

December 30, 2009

S. A. Importadora y Exportadora de la Patagonia

PATA.BA/MERVAL

Initiating Coverage: Better scenario ahead.

Investment Rating: Market Outperform

Price: AR\$ 22.00 Merval: 2,384 Merval25: 2,385 Burcap: 8,447

- Adequate financial profile and the strong market position displayed in the region.
- The good capital structure, which given the nature of the industry (related to consumption levels, salaries and employment), provides the company an acceptable financial situation which allows PATA to face the bottom of the business cycle.
- However, the macroeconomic environment forced PATA to develop its skills in order to adjust their capital investments and strength both liquidity position and margin contribution.
- Main challenge for the coming year is to maintain control over operating expenses (particularly the one related to salaries paid), continuing its expansion policy and controlling its indebtedness level.
- 12 month target price: 25.07 AR\$

Valuation

	2009 A	2010 E	2011 E	2012 E	2013 E
EPS (AR\$)	0,69	1,93	3,36	5,20	7,19
P/EBITDA	7,6x	5,9x	4,3x	3,8x	3,7x

Market Capitalization

Equity Market Cap (AR\$ MM)	\$ 930,00
Enterprise Value (AR\$ MM)	\$1.179,00
Shares Outstanding (MM)	50,00
Free Float (MM)	11,56
3-Mo. Avg. Daily Volume	419,67

Stock Data

52-Week Range (AR\$)	\$ 11 - \$ 22,00
12-Month Stock Performance	+ 72,3%
Dividen Yield	1,50%
Book Value Per Share (AR\$)	\$ 18,88
Beta/Merval	1,01

Company Quick View:

Location: Patagonia, Argentina.

Industry: Retail

Description: Production/Distribution of food

Key Products & Services: The Company operates 160 Branches.

Website: www.laanonima.com.ar

ANALYSTS

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STOCK PRICE PERFORMANCE

Figure 1
5-year Stock price performance

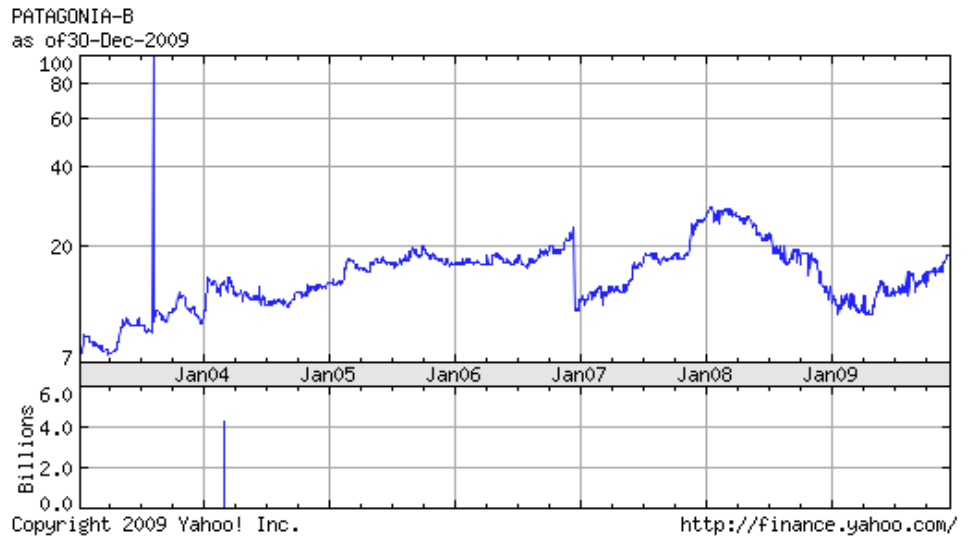
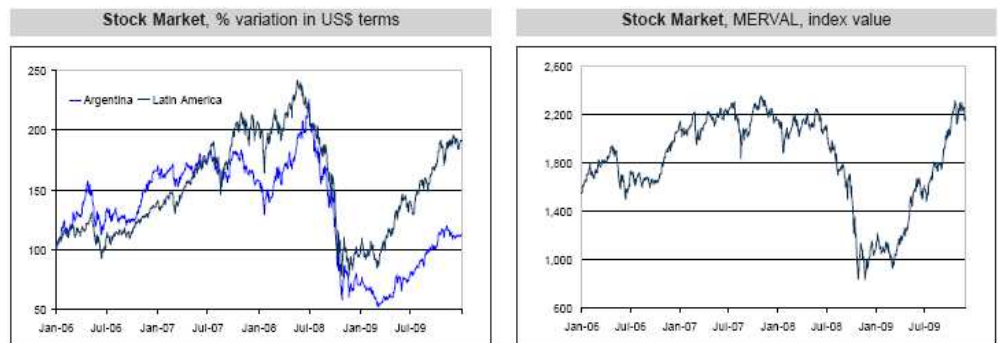
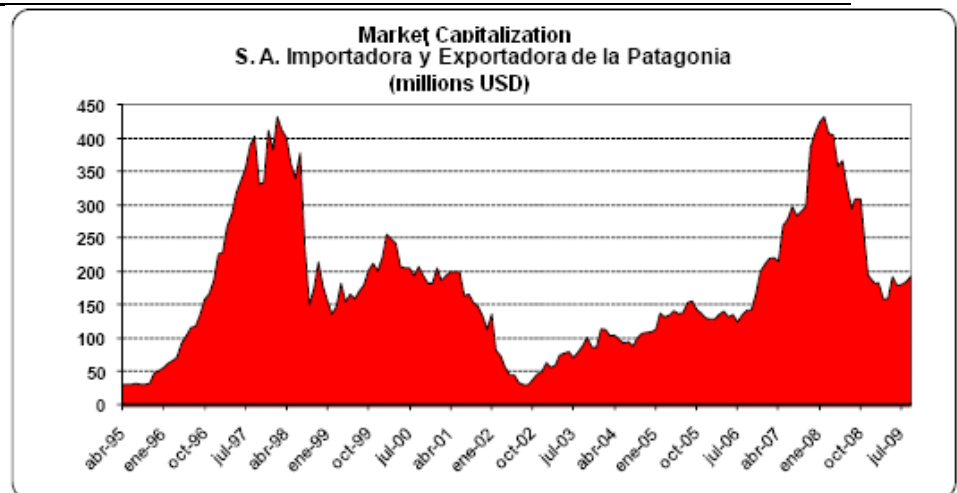


Figure 2
Stock Market's performance



SHARES DESCRIPTION.

PATA' stock capitalization totalized ARS 195 MM as of June 2009. The Floating percentage is estimated on a 23% of the stock which is divided into more than 240 stock holders:



The company quotes stocks at Buenos Aires Stock Exchange from 1942, and, as per June 30, 2009; the authorized capital to quote raises to \$ 50.000.000 (composed of 1.1 million ordinary stock Type A of \$1 and 5 votes each one, and 48.8 million ordinary shares Type B of \$1 and 1 vote each one).

INVESTMENT SUMMARY

Our qualification is based on an adequate financial profile of the company and the strong market position displayed in the region.

We understand that PATA has a good capital structure, which, given the nature of the industry (related to consumption levels, salaries and employment), provides an adequate financial situation which allows the company to face the bottom of the business cycle.

In this regard, the macroeconomic situation allowed PATA to develop its skills in order to adjust their capital investments and strength its liquidity position.

After the significant growing in revenues and constant margins of this business until 2008/2009, the operational contribution was affected by a raise in structure expenses (specially working costs) that SAIEP could not totally transmit to the price of its products.

Therefore and despite being an activity with typically reduced margins, the ability to generate funds against the financial commitments is wide enough to absorb this sort of worsening. Consequently, the qualification of shares reflects a strong capacity to

generate funds and liquidity within the market.

Our key drivers for the analysis were the classic drivers for this type of industry (sales per m², sales per employee, sales per check, transactions per check, and sales per economic sector crossing information between the company sales and the INDEC publication of economic sectors performance).

Our analysis is also based on company's operative and financial performance for the last 24 months, and the discounted Cash-Flow method (DCF) based on sales projections, investment and dividend policies.

Therefore, we expect an Outperform rating although the company showed a poor performance during the last months because of the global crisis (share price sunk from almost AR\$ 28 to AR\$ 13,5 current price).

Consequently, we expect an increasing price for the coming months based on the fact that our valuation shows higher prices than the market (AR\$ 13,5 per share as of today versus). This decision follows a growing market performance, sales projection and the opening of new branches.

However, we expect that certain assumptions like inflation (and consequently the increasing price of tickets) and the Exchange Rate will cause a particular market condition, but not a decreasing scenario for a supermarket chain.

As a result, these conditions turn to be very difficult in order to estimate what are the real values, i.e. to estimate the wasting average capital cost; so we think that the main focus has to rely on what will be the share price behaviour, than looking at the share price.

However, we estimate a target price for the coming 12 months of AR\$ 25,07; and therefore, we expect an outperforming performance for the company under analysis.

Financial profile.

FINANCIAL PROFILE

Turnovers amounted to \$ 3.887 MM in 2008/2009, + 26% increase over Fy2007/08 (\$ 3,079 MM). Higher sales were based on inflation effects over products and the six new branches opened in the last 12 months (sales volume remained stable considering the same sales area).

PATA's main challenge is to maintain control over operating expenses, particularly the one related to salaries paid, that now represents 55% of the structure (vs. 40% in 2004/05).

As far as EBITDA is concerned (\$ 145 MM), it did not continue the positive trend registered in recent years due to a significant increase in infrastructure expenses that didn't go to prices. EBITDA showed a decrease greater than 11% due to lower gross contribution and salary expenses that exceeded general inflation.

In terms of cash generation, the company continues to show increasing operating cash flow exceeding \$ 110 MM. This organic generation allowed financing their investments that raised \$134 MM, which were destined to build new branches.

From now on, it is expected a more conservative investment policy, thus free cash flow could be used to reduce financial debt and to open new branches but in a lower level.

THE ENVIRONMENT

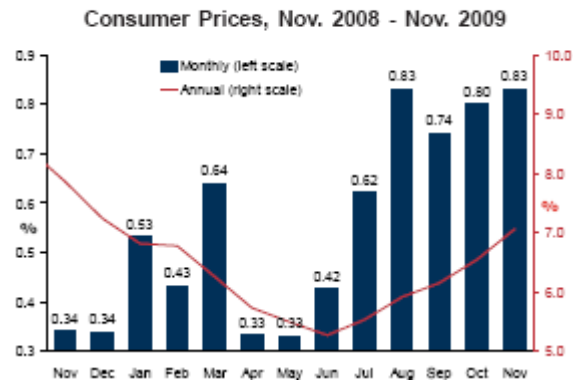
THE ENVIRONMENT.

During 2008, the economy in Argentina grew 6.9%, but couldn't escape from the international crisis. The growth tended to slow down, especially due to the farming conflict and the problems in the financial conditions generated by the international juncture.

Fy2009 was also characterized by a sort of slow down in consumption, which should start to restore its structure by 2010, though gradually and in pair with the international trade.

Regarding inflation, official indicators by (INDEC- Instituto Nacional de Estadísticas y Censos) show a 5,3% for the period between July 2008 and June 2009. Nevertheless, most of the private researches point out a higher figure.

Inflation continues to trend up



On the other side, the level of price growth was restrained according to the slow down level in demand:

In November, consumer prices added 0.83% over the previous month. The figure came in above the 0.80% price rise registered in October but undershot market expectations, which had seen prices adding 1.00%. The price rise was broad-based, as all major categories composing the index rose over the previous month. That said, higher prices for food and beverages as well as for clothing constituted the primary drivers of the monthly price increase.

As a result of the monthly figure, annual headline inflation rose from 6.5% in October to 7.1%. Official inflation data published by the National Statistics Institute (*INDEC*) have been considered suspect ever since a controversial change in the methodology to measure price variations was implemented over two years ago.

A new consumer price index, which was introduced in May 2008, has been unable to dispel the suspicions, as the official inflation figures continue to be well below estimates of various independent analysts.

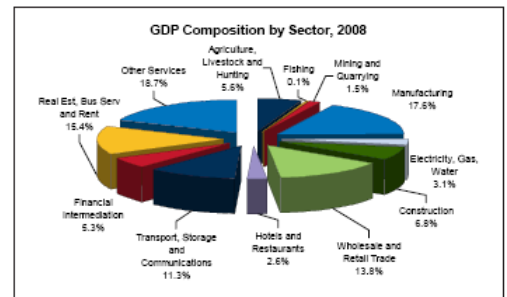
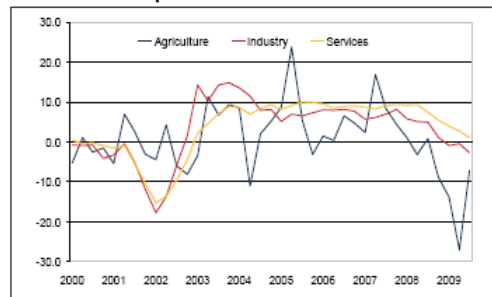
However, as a result of the current sharp slowdown in economic growth as well as the resulting moderating price pressures, the difference between official and non-official inflation has narrowed in recent months.

Within the financial environment, the exchange rate by June 30, 2008 was \$3.025 per dollar, while by the same day of 2009, it was \$3.798.

	2010	2011
Banc of America Securities - Merrill Lynch	4.20	4.90
Banco de Galicia	4.10	-
Banco Rio - Santander Investment	4.40	4.94
BBVA Banco Francés	4.11	4.61
C&T Asesores Económicos	4.24	4.78
Citigroup Global Markets Inc.	4.50	4.95
Credit Suisse	3.95	4.05
Deutsche Bank	4.25	4.85
Estudio Bein & Asociados	4.09	4.45
Fundación Capital	4.35	-
Goldman Sachs	4.15	4.50
Graduate School of Business - UP	4.70	5.41
HSBC	4.10	4.40
JPMorgan	4.25	-
LOG	4.39	4.91
Morgan Stanley	4.70	-
Orlando J. Ferreres & Asociados	4.21	-
RBC Capital Markets	3.75	4.00
Scotiabank Group	4.50	-
Consensus	4.28	4.66
30 days ago	4.35	4.89
60 days ago	4.50	5.03
90 days ago	4.57	5.03
Minimum	3.75	4.00
Maximum	4.70	5.41
Median	4.24	4.70
Standard Deviation	5.6	8.5

Eventually, the Patagonic region is expected to unfold positively the economic activity, due mainly to the gas price that, in spite of having had a significant reduction last year, now has regained ground.

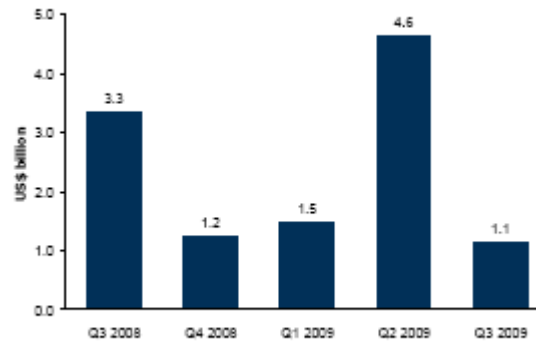
Gross Domestic Product by Sector of Origin, annual variation in %																			
	Q1 05	Q2 05	Q3 05	Q4 05	Q1 06	Q2 06	Q3 06	Q4 06	Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09
Agriculture & Livest.	9.4	24.6	6.2	-3.3	0.3	-0.4	4.1	4.4	2.4	16.9	9.5	6.1	2.2	-3.4	0.2	-9.7	-14.1	-27.1	-7.3
Fishing	-15.2	-14.2	-32.7	6.6	52.9	52.0	178.0	15.4	1.3	11.2	-22.3	-24.2	-35.0	6.4	23.5	34.5	-2.5	-28.1	-1.6
Mining and Quarry	-2.3	1.3	-0.1	0.3	1.6	2.5	3.5	4.1	-2.3	-2.8	0.3	2.7	3.7	-3.8	2.1	2.3	-0.4	3.9	-6.2
Manufacturing	6.0	7.8	7.2	8.7	9.5	8.9	9.2	8.1	6.5	7.0	7.4	9.2	6.2	6.0	5.5	0.9	-1.1	-0.9	-3.1
Elect., Gas & Water	5.2	5.1	6.3	3.4	3.8	5.1	4.6	6.4	4.7	6.2	7.4	4.5	4.5	4.1	2.7	2.3	0.3	0.0	1.3
Construction	14.0	19.8	20.5	25.8	22.8	20.3	18.0	12.5	10.4	9.2	9.8	10.2	9.7	6.0	2.7	-1.9	-3.5	-4.0	-4.2
Wholesale & Retail	10.1	9.2	10.2	9.8	7.1	6.4	8.6	9.9	11.0	10.2	11.7	11.6	8.9	11.6	7.7	3.8	1.8	1.2	-4.7
Hotels & Restaurant	8.2	8.9	7.1	7.6	6.9	6.6	7.5	8.1	7.1	7.6	8.3	9.8	9.3	7.0	7.4	6.9	5.0	-0.4	-3.3
Trans., Stor. & Com.	14.0	17.3	15.4	12.8	13.1	11.8	14.5	14.3	13.5	13.3	13.7	14.1	13.8	13.1	12.0	10.1	7.3	6.8	4.7
Financial Intermed.	13.4	16.0	19.8	20.7	24.8	20.2	20.5	23.2	18.0	19.0	19.0	18.5	23.3	17.8	10.8	4.1	-0.7	-0.6	
Real Est. and Busin.	3.2	3.3	6.0	5.4	4.5	4.2	3.8	4.3	4.4	3.9	5.7	4.6	6.5	6.7	5.9	5.9	5.5	5.2	3.7
Other Services	5.2	5.6	6.0	5.5	6.5	5.9	4.8	4.7	5.0	4.7	4.8	5.6	5.5	5.0	4.7	4.8	4.8	4.0	4.0



Current Account surplus narrows in third quarter

In the third quarter, the current account incurred a surplus of US\$ 1.1 billion. The result was below the US\$ 3.3 billion surplus registered in the same quarter the previous year and also came short of the US\$ 4.6 billion surplus tallied in the second quarter.

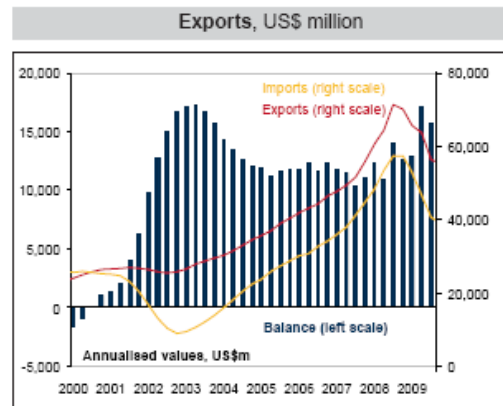
Current Account Balance, Q3 2008 - Q3 2009



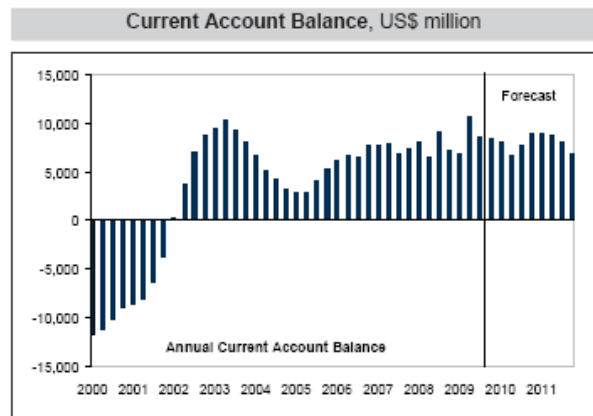
Note: Quarterly current account balance.
Source: Argentina National Statistical Institute (INDEC).

The deterioration compared to the previous quarter was primarily due to a smaller trade surplus, which decreased from US\$ 6.3 billion in the second quarter to US\$ 3.4 billion.

Exports plunged from an annual 11.9% contraction in the second quarter to a 34.9% decline, while imports improved a notch, up from the 40.7% annual contraction recorded in the second quarter to a 36.5% decrease. Meanwhile, the transfer balance improved over the previous quarter, while the services balance as well as the income balance deteriorated somewhat.



As a result of the quarterly reading, the moving annual current account surplus narrowed from US\$ 10.7 billion in the second quarter to US\$ 8.5 billion.



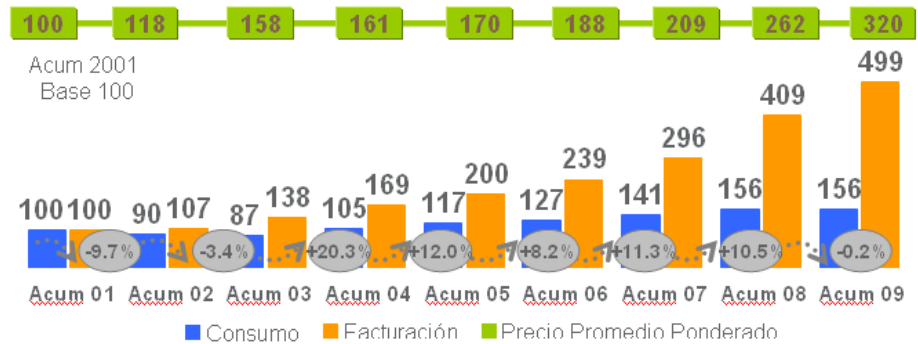
CONSUMPTION

The massive consumption products held during 2008 the growing tendency in volume and invoicing that had place during the last years, with a growing rate of 10,5% against the last year, being even greater in cases like main brands and premium products.

Food sales particularly, considering the whole channels, verified a 7.7% of growth in volume. Invoicing, at its time, has been evolved based on the consumers tendency to buy first or premium brands, and even based on the price effect (see trend graphic).

During 2009, consumption maintained locally the expansion level until July and certain stagnation was verified from the second semester on. As a consequence, the consumption level kept the same levels as in 2008. In spite of this, Supermarket Channels go on leading sales as per the rest of the channels, but in a lesser tendency related to the last year.

In this way the food sector, ended a year with ups and downs, but keeping a positive expectation, in spite of the difficult context.



Fuente: Nielsen Retail Index - 81 categorías - Acumulado a Julio 2009
 Incluye: Supermercados, Autoservicios, Tradicionales, Kioscos, Molineros, Carnicerías y Perfumerías - Total País

INDUSTRY OVERVIEW

This market displays two main groups: big chains and traditional market.

The former takes the 55% of the consumption, while the rest (45%) is channelled via traditional village stores.

Even though at present this rate is very similar, the consumption in the traditional market has gained a sharing as a consequence of the economic crisis that forced the population to focus on low prices stores.

Nevertheless, during the last years the chains recovered the most of this area due to special offers based on discounts given by banks and other kind of discounts destined to improve the consumption.

Consequently, the consumption through big chains in occasions even overcame the traditional channel by means of purchase incentives, but at present, the traditional consumption has recovered its sharing.

Many mass consumption companies considers it as one of the main purchase channels together with big chains, Regional Supermarkets (smaller and aiming to particular areas of the country), great wholesales and Hard Discount (proximity stores) which are located in small places with no more than 600 or 700 square meters).

Generally speaking, the Super and Hypermarkets cover the ABC1 segment, adults and mostly women. The main strength of these companies is that they have everything available on the same place.

On the other hand, Hard Discount Stores sell specific products under its own brands

or low quality products. Their margins are not significant while they commercialize between 10% and 25% cheaper than Hypermarkets.

Self service business appears as hybrid due to the fact that buyers come from different socio-economic classes. Women are also the best buyers.

Hard discount segment displays a limited variety of products, with almost exclusive own brand goods, a low prices policy and systematic cost control.

THE BUSINESS.

The year over year sales variation in supermarkets –current prices- was 18.4% in the first semester of 2009, compared to same period of previous period. This variation shows a slow down in relation to the growth of the sales of this sector in previous periods.

So as to reduce that effect and because of the growing competences, main supermarket chains launched massive promotions together with banks, based mainly on discounts with credit cards.

Even though this sector kept on performing inversions, the work cost is one of the main concerns of the industry, because this increases production costs and of course, income levels.

At a local level, this sector is composed by 69 players, among big chains and regional chains, hiring more than 100.000 people. Monthly, it invoices \$4000 millions through 60 millions of operations per month, which gives us an average of \$65 per purchase.

Supermercados. Cantidad de cadenas y bocas de expendio, ventas totales, ventas por boca, superficie del área de ventas, ventas por m², ventas por operación, número de operaciones, personal ocupado, desde enero 1997 en adelante

Período	Cantidad de cadenas	Ventas totales en miles de pesos	Cantidad de bocas de expendio	Ventas por boca en miles de pesos	Superficie del área de ventas en m ²	Ventas por m ² en pesos	Número de operaciones	Ventas por operación en pesos	Personal ocupado
Noviembre	69	2.856.893	1.502	1.903	2.238.962	1.276	61.387.717	46,5	95.416
Diciembre	69	3.857.861	1.514	2.550	2.255.305	1.711	68.181.564	56,6	98.227
2008									
Enero	69	3.006.997	1.525	1.972	2.272.648	1.323	59.819.848	50,3	97.852
Febrero	69	3.063.742	1.529	2.004	2.286.282	1.340	58.290.175	52,6	96.690
Marzo	69	3.499.058	1.533	2.282	2.299.700	1.522	62.740.512	55,8	97.708
Abril	69	3.244.770	1.539	2.108	2.308.586	1.406	58.506.484	55,5	98.308
Mayo	69	3.462.031	1.541	2.247	2.310.761	1.498	59.707.340	58,0	98.384
Junio	69	3.439.756	1.546	2.225	2.319.710	1.483	59.278.749	58,0	97.669
Julio	69	3.545.598	1.549	2.289	2.321.847	1.527	62.095.058	57,1	97.694
Agosto	69	3.785.241	1.558	2.430	2.332.869	1.623	63.165.468	59,9	98.120
Septiembre	69	3.547.515	1.562	2.271	2.343.595	1.514	59.803.850	59,3	98.430
Octubre	69	3.873.591	1.570	2.467	2.372.719	1.633	63.111.392	61,4	98.353
Noviembre	69	3.919.915	1.578	2.484	2.398.330	1.634	61.776.519	63,5	99.403
Diciembre	69	4.763.833	1.591	2.994	2.430.491	1.960	69.376.478	68,7	101.201
2009									
Enero	69	3.836.771	1.595	2.405	2.433.796	1.576	58.533.447	65,5	101.317
Febrero	69	3.617.195	1.598	2.264	2.435.297	1.485	54.643.416	66,2	100.076
Marzo	69	3.984.448	1.599	2.492	2.435.711	1.636	58.061.931	68,6	99.192
Abril	69	3.970.675	1.600	2.482	2.437.506	1.629	57.692.735	68,8	99.146
Mayo	69	4.024.766	1.608	2.503	2.448.023	1.644	56.935.407	70,7	97.601
Junio	69	3.907.118	1.608	2.430	2.449.793	1.595	55.530.577	70,4	97.539

MARKET-SHARE

The leader companies are six: Carrefour Group (Carrefour and Día), Coto, Cencosud Group (Disco, Plaza Vea and Jumbo), Importadora y exportadora de la Patagonia (La Anónima, Quijote y Best) and Wal Mart (Walmart and Chango Mas).

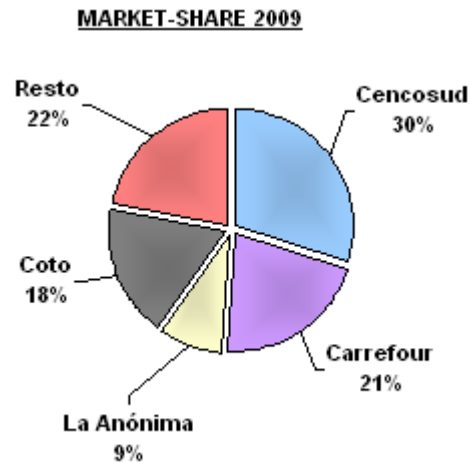
At local level, Cencosud Group (Jumbo and Disco chains) has the major part of the market with 30% of share. Next, Carrefour Group with 21%, mainly formed by Carrefour and all its formats, and Norte and Día.

Thirdly, the local chain, Coto, with 18% of share, while La Anonima has the fourth place with 9% of the market. It is important to say that despite this percentage, in its region we can define it as the most important food company. This was achieved for the most part because of its long presence in the region and also in the consumer's mind of south Argentina. This feature allows it to keep the leadership and make a profit of little chains that buys in order to increase its share.

Therefore, the company is leader in the south of the Country, where the low demographic density acts as a natural barrier against other chains. In most of the locations where it works, it is the main option. In Chubut, Río Negro, Santa Cruz and Neuquén it gathers 2/3 of the sales area.

On the other hand, the company has different kind of branches, according to the needs of the region where it is settled. For this reason there is no close possibilities for a competitor such as big international chains to locate branches in this area,

reason why this is one of the most important commercial advantage to go on growing.



COSTUMERS

Argentinean consumer is the one that more spends in Latin America (in dollars) and the one that displays a growing tendency to shop through internet. Argentines spend U\$232 in average per month, against the U\$161 average of the rest of Latin America. Being the average salary at the end of 2008, U\$619 (INDEC), we can say that 37% of the average salary was spent in supermarket goods.

INDUSTRY RISK FACTORS

1. Available income:

This is one of the most important features that impacts in this sector, because consumption acts as the key factor of the company incomes. That impact is directly proportional to sales, average price and number of operations.

2. Political risks:

Deceleration of the economy due to a new crisis between the National Government and the agricultural sector.

Pressures in Taxes and the Import activity

3. Competence:

Opening of new branches or purchasing of some of the already existing on behalf

of big National-International chains. This will diminish La Anonima market share in the region and probably its sales volume.

4. Structure cost:

Growth in the structure costs, ie salary structure, shipping costs and own network maintenance (La Anonima owns 95%)

5. Impact of the socioeconomic situation of south region

As a direct consequence of the gas industry in Neuquen, Rio Negro, Chubut and Santa Cruz.

6. Devaluation risk (by means of debt)

Since most of the debts are located in international currency and part of the traded products come from abroad.

7. Inflation (impact over consumption)

We expect an inflation ratio between 10% / 15% for the coming Fy2010 although the National Government presents different information. Salaries rising as well as international prices and consumption warming up are some of the reasons for those trends

8. Employment:

The unemployment rate in Argentina is expected to be around 10% for the coming Fy2010. This would raise the number of unemployed workers, thus affecting company' sales

9. Strikes:

Let's remember that this group has over 10000 employees on the whole associated companies. For that reason, strikes are one of the key factors against regular performance.

10. Farming crisis:

There is still a sort of tension between the government and the requirements of the rural producers, reason why, in case of new problems or strikes, the company would suffer some consequences in the meat production activities.

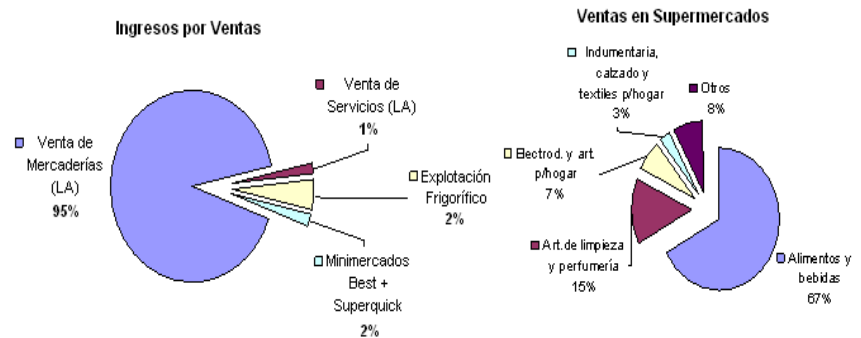
11. Stock levels:

Be in terms of working capital as well as in perishable and non-perishable products with expiration date.

"Importadora y Exportadora de la Patagonia SA" (from now on "La Anónima", "LA" o "The company"), is a company founded in 1908 by Family Braun, devoted to the distribution and retail trading of mass consumption products, specially alimentary, through supermarkets chains, located mainly in Patagonia Area (Neuquen, Rio Negro, Chubut, Santa Cruz and Tierra del Fuego) and some minor activities (fast food stores and minimarkets).

Business units:

- a) La Anónima Supermarket (95% of company's incomes),
- b) Meat processing plant
- c) Best Minimarkets
- d) Super Quick Fast food



La Anónima in brief

- 116 branches in 63 cities
- 10 distribution centers and one transference base
- 5 food courts
- 180m2 to 5000 m2 branches
- 10.000 employees
- Presence in 10 provinces of the country (states)

Operations

SAIEP has the Leadership at the South part of the country, where the low demographic density acts as a natural barrier against other supermarkets or big chains. All over the majority of the locations where it works, this company is always one of the main options referring to supermarkets. Within Chubut, Río Negro, Santa Cruz and Neuquén, it covers 2/3 of the sales.



SAIEP operates branches in different formats, according to specific needs of each region where they locate.

La Anónima Supermarkets: operations under this brand represent the core business of the company. As per June 2009 SAIEP had 103 branches, mainly located in cities within the Patagonia region, followed by Buenos Aires, La Pampa, Santa Fe and Córdoba. The branches generally occupy between 200 and 6000 square meters.

Best Minimarkets: by June 2009, the company operated nine minimarkets, exclusively located en Buenos Aires Federal District. This is similar to the convenience store concept, because they offer a smaller variety of products. Such branches had an extension that varies among 100 and 350 square meters and the real state policy to install branches is based on rents, because it provides a wider flexibility in a competitive zone.

Quijote Supermarkets: six branches are part of this denomination, and they locate in Rafaela, Esperanza and San Jorge-

PATA's HISTORY.

In 1908, José Menéndez and Mauricio Braun's companies joined efforts to become the corporation of having general stores, farms and its own sailing fleet. Given the length and complexity of the name, Patagonian residents christened the new company as La Anónima from the very beginning. It quotes in the Buenos Aires Stock Exchange since its initial public offering in 1942.

In the mid 60's, amidst economic and financial trouble, the society decides to sell the sailing fleet, farms, estate and to transform the general stores into supermarkets, which were already in operation and known as self-service stores.

In 1979, shareholding concentrates back in the Braun family, bringing the spread of assets to an end. Then, the current board takes control of the society and sets forth a new strategy oriented towards attaining the supermarket business leadership in the

Patagonian region by means of a new growth plan, a technological and computerized renewal and the establishment of a new corporate policy.

Beginning in 1982, the company started an expanding period with the opening of new branches along different areas of the Patagonia, and, consequently, a sales rising. Then it followed the purchasing of properties belonging to the main competitors, Lahusen SA and Argensud.

In 1993, the company bought the block of shares of Proser SA, aiming to consolidate its presence in Rio Negro and Neuquen. Proser was exploiting El Hogar Obrero branches in those locations under a dealership contract.

Then, in 1999, bought the block of shares of Arenales SA, a company devoted to retail sales from 1980, with branches at the NE of Buenos Aires, South of Santa Fe and one in South Cordoba.

Along the time, the company also performed other acquisitions such as Pablo Lanfont SA (food and no food products, sales and distribution of those products and stores in gas stations), De León Supermarkets (retail products under the name of “De León”, “Proxy” and “Kimba” with branches in La Pampa), Frigorífico Arre Beef, and finally, Supermercados Quijote SA (retail sales with branches in Santa Fe).

Products

PATA markets its own and third party's products under La Anonima trademark. These products come because of company's continued effort to offer clients products at competitive prices.

La Anónima's product line-up comprises over 200 items manufactured in Argentina with the best raw materials in different categories: DIARY, COLD CUTS, FROZEN FOODS, BAKERY, CANNED FOODS, TOILETRIES, GROCERIES and CLEANING products.

98% belong to mass consumption products coming from the main providers located in the country, while the rest, 2%, is imported from Brazil (45%), China (12%), and others (28%). These imports belong mainly to bed, toilet and kitchen products, t shirts and fish in cans and bags. The imports volume is around U\$S9M per year.

Regarding suppliers, the company developed a diversification policy in every product line, so as to limit the dependence respect to them that may affect the product supply. The products that La Anonima manufactures and that are traded under its

own brand, let the company to acquire independence from some suppliers that are also competitors, getting in this way more income margins.

Purchasing are centralized in order to obtain the best mix between price, quality and payment conditions and this is achieved by means of a concentration of purchase volumes.

Important to say that the negotiation power with providers has increased with the concentration process. Through this important purchasing power, La Anonima demands a good relation between price-quality, regular supply and an important number of sales that justifies the position in the shelf.

In the negotiation with suppliers, they discuss not only quantities and prices, but special exhibitions in the shelf and also locations in aisles, publicity and others. This is because the decisions are mostly made in front of the shelf.

As an average, the payment to providers is done around 30-45 days for the local and abroad suppliers.

Company' Strategy.

La Anonima has 9 Regional Distribution Centres providing which daily supplies to more than 90 points of sale (owns and third parties), distributed in the South and Central area of the country and to two Cargo Transfer Centres located in both Buenos Aires and Mendoza Provinces, thus linking Suppliers and Distribution network.

This Distribution net allows them to reach big and small cities and inland towns as well, with business units varying in sizes between 300 to 5,000 sqm. Devoting the whole of the shop's surface to the public and at the same time achieving a high efficiency in the shops' variety of products, stock levels and transport costs.

They have developed in Buenos Aires a highly systemized cargo Transfer Centres, where they consolidate and distribute merchandise from different regions with a modern "Cross-Docking" system which speeds-up delivery of products. In this way they reduce product stock levels and ensure availability, quality and freshness.

They have developed very flexible logistics, adapting operations to each client's

needs in order to obtain the highest attainable cost-efficiency.

As regards the Valle del Río Negro area, they have taken advantage of the existing railway to use the train as a low-cost transport means. They have a Regional Distribution Centres with their own railway branch where wagons are directly unloaded in the Distribution Centres and representing the only multi-modal transport case using railways for massive products in the country.

La Anonima is located in 60 cities of the country; it operates four business units as main activity, and has 112 branches in all. Its 9 Regional Distribution Centres provide daily supplies to more than 90 points of sale, its own and third party, distributed in the South and Central area of the country and to two Cargo Transfer Centres located in Buenos Aires and Mendoza, linking Suppliers and Distribution network. For Tierra del Fuego have developed a Regional Center adapted to ship and truck container handling and unloading. The RDC are equipped with a level of technology and infrastructure able to reduce costs and anticipate operational needs in the event of a sales volume increase. This logistic plan is complemented by a distribution-centre located in Ituzaingó, some 30 km. from the Federal District.

Management performance and background

Federico Braun is currently developing the CEO position due to the fact that he belongs to the family who created La Anónima.

He has demonstrated the capacity and ability of getting stronger during the different crisis the country went trough. This creates a value to the stockholder.

Management

Chairman of the Board, Managing Director: Federico Braun (Age: 59)

Vice Chairman of the Board: Arturo Esteban Santillan

Director: Santiago Braun

Director: Alfonso Mario Lago

Director: Patricio Carlos Perkins

Director: Juan Jose Badano

**CONVERTIBLE NOTES
ANALYSIS**

Shareholder analysis

Control of shares belong to Braun Family with 76,23% of the capital. The remaining shares (23,77%) belongs to the Buenos Aires Stock Exchange.

La Anónima has 23,15% of it capital in free float.

The pension funds (AFJP) control 88% of free float, representing 20% of the firm capital. The rest is owned minority holders.

Convertible Notes launching

Effective June 8, 2007, the Extraordinary Shareholders Meeting approved the emission of convertible notes on U\$S25.000.000. For this purpose, the Santander Rio S.A. Bank was empowered to act as organizer, placement agent and Book-Runner

Effective June 29, 2007, the company cancelled Convertible Notes Serie 04, issued as a part of the Global Program of Convertible Notes, whose residual value was by that date U\$S16.196.158. In the same day, related interests were paid for U\$S 783.109.

The emission of Convertible Notes above described, took place during July, 25th, 2007, placed at a parity of 99,30% of its nominal value. Net funds coming from this emission were used to refinance the short and middle term debt, including but not limited to cancel middle term loans destined to the rescue Convertible Notes of the Serie 04.

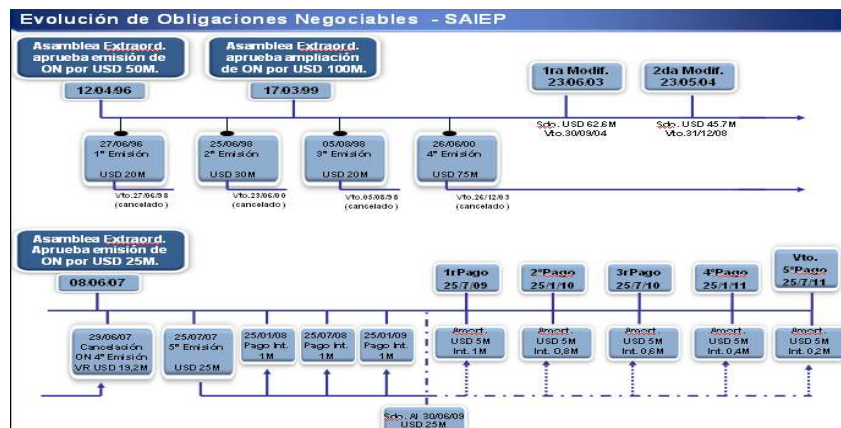
Next, a description of the main aspects of the emission:

- Terms: 4 years counting from emission date.
- Expiration date: July, 25th, 2011.
- Interests: will be accrued from the emission date to a fix annual nominal rate of 8%.
- Interest cancellation day: 25th, January and July.
- Amortization: 5 equal and consecutive down-payments, covering the 100% of the nominal value of the obligations. It will be cancelled each semester during the same day of the emission date by July and January, starting during July 2009.

- Anticipation due to tax reasons: convertible notes might be paid due to tax reasons.
- Risk qualification: Fitch Argentina, Risk Assessment Company SA, defined the Convertible Notes as AA-.
- Specific commitments: SAIEP will keep a relation between the Total Financial Debt and EBITDA, equal or lower than 3 (three). This coefficient will be calculated on the basis of the Annual and Intermediate Financial Statements.

In the same way, as well as the Convertible Notes are circulating, SAIEP will have to commit to certain matters such as:

- Do not perform merges; take-over processes or any other process that implies reduction, distribution or Social Capital repayment.
- Do not concede loans for more than U\$D 1.000.000, neither invest in amounts higher than U\$D3.000.000 unless those loans or investments be a) For less than 90 days or b) In quotes of the Buenos Aires Stock Exchange and any other Stock Exchange of international acquaintance, or c) In loans or investments where the Board would formally recognized them as reliable.



SWOT ANALYSIS

STRENGTHS

- Extensive business/professional experience (La Anónima was founded in 1908)
- Due to the long extension of the territory, La Anónima uses it as a distinctive commercial element, because competitors have to develop a complex system to do business there.
- Own label created by the company to reduce costs and have a better income.
- The company targets the high and low social income segments.
- Flexible logistics.
- Meat sales increasing margins due to the acquisition of meat stores.
- Professional management
- Broad negotiation power with suppliers due to the amount of purchased goods.
- Reach to long distance and small towns along the Patagonia.
- The short term debt is not so important and allows the company to administrate it on daily basis
- We believe that hypermarkets and supermarket should generally appeal to price-sensitive consumers. Also, because of the extent that they sell such consumer staples as food and beverages, this should make their sales less sensitive to changing fashions and demand for other discretionary goods than those of some other retailers.
- Significant cash-flow generation and adequate liquidity level through its important cash & Marketable security line and possible access to external financial tools (banks among others financial institutions).

WEAKNESSES

- La Anónima does not offer additional financial tools to its costumers in order to increase sales of products through additional financial loans offered to its clients.
- Low volume of shares in the market
- Low volume of transactions made during the period

OPPORTUNITIES

- When the region is a kind of barrier for competitors, La Anónima develops even better conditions to increase the business. That's why new kind of branches are being opened to adapt the company to the needs of the specific location.

- Due to the improvement in the oil price, there are good expectations related to the economic activity of the region for 2010.

THREATS

- 1) International competitors in the country apply strong price policies that may affect the company.
- 2) In case of a new (and possible) farming crisis, the whole activities related to the meat production would suffer some consequences.
- 3) Possible reduction of Market-share in hands of the Traditional market.

MACROECONOMICS ASSUMPTIONS AND PROJECTIONS

Macroeconomic assumptions.

Based on the historical Gross Domestic Product growth for the last five years, we expect a 3,3% average year-on-year increase for the coming years.

Item	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Argentina							
GDP real increase (%)	3,6%	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%

This rate was not only based on the fact that Argentina has recovered those GDP negative levels showed on the 1999-2002 period but also on the fact that the economy could not maintain those extremely levels of growing.

As regards Inflation, we realized that the local economy has been showing fasting levels of growing based on the lack of macroeconomic policies focused on controlling monetary ratios.

Panellist	Official Inflation			Non-Official Inflation		
	Annual variation in %			Annual variation in %		
	2009	2010	2011	2009	2010	2011
B. of Am. Sec. - Merrill Lynch	6.5	7.3	7.9	15.0	11.5	11.5
BBVA Banco Francés	7.5	10.5	11.5	16.0	17.0	16.0
C&T Asesores Económicos	-	-	-	18.7	16.9	16.1
Citigroup Global Markets Inc.	7.3	10.5	9.5	17.5	19.8	15.0
Deutsche Bank	-	-	-	13.5	15.3	17.1
Estudio Bein & Asociados	7.2	7.5	11.0	15.4	17.0	20.5
Fundación Capital	7.2	7.0	8.0	14.0	16.5	16.5
HSBC	-	-	-	14.5	15.7	13.9
LCG	6.3	8.8	8.1	14.4	15.8	12.4
Orlando J. Ferreres & Asoc.	-	-	-	14.6	22.1	25.1
Scotiabank Group	-	-	-	15.0	15.0	15.0
Average	7.0	8.6	9.3	15.3	16.6	16.3
30 days ago	7.1	9.3	-	15.1	15.8	-
60 days ago	6.9	9.9	-	14.8	15.3	-
90 days ago	6.7	10.5	-	15.2	15.0	-

Therefore, we expect an 18% average increase for the coming years performed as follows:

Item	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Average annual inflation (Jun-Jun)	18,8%	23,0%	20,5%	16,5%	15,0%	15,0%	15,0%
Average monthly inflation	1,4%	1,7%	1,6%	1,3%	1,2%	1,2%	1,2%

Operative Assumptions

Our total REVENUES projections is made of:

- Volume:

- o Average transactions made in current branches:

We assume that transactions will maintain an stable trend in terms of transactions/square meters ratio but also adding the organic growth of the Argentinean Population (1,88% year-on-year basis)

- o New branches (Expansion policy):

We continue assuming the expansion plan adopted by the company during the last periods (5 new branches per year). However, we decide to be more conservative in our analysis in order not to reflect such aggressive plan in the terminal value.

Therefore, we decide to slow-down this increasing trend and replace this level for the following figures:

ew Capital Expenditures

Concept	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
New Branches	5	5	4	4	3	2	2
Cost per branch	6.755	7.171	7.452	7.671	7.897	8.129	8.368

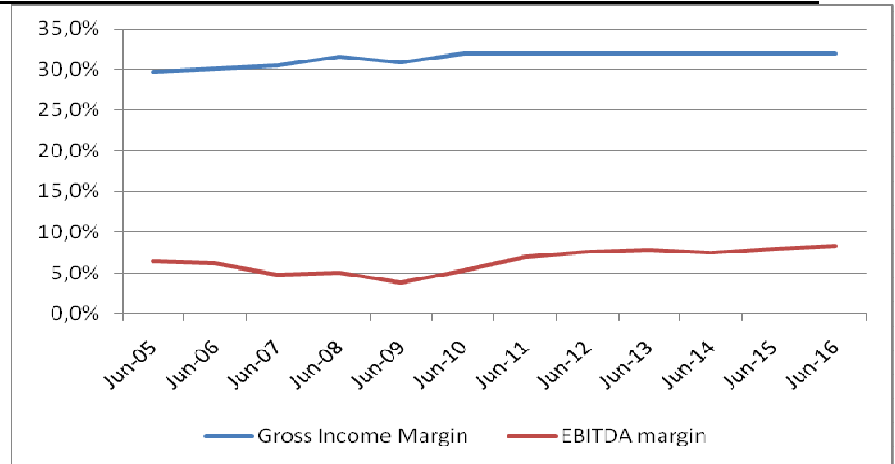
- Price:

We assume an average ticket of \$ 73 in Fy2010 made of 5 divisions:

- 1) Food & Beverages
- 2) Cleaning products
- 3) Clothes
- 4) Electronic products
- 5) Other related products that can be found in a Supermarket

It is important to highlight that all these elements followed the increasing trend of local prices mainly based on Inflation variations.

COST OF GOODS SOLD is expressed as a fixed portion of sales. We assume 68% over sales due to the fact that LA exclusively made a pure pass-through of prices and therefore it is not a price-maker.



Therefore and taking into consideration a better utilization of company's resources, our EBITDA MARGIN projections present a growing trend for the coming years (in % terms):

BALANCE SHEET ASSUMPTIONS.

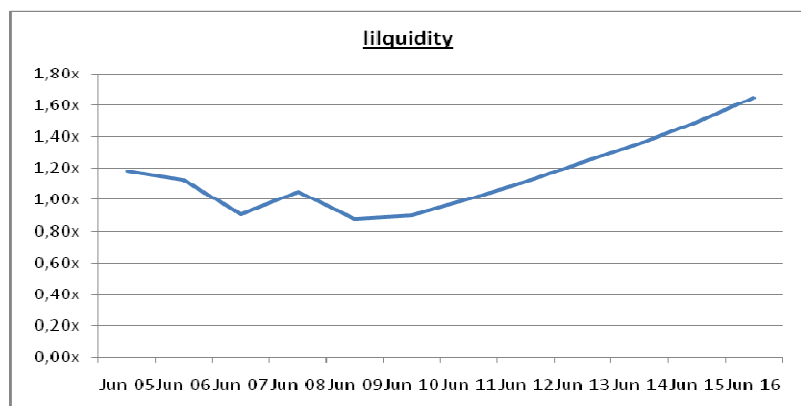
Assets

Our projections show an increasing trend in terms of Assets mainly due to internal policies adopted by the company in terms of new branches. Therefore, it can be observed an increasing trend in Inventories line as well as Fixed Assets.

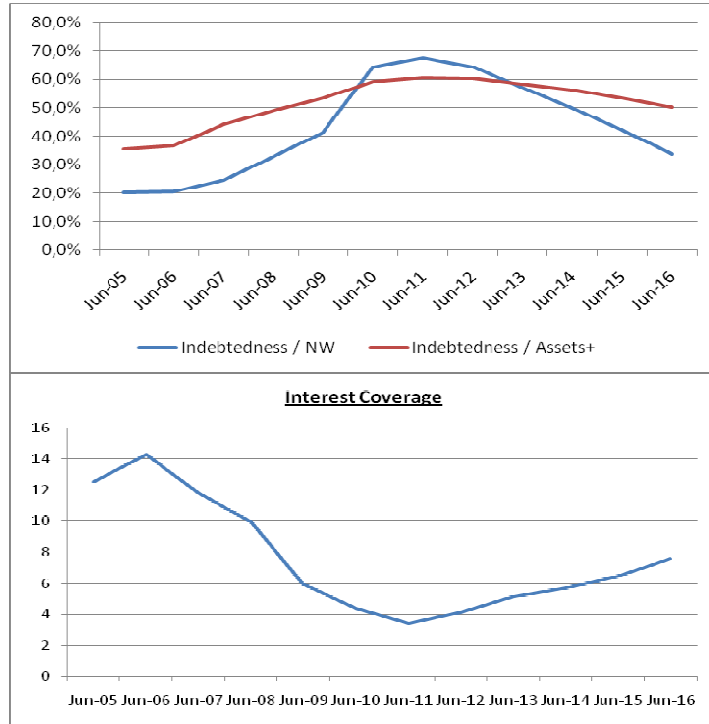
Liabilities.

Increasing Assets are based on LA's own cash-flow generation, Bank Debts as well as Suppliers:

As regards LA's cash-flow generation, we assume a 25% dividend payout portion over the Net Margin (which is a comparable ratio versus other International Supermarkets chains in the region).

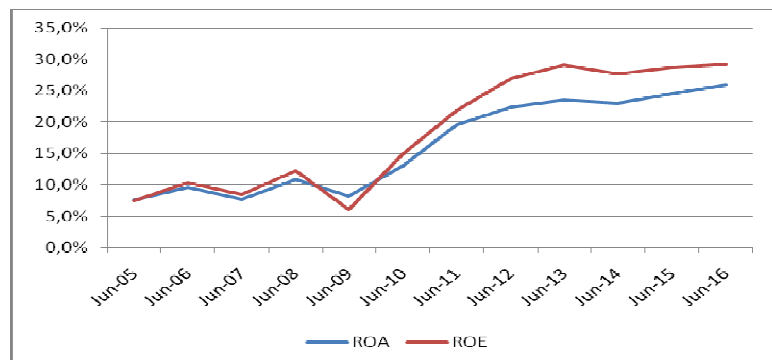


Bank Debts continue being based on the Convertible Notes Program, which maintain its participation over company's Net Worth level as well as its Assets.



In addition, Interest coverage ratios continue being stable due to an acceptable interest rate which is based on foreign financing resources.

Therefore, both ROE and ROA estimations performed as follow:



SOURCES OF

Latin focus Consensus Forecast

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INFORMATION

JP Morgan EMBI+ Method

Bolsa de Comercio de Buenos Aires

Comision Nacional de Valores

IAMC

Bolsas de Lima y Mexico, de Paris y NewYork

INDEC (Instituto Nacional de Estadísticas y Censos)

SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA

Historical and Projected Balance Sheet in ARS'000

	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
ASSETS												
Total Asset	687.846	741.579	901.479	1.099.404	1.226.858	1.583.763	1.964.538	2.434.499	2.968.721	3.566.649	4.275.123	5.119.327
Current Assets	213.061	260.043	358.696	478.245	515.083	838.212	1.183.132	1.623.284	2.126.821	2.701.058	3.393.273	4.220.741
Cash and equivalents ST	26.424	23.126	22.838	44.247	26.233	215.676	370.101	589.017	860.991	1.178.662	1.576.695	2.061.556
Cash	14.929	19.970	22.692	34.085	26.135	30.981	39.738	50.266	61.354	74.000	87.886	103.964
Investments (ST)	11.495	3.156	146	10.162	98	184.696	330.363	538.752	799.637	1.104.662	1.488.810	1.957.593
Commercial receivable	56.947	75.311	129.986	155.851	146.193	211.254	275.898	350.973	429.553	516.617	616.447	732.708
Accounts receivable	43.182	62.801	106.296	130.959	111.682	172.923	225.837	287.290	351.612	422.879	504.595	599.761
Other receivable	13.765	12.510	23.690	24.892	34.511	38.331	50.061	63.683	77.941	93.738	111.852	132.947
Stocks	129.690	161.606	205.872	278.147	342.657	411.281	537.133	683.293	836.277	1.005.778	1.200.131	1.426.476
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non Current Assets	474.785	481.536	542.783	621.159	711.775	745.551	781.406	811.215	841.900	865.591	881.849	898.586
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Stocks	-	-	-	-	-	-	-	-	-	-	-	-
Other receivable	5.782	6.058	5.788	5.571	7.536	7.536	7.536	7.536	7.536	7.536	7.536	7.536
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Asset	469.003	475.478	536.995	615.588	704.239	738.015	773.870	803.679	834.364	858.055	874.313	891.050
Investments	931	1.697	1.719	10.855	13.508	13.508	13.508	13.508	13.508	13.508	13.508	13.508
Intangible Assets	2.211	1.119	569	637	164	164	164	164	164	164	164	164
Goodwill	23.465	18.369	13.364	7.934	2.826	2.826	2.826	2.826	2.826	2.826	2.826	2.826
Fixed assets	442.396	454.293	521.343	596.162	687.741	721.517	757.372	787.181	817.866	841.557	857.815	874.552
LIABILITIES												
Total Liabilities	243.859	272.422	398.934	539.394	654.797	939.423	1.194.183	1.469.281	1.733.708	2.007.124	2.288.083	2.574.841
Current Liabilities	180.077	230.932	393.937	454.759	584.263	925.859	1.180.619	1.455.717	1.720.144	1.993.560	2.274.519	2.561.277
Accounts Payable	110.834	127.158	208.195	245.621	309.078	387.564	510.421	647.673	789.633	947.975	1.130.228	1.342.840
Financial debt and Corporate Bonds	31.684	59.038	122.776	109.125	178.860	415.715	521.772	622.996	705.555	780.678	836.786	861.890
Financial debt	31.684	34.047	122.776	109.125	137.522	-	-	-	-	-	-	-
Corporate Bonds	-	24.991	-	-	41.338	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Social and Fiscal liabilities	32.718	41.753	60.885	97.783	93.372	119.627	145.473	182.096	222.002	261.954	304.552	353.594
Fiscal liabilities	12.439	11.930	17.521	30.444	13.900	25.150	33.208	42.724	52.560	63.605	76.270	90.861
Social liabilities	20.279	29.823	43.364	67.339	79.472	94.477	112.266	139.372	169.443	198.349	228.282	262.732
Other liabilities	4.841	2.983	2.081	2.230	2.953	2.953	2.953	2.953	2.953	2.953	2.953	2.953
Non Current Liabilities	63.782	41.490	4.997	84.635	70.534	13.564	13.564	13.564	13.564	13.564	13.564	13.564
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-	-
Financial debt and Corporate Bonds	58.448	37.486	-	75.625	56.970	-	-	-	-	-	-	-
Financial debt	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Bonds	58.448	37.486	-	75.625	56.970	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Social and Fiscal liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Social liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	5.334	4.004	4.997	9.010	13.564	13.564	13.564	13.564	13.564	13.564	13.564	13.564
EQUITY												
443.987	469.157	502.545	560.010	572.061	644.341	770.355	965.218	1.235.014	1.559.524	1.987.040	2.544.486	
Social Capital	23.000	23.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Capital adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserves	27.563	27.563	563	563	563	563	563	563	563	563	563	563
Sobreprecio Venta Acc	65.691	65.691	65.691	65.691	65.691	65.691	65.691	65.691	65.691	65.691	65.691	65.691
Aportes Irrevocables	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation reserves	-	-	-	-	-	-	-	-	-	-	-	-
Legal Reserve	10.113	10.113	10.113	10.113	10.113	10.113	10.113	10.113	10.113	10.113	10.113	10.113
Other Reserve	2	2	2	2	2	2	2	2	2	2	2	2
Conversion differences	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	284.353	309.589	333.787	364.676	417.140	445.692	517.972	643.986	838.849	1.108.645	1.433.155	1.860.671
Income /loss	33.265	33.199	42.389	68.965	28.552	96.373	168.019	259.817	359.728	432.681	570.020	743.262
Dividendos	-	-	-	-	-	-24.093	-42.005	-64.954	-89.932	-108.170	-142.505	-185.815

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SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA

Historical and Projected Income Statement in AR\$'000

Period	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
	70,3%	70,0%	69,5%	68,4%	69,1%	68,0%	68,0%	68,0%	68,0%	68,0%	68,0%	68,0%
Sales income	1.305.699	1.670.412	2.160.936	3.079.452	3.887.793	4.742.067	6.193.133	7.878.361	9.642.257	11.596.605	13.837.493	16.447.244
COGS	-917.488	-1.168.618	-1.502.699	-2.107.417	-2.686.564	-3.224.606	-4.211.330	-5.357.286	-6.556.735	-7.885.691	-9.409.495	-11.184.126
Raw Material	-	-	-	-	-	-	-	-	-	-	-	-
Gross Income	388.211	501.794	658.237	972.035	1.201.229	1.517.462	1.981.802	2.521.076	3.085.522	3.710.913	4.427.998	5.263.118
Gross Income Margin	29,7%	30,0%	30,5%	31,6%	30,9%	32,0%	32,0%	32,0%	32,0%	32,0%	32,0%	32,0%
Operating Expenses	-296.547	-392.682	-546.978	-807.857	-1.056.308	-1.265.375	-1.547.871	-1.927.677	-2.335.239	-2.839.057	-3.327.676	-3.883.210
Administration Expenses	-19.882	-22.548	-29.761	-43.102	-48.725	-63.882	-77.564	-96.316	-116.655	-136.723	-157.989	-182.560
Commercialization Expenses	-276.665	-370.133	-517.216	-764.755	-1.007.583	-1.201.493	-1.470.308	-1.831.361	-2.218.584	-2.702.334	-3.169.686	-3.700.650
Other income/expenses	-6.772	-6.537	-6.468	-6.671	-	-	-	-	-	-	-	-
Permanent investment results	-	-	-	-	-	-	-	-	-	-	-	-
Other operating results	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	84.892	102.575	104.791	157.507	144.921	252.086	433.931	593.398	750.283	871.856	1.100.322	1.379.908
EBITDA margin	6,5%	6,1%	4,8%	5,1%	3,7%	5,32%	7,01%	7,53%	7,78%	7,52%	7,95%	8,39%
Fixed assets amortization	-32.376	-31.226	-35.647	-37.771	-44.835	-46.547	-48.365	-49.875	-51.431	-52.632	-53.456	-54.304
EBIT	52.517	71.349	69.144	119.736	100.085	205.539	385.566	543.523	698.852	819.225	1.046.866	1.325.604
	4,0%	4,3%	3,2%	3,9%	2,6%	4,3%	6,2%	6,9%	7,2%	7,1%	7,6%	8,1%
Financial effects	252	-7.598	-2.845	-6.881	-52.408	-57.273	-127.076	-143.804	-145.424	-153.562	-169.912	-182.124
Generated by Assets	2.220	2.006	824	-1.793	-4.974	-	-	-	-	-	-	-
Generated by Liabilities	-1.968	-9.604	-3.669	-5.088	-47.434	-57.273	-127.076	-143.804	-145.424	-153.562	-169.912	-182.124
Permanent Investment results	-2	1	-	-	-	-	-	-	-	-	-	-
Other income/expenses	2.249	7.091	4.378	273	7.259	-	-	-	-	-	-	-
Extraordinary income/expenses	-	-	-	-	-	-	-	-	-	-	-	-
EBT	55.016	70.843	70.677	113.128	54.936	148.266	258.490	399.718	553.428	665.663	876.954	1.143.480
Income Tax	-21.751	-22.223	-28.254	-44.163	-20.402	-51.893	-90.472	-139.901	-193.700	-232.982	-306.934	-400.218
Minoritary Interest	-	-	-	-	-	-	-	-	-	-	-	-
Net Income / Lose	33.265	48.620	42.423	68.965	34.534	96.373	168.019	259.817	359.728	432.681	570.020	743.262

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SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA
Projected Cash Flow in AR\$'000

Concept	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
EBIT	205.539	385.566	543.523	698.852	819.225	1.046.866	1.325.604
(+) Amortization/ depreciation	46.547	48.365	49.875	51.431	52.632	53.456	54.304
(+/-) Δ Working Capital	-33.791	-50.549	-57.889	-60.785	-70.918	-83.217	-97.030
(-) CAPEX	-80.324	-84.219	-79.684	-82.116	-76.322	-69.714	-71.041
(-) Tax on EBIT	-71.939	-134.948	-190.233	-244.598	-286.729	-366.403	-463.961
(+/-) Other income / expenses	-	-	-	-	-	-	-
Free Cash Flow	66.033	164.215	265.592	362.784	437.888	580.987	747.876
(+) Tax shield	20.045	44.477	50.332	50.898	53.747	59.469	63.743
Capitl Cash Flow	86.078	208.691	315.924	413.682	491.634	640.457	811.619
(+/-) Δ Financial Debt	179.885	106.057	101.224	82.560	75.123	56.108	25.104
(-) Interests	-57.273	-127.076	-143.804	-145.424	-153.562	-169.912	-182.124
Equity Cash Flow	208.691	187.672	273.343	350.818	413.195	526.652	654.598
(-) Dividendos	(24.093)	(42.005)	(64.954)	(89.932)	(108.170)	(142.505)	(185.815)
Initial Cash	98 [■]	184.696	330.363	538.752	799.637	1.104.662	1.488.810
Accumulated Cash	184.696	330.363	538.752	799.637	1.104.662	1.488.810	1.957.593

Determinación de Dividendos

Resultado del ejercicio	96.373	168.019	259.817	359.728	432.681	570.020	743.262
Utilidades retenidas	445.692	517.972	643.986	838.849	1.108.645	1.433.155	1.860.671
Dividendos	-24.093	-42.005	-64.954	-89.932	-108.170	-142.505	-185.815
Utilidades retenidas final	517.972	643.986	838.849	1.108.645	1.433.155	1.860.671	2.418.117
(-) Dividendos a distribuir	(24.093,3)	(42.004,6)	(64.954,2)	(89.932,1)	(108.170,2)	(142.505,0)	(185.815,5)
Dividendos a pagar	-	-	-	-	-	-	-

Div	25%	25%	25%	25%	25%	25%	25%
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SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA
Working Capital Estimation in AR\$'000

Concept	Real											
	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Current Assets	201.566	256.887	358.550	468.083	514.985	653.516	852.769	1.084.532	1.327.184	1.596.396	1.904.464	2.263.148
Cash	14.929	19.970	22.692	34.085	26.135	30.981	39.738	50.266	61.354	74.000	87.886	103.964
Accounts receivable	43.182	62.801	106.296	130.959	111.682	172.923	225.837	287.290	351.612	422.879	504.595	599.761
Other receivable	13.765	12.510	23.690	24.892	34.511	38.331	50.061	63.683	77.941	93.738	111.852	132.947
Stocks	129.690	161.606	205.872	278.147	342.657	411.281	537.133	683.293	836.277	1.005.778	1.200.131	1.426.476
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-
Current Liabilities	148.393	171.894	271.161	345.634	405.403	510.144	658.847	832.722	1.014.588	1.212.882	1.437.733	1.699.387
Accounts Payable	110.834	127.158	208.195	245.621	309.078	387.564	510.421	647.673	789.633	947.975	1.130.228	1.342.840
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Fiscal liabilities	12.439	11.930	17.521	30.444	13.900	25.150	33.208	42.724	52.560	63.605	76.270	90.861
Social liabilities	20.279	29.823	43.364	67.339	79.472	94.477	112.266	139.372	169.443	198.349	228.282	262.732
Other liabilities	4.841	2.983	2.081	2.230	2.953	2.953,0	2.953,0	2.953,0	2.953,0	2.953,0	2.953,0	2.953,0
Dividends payable	-	6	9	13	20	20,3	20,3	20,3	20,3	20,3	20,3	20,3
Total WC	53.173	84.993	87.389	122.449	109.582	143.373	193.922	251.811	312.596	383.513	466.731	563.761
WC variation		(31.820)	(2.396)	(35.060)	12.867	(33.791)	(50.549)	(57.889)	(60.785)	(70.918)	(83.217)	(97.030)
WC as % of Sales	4,07%	5,09%	4,04%	3,98%	2,82%	3,02%	3,13%	3,20%	3,24%	3,31%	3,37%	3,43%

Days of Working Capital

Concept	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Current Assets												
Cash	4,4	4,6	4,0	4,2	2,5	2,5	2,5	2,5	2,5	2,5	2,5	2,5
Accounts receivable	13,2	13,6	18,1	15,3	11,3	11,0	11,0	11,0	11,0	11,0	11,0	11,0
Other receivable	3,2	2,3	3,3	2,4	2,7	2,4	2,4	2,4	2,4	2,4	2,4	2,4
Stocks	51,6	50,5	50,0	48,2	46,6	46,6	46,6	46,6	46,6	46,6	46,6	46,6
Other Assets												
Current Liabilities												
Accounts Payable	36	33	42	35	35	36	36	36	36	36	36	36
Provisions												
Fiscal liabilities												
Social liabilities	51,1	53,1	54,0	55,4	49,1	49,1	49,1	49,1	49,1	49,1	49,1	49,1

SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA

Discount Rate Estimation

Market Data

Industry: Supermarkets	
% Equity	30,3%
% Debt	69,7%
D/E	230,1%
Tax	25,68%
B _L	1,01
B _u	0,37

	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	VT
D/E	25,0%	38,9%	38,9%	38,9%	38,9%	38,9%	38,9%	38,9%
Equity	80%	72%	72%	72%	72%	72%	72%	72%
Debt	20,0%	28,0%	28,0%	28,0%	28,0%	28,0%	28,0%	28,0%
Rf	3,39%	3,39%	3,39%	3,39%	3,39%	3,39%	3,39%	3,39%
Rp = (Rm-Rf)	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
β _L	0,51	0,59	0,59	0,59	0,59	0,59	0,59	0,59
B _u	0,37	0,37	0,37	0,37	0,37	0,37	0,37	0,37
B _d	-0,48	-0,48	-0,48	-0,48	-0,48	-0,48	-0,48	-0,48
Rc (Country Risk)	7,00%	7,00%	7,00%	7,00%	7,00%	7,00%	7,00%	7,00%
Size Premium	4,00%	4,00%	4,00%	4,00%	4,00%	4,00%	4,00%	4,00%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%
Tax Shield	3%	3%	3%	3%	3%	3%	3%	3%
inflation adjustment	1,151	1,209	1,181	1,142	1,127	1,127	1,127	1,127
Ke in US\$	16,94%	17,33%	17,33%	17,33%	17,33%	17,33%	17,33%	17,33%
Ke in AR\$	35,33%	43,07%	39,77%	35,15%	33,42%	33,42%	33,42%	33,42%
Kd in US\$	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%	8,00%
Kd in AR\$	24,29%	30,57%	27,56%	23,34%	21,76%	21,76%	21,76%	21,76%

WACC	31,42%	36,57%	33,65%	29,56%	28,02%	28,02%	28,02%	28,02%
Discount factor	0,7609	0,7322	0,7482	0,7719	0,7811	0,7811	0,7811	0,7811
Accumulated Discount Factor	0,7609	0,5572	0,4169	0,3218	0,2513	0,1963	0,1533	
		0,2827	0,05	0,65	0,0315			

WACC _A	33,12%	39,57%	36,35%	31,84%	30,16%	30,16%	30,16%	30,16%
Discount factor	0,7512	0,7165	0,7334	0,7585	0,7683	0,7683	0,7683	
Accumulated Discount Factor	0,7512	0,5382	0,3947	0,2994	0,2300	0,1767	0,1358	

Ke	35,33%	43,07%	39,77%	35,15%	33,42%	33,42%	33,42%	33,42%
Discount factor	0,7390	0,6990	0,7154	0,7399	0,7495	0,7495	0,7495	
Accumulated Discount Factor	0,7390	0,5165	0,3695	0,2734	0,2049	0,1536	0,1151	

Ku	33,78%	40,55%	37,31%	32,77%	31,07%	31,07%	31,07%	31,07%
Discount factor	0,7475	0,7115	0,7283	0,7532	0,7630	0,7630	0,7630	
Accumulated Discount Factor	0,7475	0,5318	0,3873	0,2917	0,2226	0,1698	0,1296	0,462

Kd	24,29%	30,57%	27,56%	23,34%	21,76%	21,76%	21,76%	21,76%
Discount factor	0,8046	0,7659	0,7839	0,8107	0,8213	0,8213	0,8213	
Accumulated Discount Factor	0,8046	0,6162	0,4831	0,3917	0,3217	0,2642	0,2169	

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S.A.I.E.P. Market Value Estimation in ARS'000 - (FCF)*

Períodos de descuento		1	2	3	4	5	6	7
Concepto		Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
FCF (Nominal)		66.033	164.215	265.592	362.784	437.888	580.987	747.876
FF (discounted)	707.973,6	50.246	91.493	110.717	116.731	110.054	114.055	114.679
g =	3%							
TV								3.078.177,7
Discounted TV	472.006							472.005,6
FCF + TV	1.179.979							
Enterprise Value	1.179.979							
(+) Non operating assets	98							
(-) Financial debt	-235.830							
Equity Value	944.247	18,88						
VL	1.179.979	1.484.697	1.863.472	2.224.984	2.519.840	2.788.136	2.988.522	3.078.178
D/(D+E)	20%	28%	28%	28%	28%	28%	28%	28%
Debt (mq)	235.830	415.715	521.772	622.996	705.555	780.678	836.786	861.890
Activo no operativo	98	184.696	330.363	538.752	799.637	1.104.662	1.488.810	1.957.593
	944.247	1.253.677	1.672.062	2.140.740	2.613.922	3.112.120	3.640.545	4.173.880
Múltiplo implícito	18,88	25,07	33,44	42,81	52,28	62,24	72,81	
EV	1.179.979	1.484.697	1.863.472	2.224.984	2.519.840	2.788.136	2.988.522	3.078.178
EBITDA 2009	144.921	252.086	433.931	593.398	750.283	871.856	1.100.322	1.379.908
EV/EBITDA	8,14	5,89	4,29	3,75	3,36	3,20	2,72	2,23

S.A.I.E.P. Market Value Estimation in ARS'000 - (CCF)

Períodos de descuento		1	2	3	4	5	6	7
Concepto		Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
CCF (Nominal)		86.078	208.691	315.924	413.682	491.634	640.457	811.619
FF (discounted)	762.025,7	64.663	112.326	124.707	123.855	113.088	113.186	110.201
g =	3%							
TV								3.078.177,7
Discounted TV	417.953,5							417.953,5
FFC + TV	1.179.979,2							
Enterprise Value	1.179.979,2							
(+) Activos No operativos	98,0							
(-) Deuda Financiera	-235.830,0							
Equity Value	944.247,18							
VL	1.179.979	1.484.697	1.863.472	2.224.984	2.519.840	2.788.136	2.988.522	3.078.178

S.A.I.E.P. Market Value Estimation in ARS'000 - (ECF)

Períodos de descuento		1	2	3	4	5	6	7
Concepto		Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
ECF (Nominal)		208.690,9	187.672,0	273.342,8	350.817,7	413.195,2	526.652,4	654.598,5
FF (discounted)	689.007,5	154.214,3	96.934,4	101.009,7	95.921,9	84.676,8	80.892,2	75.358,2
g =	3%							
TV								2.216.287,9
Discounted TV	255.141,7							255.141,7
FFC + TV	944.149,2							
Equity Value	944.149,2							
(+) Non operating Assets	98							
Equity Value	944.247							
(-) Non operating Assets	-98							
(+) Financial Debt	235.830							
Enterprise Value	1.179.979							
Equity	944.149	1.068.982	1.341.699	1.601.989	1.814.285	2.007.458	2.151.736	2.216.288
Debt	235.830	415.715	521.772	622.996	705.555	780.678	836.786	861.890
VL	1.179.979	1.484.697	1.863.472	2.224.984	2.519.840	2.788.136	2.988.522	3.078.178
VL	1.179.979	1.484.697	1.863.472	2.224.984	2.519.840	2.788.136	2.988.522	3.078.178
VL - Equity	235.830	415.715	521.772	622.996	705.555	780.678	836.786	861.890
Control	-0							

S.A.I.E.P. Market Value Estimation in ARS'000 - (APV)

Períodos de descuento		1	2	3	4	5	6	7
Concepto		Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
FCF (Nominal)		66.033	164.215	265.592	362.784	437.888	580.987	747.876
FF (discounted)	638.425	49.358	87.336	102.872	105.836	97.465	98.662	96.897
g =	3%							
TV								2.744.276
Discounted TV	355.555							355.555
FFC + TV	993.981							
Enterprise Value (u)	993.981							
Vu	993.981	1.263.747	1.611.930	1.947.729	2.223.184	2.476.035	2.664.345	2.744.276
Tax Shield (Nominal)		27.885	58.994	68.133	71.451	76.725	84.894	90.996
Tax Shield (discounted)	142.737	20.843	31.376	26.380	20.845	17.077	14.417	11.790
Terminal Value								333.902
Discounted TV	43.261							43.261
TS + TV	185.998							
Tax Shield Value	185.998							
Enterprise Value (levered)	1.179.979							

(+) Non operating Assets 98
 (-) Financial Debt -235.830
Equity Value 944.247

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SOCIEDAD ANONIMA IMPORTADORA Y EXPORTADORA DE LA PATAGONIA
Análisis de Ratios

Período	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16
Ratios de rentabilidad												
Margen Bruto	30%	30%	30%	32%	31%	32%	32%	32%	32%	32%	32%	32%
Margen de EBITDA	6,5%	6,1%	4,8%	5,1%	3,7%	5,3%	7,0%	7,5%	7,8%	7,5%	8,0%	8,4%
Margen Operativo	4,0%	4,3%	3,2%	3,9%	2,6%	4,3%	6,2%	6,9%	7,2%	7,1%	7,6%	8,1%
Margen Neto	2,5%	2,9%	2,0%	2,2%	0,9%	2,0%	2,7%	3,3%	3,7%	3,7%	4,1%	4,5%
ROA	7,6%	9,6%	7,7%	10,9%	8,2%	13,0%	19,6%	22,3%	23,5%	23,0%	24,5%	25,9%
ROE	7,5%	10,4%	8,4%	12,3%	6,0%	15,0%	21,8%	26,9%	29,1%	27,7%	28,7%	29,2%
Rotación PN	2,94x	3,56x	4,30x	5,50x	6,80x	7,36x	8,04x	8,16x	7,81x	7,44x	6,96x	6,46x
Ratios de Eficiencia												
Rotación Activos	1,90x	2,25x	2,40x	2,80x	3,17x	2,99x	3,15x	3,24x	3,25x	3,25x	3,24x	3,21x
Rotación de inventarios	7,1x	7,2x	7,3x	7,6x	7,8x	7,8x	7,8x	7,8x	7,8x	7,8x	7,8x	7,8x
Días de cobro promedio	13	14	18	15	11	13	13	13	13	13	13	13
Días de pago Promedio	36	33	42	35	35	36	37	36	36	36	36	36
Ratios de Liquidez												
Liquidez Corriente	1,18x	1,13x	0,91x	1,05x	0,88x	0,91x	1,00x	1,12x	1,24x	1,35x	1,49x	1,65x
Liquidez ácida	0,46x	0,43x	0,39x	0,44x	0,30x	0,46x	0,55x	0,65x	0,75x	0,85x	0,96x	1,09x
Capital de Trabajo / ventas	4%	5%	4%	4%	3%	3%	3%	3%	3%	3%	3%	3%
Ratios de Endeudamiento												
Ratio de Endeudamiento sobre PN	20,3%	20,6%	24,4%	33,0%	41,2%	64,5%	67,7%	64,5%	57,1%	50,1%	42,1%	33,9%
Ratio de Endeudamiento s / Activos	35%	37%	44%	49%	53%	59%	61%	60%	58%	56%	54%	50%
Ratio de cobertura de Intereses	12,5x	14,3x	11,8x	10,0x	5,9x	4,4x	3,4x	4,1x	5,2x	5,7x	6,5x	7,6x
Ratio de cobertura (total)	N/d	N/d	N/d	N/d	N/d	4,64	2,48	2,90	3,41	3,69	4,10	4,59