Income /loss	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$23,222,628.00	\$40,208,180.61	\$67,241,635.44	\$104,391,171.41	\$152,927,283.06	\$214,551,808.53	\$287,324,838.58
Liabilites + Equity	\$16,985,552.61	\$27,033,454.83	\$37,149,535.97	\$48,536,111.66	\$61,624,525.46	\$72,773,030.05	\$79,714,871.73
	\$197,985,979.70	\$247,656,195.75	\$303,816,956.04	\$372,890,392.19	\$462,905,983.95	\$564,252,698.69	\$661,287,355.82

PROJECTED INCOME STATEMENT IN AR\$'000

Period	2010E	2011E	2012E	2013E	2014E	2015E	2016E
Sales income	\$341,102,931	\$453,669,457	\$578,286,090	\$716,637,025	\$875,522,540	\$1,019,776,396	\$1,112,618,507
Total Sales income	\$341,102,931	\$453,669,457	\$578,286,090	\$716,637,025	\$875,522,540	\$1,019,776,396	\$1,112,618,507
COGS	\$177,373,524	\$235,908,118	\$300,708,767	\$372,651,253	\$455,271,721	-\$530,283,726	-\$578,561,623
Raw Material	\$150,104,553	\$199,640,181	\$254,478,537	\$315,360,762	\$385,279,361	\$448,759,205	\$489,614,976
<i>Honorarios y retribucion por servicios</i>	\$366,139	\$486,967	\$620,730	\$769,235	\$939,782	\$1,094,624	\$1,194,280
<i>Sueldos y Jornales</i>	\$12,071,603	\$16,055,322	\$20,465,494	\$25,361,721	\$30,984,665	\$36,089,796	\$39,375,470
<i>Contribuciones Sociales</i>	\$5,760,601	\$7,661,642	\$9,766,187	\$12,102,680	\$14,785,964	\$17,222,146	\$18,790,078
<i>Trabajos de terceros</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Impuestos, Tasas y Contribuciones</i>	\$170,809	\$227,178	\$289,580	\$358,860	\$438,423	\$510,659	\$557,150
<i>Seguros Alquileres, Fletes y Embalajes</i>	\$1,220,536	\$1,623,321	\$2,069,225	\$2,564,273	\$3,132,797	\$3,648,967	\$3,981,175
<i>Suministros y servicios directos</i>	\$5,216,752	\$6,938,320	\$8,844,179	\$10,960,087	\$13,390,047	\$15,596,234	\$17,016,140
<i>Telefono, Luz y Franqueo</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Suscripciones, Marcas, Utiles y Papeles de Oficina</i>	\$52,289	\$69,545	\$88,648	\$109,856	\$134,212	\$156,325	\$170,558
<i>Conservacion, Mantenimiento y Expensas</i>	\$1,081,728	\$1,438,706	\$1,833,898	\$2,272,646	\$2,776,514	\$3,233,981	\$3,528,408
<i>Administracion del Personal, Servicios Ss, Intendencia y Vigilancia</i>	\$862,659	\$1,147,343	\$1,462,502	\$1,812,395	\$2,214,221	\$2,579,044	\$2,813,844
<i>Ferias Internacionales, Movilidad y Viaticos</i>	\$189,865	\$252,522	\$321,886	\$398,895	\$487,334	\$567,628	\$619,306
<i>Gastos Generales</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Indemnizacion al personal</i>	\$219,511	\$291,951	\$372,146	\$461,179	\$563,427	\$656,259	\$716,006
<i>Implementacion de Sistema de Computos</i>	\$36,360	\$48,359	\$61,642	\$76,389	\$93,326	\$108,702	\$118,599
<i>Gastos de Exportacion</i>	\$13,313	\$17,706	\$22,570	\$27,969	\$34,171	\$39,801	\$43,424
<i>Amortizacion Cargos Diferidos</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Prevision para desvalorizacion por Obsolescencia</i>	\$6,809	\$9,056	\$11,543	\$14,305	\$17,476	\$20,355	\$22,209
Gross Income	\$163,729,407	\$217,761,339	\$277,577,323	\$343,985,772	\$420,250,819	\$489,492,670	\$534,056,883
Gross Income Margin	48%	48%	48%	48%	48%	48%	48%
Operating Expenses	\$124,922,876	\$166,148,362	\$211,786,985	\$262,455,552	\$320,644,543	-\$373,474,949	-\$407,476,719
Administration Expenses	-\$15,569,969	-\$20,708,175	-\$26,396,420	-\$32,711,581	-\$39,964,062	-\$46,548,667	-\$50,786,534
<i>Honorarios a Directores y Sindicos</i>	\$812,434	\$1,080,543	\$1,377,353	\$1,706,875	\$2,085,306	\$2,428,887	\$2,650,017

Nombre de la empresa (Símbolo)	BURKENROAD REPORTS LATIN AMERICA					Fecha del reporte	
<i>Honorarios y retribucion por servicios</i>	\$1,121,344	\$1,491,396	\$1,901,061	\$2,355,877	\$2,878,198	\$3,352,419	\$3,657,629
<i>Sueldos y Jornales</i>	\$2,799,177	\$3,722,926	\$4,745,562	\$5,880,905	\$7,184,759	\$8,368,543	\$9,130,429
<i>Contribuciones Sociales</i>	\$1,265,323	\$1,682,890	\$2,145,156	\$2,658,369	\$3,247,756	\$3,782,867	\$4,127,265
<i>Gastos de Publicidad y Propaganda</i>	\$441,314	\$586,950	\$748,177	\$927,174	\$1,132,737	\$1,319,371	\$1,439,488
<i>Impuesto a las transacciones Bcarias y gtos Bcarios</i>	\$5,457,647	\$7,258,711	\$9,252,577	\$11,466,192	\$14,008,361	\$16,316,422	\$17,801,896
<i>Trabajos de terceros</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Impuestos, Tasas y Contribuciones</i>	\$94,940	\$126,270	\$160,955	\$199,462	\$243,685	\$283,836	\$309,676
<i>Seguros Alquileres, Fletes y Embalajes</i>	\$210,198	\$279,565	\$356,357	\$441,613	\$539,523	\$628,417	\$685,629
<i>Telefono, Luz y Franqueo</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Suministros y servicios diversos</i>	\$774,403	\$1,029,962	\$1,312,878	\$1,626,975	\$1,987,691	\$2,315,189	\$2,525,968
<i>Suscripciones, Marcas, Utiles y Papeles de Oficina</i>	\$339,388	\$451,388	\$575,378	\$713,033	\$871,120	\$1,014,648	\$1,107,023
<i>Conservacion, Mantenimiento y Expensas</i>	\$269,967	\$359,059	\$457,687	\$567,185	\$692,936	\$807,106	\$880,586
<i>Administracion del Personal, Servicios Ss, Intendencia y Vigilancia</i>	\$683,996	\$909,720	\$1,159,607	\$1,437,035	\$1,755,640	\$2,044,904	\$2,231,076
<i>Ferias Internacionales, Movilidad y Viaticos</i>	\$430,914	\$573,119	\$730,546	\$905,324	\$1,106,044	\$1,288,279	\$1,405,566
<i>Gastos Generales</i>	\$147,890	\$196,694	\$250,723	\$310,707	\$379,594	\$442,137	\$482,390
<i>Indemnizacion al personal</i>	\$474,532	\$631,131	\$804,494	\$996,963	\$1,218,000	\$1,418,681	\$1,547,841
<i>Implementacion de Sistema de Computos</i>	\$162,459	\$216,072	\$275,424	\$341,317	\$416,990	\$485,695	\$529,913
<i>Amortizacion Cargos Diferidos</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Provision por deudores incobrables</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Prevision para desvalorizacion por Obsolescencia</i>	\$84,045	\$111,781	\$142,485	\$176,574	\$215,722	\$251,265	\$274,141
	-	-	-	-	-	-	-
Commercialization Expenses	\$109,352,907	\$145,440,186	\$185,390,564	\$229,743,971	\$280,680,481	-\$326,926,283	-\$356,690,186
<i>Honorarios y retribucion por servicios</i>	\$290,226	\$386,003	\$492,033	\$609,749	\$744,936	\$867,674	\$946,668
<i>Sueldos y Jornales</i>	\$22,991,726	\$30,579,169	\$38,978,837	\$48,304,253	\$59,013,784	\$68,737,081	\$74,995,017
<i>Contribuciones Sociales</i>	\$7,591,768	\$10,097,109	\$12,870,643	\$15,949,855	\$19,486,096	\$22,696,686	\$24,763,030
<i>Trabajos de terceros</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Gastos de Publicidad y Propaganda</i>	\$8,488,160	\$11,289,316	\$14,390,333	\$17,833,120	\$21,786,899	\$25,376,578	\$27,686,903
<i>Impuestos, Tasas y Contribuciones</i>	\$13,672,587	\$18,184,643	\$23,179,710	\$28,725,294	\$35,093,976	\$40,876,170	\$44,597,604
<i>Seguros Alquileres, Fletes y Embalajes</i>	\$26,283,713	\$34,957,535	\$44,559,879	\$55,220,521	\$67,463,456	\$78,578,948	\$85,732,904
<i>Telefono, Luz y Franqueo</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Suministros y servicios diversos</i>	\$4,539,603	\$6,037,705	\$7,696,178	\$9,537,436	\$11,651,980	\$13,571,796	\$14,807,395
<i>Suscripciones, Marcas, Utiles y Papeles de Oficina</i>	\$652,224	\$867,462	\$1,105,742	\$1,370,283	\$1,674,088	\$1,949,916	\$2,127,440
<i>Conservacion, Mantenimiento y Expensas</i>	\$5,818,799	\$7,739,046	\$9,864,854	\$12,224,952	\$14,935,344	\$17,396,139	\$18,979,912
<i>Regalias</i>	\$8,592,890	\$11,428,608	\$14,567,886	\$18,053,152	\$22,055,714	\$25,689,683	\$28,028,514
<i>Administracion del Personal, Servicios Ss, Intendencia y</i>	\$1,004,500	\$1,335,993	\$1,702,972	\$2,110,396	\$2,578,292	\$3,003,099	\$3,276,506

Nombre de la empresa (Símbolo)	BURKENROAD REPORTS LATIN AMERICA				Fecha del reporte		
<i>Vigilancia</i>							
<i>Ferías Internacionales, Movilidad y Viaticos</i>	\$835,487	\$1,111,204	\$1,416,436	\$1,755,308	\$2,144,477	\$2,497,808	\$2,725,213
<i>Gastos Generales</i>	\$1,764,534	\$2,346,843	\$2,991,488	\$3,707,181	\$4,529,099	\$5,275,328	\$5,755,602
<i>Indemnizacion al personal</i>	\$594,686	\$790,937	\$1,008,196	\$1,249,400	\$1,526,405	\$1,777,900	\$1,939,763
<i>Prevision para Deudores Incobrables</i>	\$50,742	\$67,487	\$86,025	\$106,606	\$130,241	\$151,700	\$165,511
<i>Implementacion de Sistema de Computos</i>	\$650,243	\$864,828	\$1,102,384	\$1,366,122	\$1,669,004	\$1,943,995	\$2,120,979
<i>Gastos de Exportacion</i>	\$15,279	\$20,322	\$25,904	\$32,101	\$39,218	\$45,680	\$49,838
<i>Amortizacion Cargos Diferidos</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<i>Descuentos Tarjetas de Credito</i>	\$5,170,302	\$6,876,540	\$8,765,430	\$10,862,498	\$13,270,821	\$15,457,363	\$16,864,627
<i>Prevision para desvalorizacion por Obsolescencia</i>	\$345,438	\$459,435	\$585,636	\$725,745	\$886,650	\$1,032,737	\$1,126,759
EBITDA	\$38,806,531	\$51,612,978	\$65,790,338	\$81,530,220	\$99,606,276	\$116,017,721	\$126,580,164
EBITDA margin	11%	11%	11%	11%	11%	11%	11%
Fixed assets amortization	-\$5,339,292	-\$4,215,291	-\$4,167,391	-\$3,988,036	-\$3,644,279	-\$3,641,900	-\$3,641,900
							\$0
EBIT	\$33,467,240	\$47,397,687	\$61,622,948	\$77,542,185	\$95,961,998	\$112,375,821	\$122,938,264
Financial effects	-\$7,335,620	-\$5,807,757	-\$4,469,815	-\$2,871,244	-\$1,155,036	-\$417,313	-\$300,000
Generated by Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interes y Actualizacion	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Diferencias de Cambio	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonificaciones y Descuentos	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Efectos por Tenencia	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Correccion Monetaria	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Generated by Liabilities	-\$7,335,620	-\$5,807,757	-\$4,469,815	-\$2,871,244	-\$1,155,036	-\$417,313	-\$300,000
Interes y Actualizacion	-\$7,335,620	-\$5,807,757	-\$4,469,815	-\$2,871,244	-\$1,155,036	-\$417,313	-\$300,000
Diferencias de Cambio	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bonificaciones y Descuentos	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Efectos por Tenencia	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Correccion Monetaria	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exposicion a la Inflac	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Result inver permanent	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Otros ingresos (gastos)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Result de Oper Extraord	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBT	\$26,131,619	\$41,589,931	\$57,153,132	\$74,670,941	\$94,806,962	\$111,958,508	\$122,638,264

Nombre de la empresa (Símbolo)	BURKENROAD REPORTS LATIN AMERICA					Fecha del reporte	
Income Tax	-\$9,146,067	-\$14,556,476	-\$20,003,596	-\$26,134,829	-\$33,182,437	-\$39,185,478	-\$42,923,392
Minoritary Interest							
Net Income / Lose	\$16,985,553	\$27,033,455	\$37,149,536	\$48,536,112	\$61,624,525	\$72,773,030	\$79,714,872
Shares Outstanding	8787555	8787555	8787555	8787555	8787555	8787555	8787555
EPS	1.932909963	3.076334069	4.227516752	5.523278279	7.012704383	8.281374063	9.071336876

PROJECTED CASH FLOW IN AR\$ '000

Concept	2010	2011	2012	2013	2014	2015	2016
EBIT	33,467,239.7	47,397,687.1	61,622,947.7	77,542,184.8	95,961,997.8	112,375,821.2	122,938,264.2
(+) Amortization/ depreciation	5,339,291.6	4,215,290.6	4,167,390.6	3,988,035.6	3,644,278.6	3,641,899.6	3,641,899.6
(+/-) Δ Working Capital	(10,118,380.7)	(18,464,196.5)	(23,275,873.3)	(28,109,068.0)	(31,991,694.3)	(30,516,758.8)	(23,709,077.3)
(-) CAPEX	(5,339,291.6)	(4,215,290.6)	(4,167,390.6)	(3,988,035.6)	(3,644,278.6)	(3,641,899.6)	(3,641,899.6)
(-) Tax on EBIT	(11,713,533.9)	(16,589,190.5)	(21,568,031.7)	(27,139,764.7)	(33,586,699.2)	(39,331,537.4)	(43,028,392.5)
(+/-) Other income / expenses	-	-	-	-	-	-	-
Free Cash Flow	11,635,325.1	12,344,300.1	16,779,042.7	22,293,352.1	30,383,604.3	42,527,525.0	56,200,794.4
(+) Tax shield	2,567,467.1	2,032,714.8	1,564,435.4	1,004,935.3	404,262.4	146,059.7	105,000.0
Capital Cash Flow	14,202,792.3	14,377,014.9	18,343,478.1	23,298,287.4	30,787,866.8	42,673,584.7	56,305,794.4
(+/-) Δ Financial Debt	(6,725,830.4)	(6,848,283.5)	(9,139,835.4)	(10,738,407.2)	(7,821,899.7)	(2,241,814.7)	90,000.0
(-) Interests	(7,335,620.3)	(5,807,756.6)	(4,469,815.5)	(2,871,243.7)	(1,155,035.6)	(417,313.4)	(300,000.0)
Equity Cash Flow	141,341.5	1,720,974.8	4,733,827.2	9,688,636.5	21,810,931.5	40,014,456.5	56,095,794.4
Initial Cash	187,500.0	328,841.5	2,049,816.3	6,783,643.5	16,472,280.0	38,283,211.5	78,297,668.0
Accumulated Cash	328,841.5	2,049,816.3	6,783,643.5	16,472,280.0	38,283,211.5	78,297,668.0	134,393,462.4

COMPANY VALUATION IN AR\$ '000 AS OF (DATE)**GRIMOLDI S.A.****GRIMOLDI S.A. Market Value Estimation in AR\$'000 - (FCF)**

Períodos de descuento

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Concepto		2010	2011	2012	2013	2014	2015	2016
FCF (Nominal)		11,635,325	12,344,300	16,779,043	22,293,352	30,383,604	42,527,525	56,200,794
FF (discounted)	54,209,102.6	8,728,011	6,852,377	7,034,287	7,172,302	7,453,538	8,283,542	8,685,046
G =	3%							
TV								251,219,736
Discounted TV	38,822,492.1							38,822,492
FCF + TV	93,031,594.7							
Enterprise Value	93,031,594.7							

(+) Non operating assets	187,500.0
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(-) Financial debt	46,516,071.00
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Equity Value	46,703,023.70
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VL	93,031,595	112,385,241	139,525,451	167,967,061	196,580,479	227,426,777	243,902,656	251,219,736
D/(D+E)	50.00%	35.4%	23.6%	14.2%	6.6%	2.3%	1.2%	1.2%
Debt (mq)	46,516,071.00	39,790,241	32,941,957	23,802,122	13,063,714	5,241,815	3,000,000	3,090,000

Múltiplo Implícito

EV	93,031,594.7
EBITDA 2008	29,249,152.0
EV/EBITDA	3.18

GRIMOLDI S.A. Market Value Estimation in AR\$'000 - (CCF)

Períodos de descuento

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Concepto		2010	2011	2012	2013	2014	2015	2016
CCF (Nominal)		14,202,792	14,377,015	18,343,478	23,298,287	30,787,867	42,673,585	56,305,794
FF (discounted)	56,073,599.5	10,437,862	7,715,610	7,372,236	7,152,903	7,196,105	7,915,501	8,283,383
G =	3%							
TV								251,219,736
Discounted TV	36,957,995.2							36,957,995
FFC + TV	93,031,594.7							
Enterprise Value	93,031,594.7							

(+) Activos No operativos	187,500.0
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(-) Deuda Financiera	46,516,071.00
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Equity Value	46,703,023.70
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Number of Shares
Outstanding

8787555

\$ 5.31

VL	93,031,594.7	112,385,241	139,525,451	167,967,061	196,580,479	227,426,777	243,902,656	251,219,736
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GRIMOLDI S.A. Market Value Estimation in AR\$'000 - (ECF)

Períodos de descuento

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Concepto		2010	2011	2012	2013	2014	2015	2016
ECF (Nominal)		141,342	1,720,975	4,733,827	9,688,636	21,810,931	40,014,457	56,095,794
FF (discounted)	19,754,638.5	90,389	737,703	1,452,506	2,218,241	3,755,895	5,449,952	6,049,953
G =	3%							
TV								248,129,736
Discounted TV	26,760,885.2							26,760,885
FFC + TV	46,515,523.7							
Equity Value	46,515,523.7							

(+ Non operating Assets 187,500.0

Equity Value	46,703,023.7	-
(-) Non operating Assets	(187,500.0)	
(+) Financial Debt	46,516,071.0	
Enterprise Value	93,031,594.7	

Equity	46,515,523.7	72,595,001	106,583,494	144,164,940	183,516,765	222,184,963	240,902,656	248,129,736
Debt	46,516,071.00	39,790,241	32,941,957	23,802,122	13,063,714	5,241,815	3,000,000	3,090,000
VL	93,031,594.7	112,385,241	139,525,451	167,967,061	196,580,479	227,426,777	243,902,656	251,219,736

VL	93,031,594.7	112,385,241	139,525,451	167,967,061	196,580,479	227,426,777	243,902,656	251,219,736
VL - Equity	46,516,071.00	39,790,241	32,941,957	23,802,122	13,063,714	5,241,815	3,000,000	3,090,000
Control	0	0	0	0	0	0	0	0

GRIMOLDI S.A. Market Value Estimation in AR\$'000 - (APV)

Períodos de descuento

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Concepto		2010	2011	2012	2013	2014	2015	2016
FCF (Nominal)		11,635,325	12,344,300	16,779,043	22,293,352	30,383,604	42,527,525	56,200,794
FF (discounted)	48,692,164.5	8,288,685	6,276,642	6,304,267	6,350,874	6,562,784	7,281,399	7,627,514
G =	3%							
TV								249,998,114
Discounted TV	33,929,487.5							33,929,488
FFC + TV	82,621,652.0							
Enterprise Value (u)	82,621,652.0							

Vu	82,621,652.0	104,345,645	133,846,692	164,355,423	194,473,726	226,106,268	242,716,616	249,998,114
Tax Shield (Nominal)		6,573,465	5,584,926	4,073,415	2,656,608	1,458,071	479,847	274,626
Tax Shield (discounted)	10,244,145.5	4,682,756	2,839,738	1,530,474	756,808	314,940	82,158	37,272
Terminal Value								1,221,622
Discounted TV	165,797.2							165,797
TS + TV	10,409,942.7							
Tax Shield Value	10,409,942.7							

Enterprise Value (levered)	93,031,594.7
(+) Non operating Assets	187,500.0
(-) Financial Debt	46,516,071.00
Equity Value	46,703,023.70