

December 5, 2008.

## RIGOLLEAU S.A.

RIGO/MERVAL

*Continuing Coverage (more than 100 years doing what we know...)*

### **Investment Rating: Market Outperform.**

Price: \$ 14,00 Merval: 925,18 M.AR:659,52 MERVAL 25: 923,75

- High Technology in the production.
- Greater installed capacity, increased its capacity of production in a 20% in the last two years, improving remarkably the variable costs.
- Quality certified by the norm ISO 9001, social responsibility certified by AS 8000.
- Ours 12 months target price is \$ 14,72.

### Market Capitalization

Ind Mercado (12m)	08.2008
Precio / Utilidad x	16,07
Precio / Valor Libro x	2,24
Dividend Yld (cot fin) %	1,45
Capitaliz Bursatil \$	415.866k
Price Sales Ratio x	1,63
Div Efec Pag p/ Acc \$	0,25

Ind Financieros (12m)	08.2008
Utilidad p/ Accion \$	1,0704
Valor Libro p/ Accion \$	7,6728
Margen Bruto %	21,16
Rent Patr (pat final) %	13,95
Margen Neto %	10,17
Deuda Bruta / Pat Net %	8,67
Liquidez Corriente x	2,90

### Company Quick View

Location: Administration and Plants in Berazategui - Province of Buenos Aires.

Industry: Glass manufacture

Description: Rigolleau S.A. was the pioneering company in Argentina in the automatic manufacture of glass packages. Also in the introduction of glasses and blown glasses and first in making neutral glass tube (TYPE I) and opal glass set of dishes. RIGOLLEAU S.A. consolidates its activity through the constant product innovation, services and technologies, being leader in our country in the commercialization of bottles of beer, jars, pharmaceutical bottles for cosmetics, perfumes and products, set of dishes of table and furnace and glasses.

Main products and/or services: Manufacture of packages for medicinal and cosmetic drinks, foods, products. Elaboration of sets of dishes, glasses and jars.

Website company: [www.rigolleau.com.ar](http://www.rigolleau.com.ar)

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**STOCK PRICE PERFORMANCE**



Fuente: Bloomberg

**INVESTMENT SUMMARY**

It is recommended to maintain the stock of this company since although it has a suitable financial and economic situation and a behavior defined as anticyclical compared to the swings of the national and world-wide economy, the uncertainty level and the tendency of the price of the action of the last month would indicate that the same one is due to maintain until the context shows clear signals of its direction.

Their historical levels of sales and costs still stay stable in crisis time. Additionally, the company is reliable and the projections would indicate that its value will be increased offering acceptable yield for the investor with aversion to the moderate risk.

**INVESTMENT THESIS**

Rigolleau changed the rules of the game from the devaluation, until that moment it was more profitable to import than to make in the country. The originated economic context from December of the 2001 favored the conditions of substitution of imports. Some sectors of the industry began to grow, as it is the case of his clients and this favored by the "pesificación" of its financial debt and the devaluation of the Argentine peso front to the dollar. From the 2002 the best conditions of the market the company began to increase the use of its installed capacity, making investments in repairs and maintenance, mainly those necessary in the furnaces to optimize the operation of the factory. The production of Rigolleau during year 2003 was overflowed when the concerned stock of innumerable headings was exhausted (set of dishes, packages for the pharmaceutical industry, perfumery, food and drinks). The manufacture of glass bottles for beers and soda waters represents a fundamental portion of the production of the company.

It seems that the company will continue investing according to the rate of the growth of sales. This increase is related directly to the evolution of the consumption of beers, since both main clients of the company are Cervecería Quilmes and Isenbeck, covering these a 23% with the sales.

Rigolleau is leader in costs, and it stands out by its constant investment in technology.

Technology of Outpost in the production	<p>RRIGOLLEAU was the pioneering company in Argentina in the automatic manufacture of glass packages. Also in the introduction of glasses and blown glasses and first in making neutral glass tube (TYPE I) and opal glass set of dishes.</p> <p>In 1962 the control of the shareholding package passed at the hands of Corning Glass Work (EE.UU.), world-wide leader in glass technology. This fact, allowed RIGOLLEAU to accede to the most update technology, as much of qualification of its personnel and its processes of manufacture. At the moment, RIGOLLEAU consolidates its activity through the constant product innovation services and technologies, being leader in our country in the commercialization of bottles of beer jars, pharmaceutical bottles for cosmetics, perfumes and products, set of dishes of table and furnace, glasses and glasses. Always to the vanguard, it is worried about the ecology promoting environmental and recycled education programmes.</p>
Quality certified by norm ISO 9001	<p>Nowadays the protection of the environment takes implicit to the word “recycled”. By means of the organization of a system of used glass recycling it is possible to be reduced, on the one hand, the energy demanded and by another one, is considerably alleviated the garbage dumps of remainders</p> <p>As regards quality management, it is annually revalidated the certification according to 9001 Norm ISO, staying in addition certification AS 8000 to social responsibility effective. The cost of the recycling of the glass is minor than any other for that reason is a little more required. Food bottles, glasses and containers are crushed and the resulting material is fused, which allows to give new form to it. The factories that practice the recycling buy to better price the glass of a single color.</p>
Higher installed capacity	<p>The ecological and intelligent conduct to use recycled glasses, specially in drink packages, implies to save natural energy and resources. We know that although the sand is abundant, is necessary to extract it and to transport it, the same happens with the other elements that compose the glass. As these processes require energy and generate great amounts of industrial wastes and they are possible to be reduced almost in a 80% when 50% of this recycled element are used in the process. The energy that is saved with the recycled one of a glass bottle reaches to ignite a lamp of 100 hours during 4 hours.</p> <p>To decide on the glass packages instead of other types, in special plastics, represents one guess the right ecological conduct, then, the glass produced from the recycled one reduces to the environmental contamination of this industry in a 20% and the one of the water in a 50%. On the other hand one ton of recycled bottles means an economy of 80 kilos of petroleum</p> <p>Throughout the history of Rigolleau, the company has an important positive balance as far as technological investments, in spite of the economic cycles that crossed.</p> <p>The period of greater splendor of Rigolleau included from the second postwar period to the 50s. Then strategies of incorporation and adaptation of process technology were privileged and product via agreements with foreign companies. A landmark that marked the trajectory of Rigolleau was the bond that settled down with the American company Corning Glass Works who in 1944 yielded the patents to him for the glass production process.</p> <p>The Pyrex mark guaranteed to the company quality and innovation which stimulated the increase of its sales. For the manufacture of Pyrex they had to construct special furnaces and to construct specific machinery. In the middle of the 50s, another agreement was signed with the American company Wheaton Glass Co., for the manufacture of bottles for injectable antibiotics, the first time that was developed that line of products in Argentina</p> <p>Rigolleau raised in 70 years a strategy of greater investments to leave the stagnation of the sales. New warehouses for products of the home were constructed and the primary horizontal of tubes of high speed and exact dimensional precision was gotten up. In the plant of Berazategui the manufacture of packages in triple drop began and triple mold and was surpassed, temporarily, the difficulties of production of packages.</p>

The modernization which they faced in the 90 allowed the company to adapt better to the present conditions of substitution of imports

During exercise 2007 the construction was culminated and was put in operation the 300 furnace n° of Tn /day of extraction and new line of production of nutritional bottles integrated by a machine I.S of 12 sections of last technological generation with electronic control of operation. With this new furnace the capacity of total production company was increased in approximately a 20%

At the present time the company continue investing in order to produce more, and obtaining better costs.

## VALUATION

The methods applied to arrive at target price were FREE CASH FLOW and CAPITAL CASH FLOW. By both methods it has been arrived at the same recommendation for the investor.

With respect to the estimate by comparable, similar companies or of the industry were considered. International companies were taken since there are in the country companies no similar to Rigolleau. Peers chosen was: Owens-Illinois, Vidrala and Saint-Gobain OBE. It is possible to clarify that these companies are leaders at world-wide level with which the estimate was from little utility with respect to the methods already enunciated.

In addition estimate by comparable with companies of the mineral industry nonmetalists took place although these generate a product finished different, to have therefore a datum point on the basis of the industry.

## INDUSTRY ANALYSIS

The glass industry is extremely diverse, both in the products made and the manufacturing techniques employed. Products range from intricate hand-made lead crystal goblets to huge volumes of float glass produced for the construction and automotive fibre sector to cross-fire regenerative furnaces in the flat glass sector.

The glass industry is essentially a commodity industry, although many ways of adding value to high volume products have been developed to ensure the industry remains competitive. Over 80 % of the industry output is sold to other industries, and the glass industry as a whole is very dependent on the building industry, and the food and beverage industry. However, some of the smaller volume sectors produce high value technical or consumer products.

As the expectations and requirements for environmental performance increase the industry is faced with potentially high costs of compliance. This provides an incentive for industry to develop more cost-effective methods of achieving these performance levels and the Glass Industry has been quite successful in meeting this challenge. The most cost-effective techniques are often primary techniques, which prevent the emission of pollutants rather than treating the substances emitted. When considering the overall impact on the environment primary techniques are generally preferable where they can achieve equivalent emission levels. Particular successes have been with the use of primary techniques, including oxy-fuel firing, to control emissions of NOx. However, for particulate emissions primary techniques are not generally capable of achieving emission levels comparable to secondary techniques.

## Growth Drivers

One of the most important factors that it has company is the learning curve, like accumulation of knowledge and small continuous improvements, and as it advances the production and the repetition of tasks; in effect, the factor learning is of special interest in intensive sectors in capital and of relatively high fixed costs as the industry is the case show window, in which the fixed component of the cost is near 50% of the total cost. Also we can emphasize that the operation of the capacity of the furnaces in a range of constant patterns is extremely important since, it is an industry with a structure of costs in which the fixed component is relatively high and, consequently, to exist intermittent of the capacity or moved away operations of the average they undergo the punishment of the fixed costs and make difficult the profit of a competitive cost. Finally, a determining general factor of the cost, is the location of the production plants. This factor affects clearly the relative

behavior of two components of the cost: 1) to the cost of the manual labor, that is generally superior in the plants located in zones of greater industrial development than in the located ones in area where the industrial development is in inferior levels, 2) to the cost of the transport of the package from the centers of production to the packing plants; this aspect is interesting since the empty glass packages carry out this route (“they travel empty” in the jargon glassworker) with a relative volume/unfavorable with respect to the substitutes and also unfavorable cost for the moved away plants more of the consumption centers. The proximity of Rigolleau with the main client favors remarkably, allowing to reduce the costs considerably.

The manufacturing industry of the intensive glass of work capital, which creates discharges barrier of entrances to any other competitor.

Treat Of Entry

Given to the stop market share that includes Rigolleau in this market, the prestige of the mark and the trajectory guaranteed by more than 100 years of presence favors its monopolistic position in the country, making difficult therefore the entrance of rivals.

Bargaining Power of Suppliers

The suppliers are classified according to the following groups: suppliers of specialized machinery inputs (raw materials), fuels and energy, financier and manual labor average.

- The suppliers of specialized machinery have stop great level of negotiation due to the reduced existing number, since mostly are foreign and to the own differentiation and specialization of the equipment that they provide.
- Of the suppliers of raw materials, the one of sodium carbonate (Solvay) holds a high power of negotiation based on the operation of this product at international level, input irreplaceable for the manufacture of the glass, in regime of almost monopoly in the international scope, since few companies exist around the world very that are dedicated to this extraction. For the case of Rigolleau from the devaluation and the installation of a plant Sodium Carbonate extractor in the south of the country, and monopolistic, it is only supplied to national level, the rest of inputs (recycled sand, feldspar, limestone, packages, etc.) exist in abundance in the national market, they are not differentiated and they are supplied by agents who compete in fragmented markets reason why its power of negotiation is low.
- The providers of energies (electrical energy, oil gas, procloth) show a fortified position because the price in the market (electrical tariffs and fuel cost) partly is regulated and depends on non-controllable factors as the position of the crude one and the type of currency change in the international markets, which annuls the possibility of negotiation on the part of the industry show window.
- The power of negotiation of the factor work is considerable since this component approximately represents a 30% of the total cost and the huge period of time that the groups of companies take installed in the industry has made a high degree possible of “sindicalización” of the workers.
- On the contrary the power of negotiation of the providing financial organizations of bottom is low due to the adjusted financial structure of the industry show window.

Bargaining Power of Buyers

The capacity of clients to impose conditions is bound to the size, to the volume of purchases, the low cost of change and the existence of own models that custom-made need molds (active specific) and that catch the manufacturer of the package once made the mold.

The real possibility to integration exists backwards, this was the case of the French group BSN Gervais-Danone, with activities in the scope of the feeding (ultrasailors, pastes, cheeses, yogures etc.) and of the drinks (beers, mineral water, refreshments, etc.) that ended up taking positions in the branch from the glass packages and plastic that got to represent a 17.5% of their turnover.

	<p>On the other hand the existence of few offering groups facilitates a fast transmission of information which makes inconsistentes the policies of discrimination of prices that could be made. The previous factors together with the little differentiation of the product (glass package) do that the power of the great clients in general is elevated.</p>
Substitutes	<p>Analyzing the substitution process it is shown that the metallic packages, of plastic and cardboard are a real threat because they are able to satisfy the same functions that the glass package. It is a brake important to the increase of prices to avoid a displacement of the customer towards another type of packages which forces to maintain a very good relation in front of price-benefits the substitutes. From the devaluation of peso the glass has better prices than the plastic for the case of the packages.</p>
<b>COMPANY DESCRIPTION</b>	<p>Rigolleau S.A. (RIGO/MERVAL) manufactures and markets glass products for household, cosmetic and pharmaceutical use. The Company markets china, glasses, and bottles for perfume, medicine and beer in Argentina, and exports its products elsewhere in South America and the Middle East.</p>
History	<p>RIGOLLEAU, transforming the hierarchy product glass, contributes to the improvement of the quality of life of the people.</p> <p>The COMPANY was founded by Gastón Fourvel Rigolleau on 1882. One settled down in the city of Buenos Aires, being the base of the first glass industry in Argentina. In 1906 it was transferred to Berazategui, province of Buenos Aires and in 1908 it opened its capital corresponding to stock quoting since then and until the present has presence in stock-market of Commerce of Buenos Aires. In 1962 the control of the shareholding package passed at the hands of Corning Glass Works (EE.UU.), world-wide leader in glass technology.</p> <p>This fact, allowed RIGOLLEAU to accede to the pluses technical outposts, as much of qualification of its personnel, like of its processes of manufacture. In 1987 Rigolleau it was acquired by the group Anmovi Anstal (Camilo Gancia). Finally from 1993 and to the present, most of the shareholding package it belongs to Industrias Integrales del Vidrio S.A., composed by some members of the Cattorini family.</p> <p>RIGOLLEAU constitutes an economic group with: Amposan S.A. y Vitofar S.A</p>
Strategy	<p>The strategy of leadership in costs is based on obtaining a minimum final cost with respect to the competition quality and a policy of prices that allow to reach a volume of sales and growth of the quota of profitable market. In the implantation of such strategy, the production function has an important paper because it is tried to obtain the greater possible efficiency in the operation and allocation of the resources being centered in investments and performances that have incidence in the reduction of the final cost: standardized product design, improvement of equipment, performance of I+D.</p> <p>With activities of standardized product design (packages), investments in the improvement of productive equipment (fusion furnaces, manufacture machines), of machines of control of quality and processes of logistic external they lead to a greater efficiency and reduction of costs and final greater benefits than can be invested again in the system.</p> <p>In the case of the sector of the glass the process investments are of incremental character, because it is an industry in which their processes have reached a high degree of normalization and standardization; a high percentage of the investments is dedicated to means of electronic control and</p>

the quality, activity in which the parameters are more and more demanding.

The investment in productive equipment marks the evolution of the yields in the manufacture and the automatization of the process. In basic facilities like the fusion furnaces, the investments for the improvement of the efficiency are oriented to obtain greater dimensions and advantage of the capacity (scale economies), minor power consumptions (economies in costs), greater life utility (economies in investments) and incorporation of technologies of last generation. So that the manufacture machines are more efficient requires a greater number of work sections, greater complexity of processes of simple system and passage, speed production to double or triple drop of lightening (packages); in this last aspect the obtained results have been excellent, being remarkable the incorporated character of that has a great part of the technology and the innovation in this industry.

In addition to the investing activities detailed previously oriented to the reduction of costs, the application and use of the modern technologies of the information allow to combine contradictory principles traditionally as the flexibility and efficiency giving rise to the automatization.

The technologies of the information are present in almost the totality of the processes of fusion and manufacture of glass packages. The process little presents/displays a peculiarity frequent, that consists of which it is possible to be combined a continuous production system that include the mixture activity and fusion with a system flexible manufacture that includes from the moulding activity to end of the process. In effect, in the moulding activity the process allows to change of product and to initiate the manufacture of new lots or series of other packages; this peculiarity is well-known like change flexibility.

The technologies of the information penetrate in the activities of the chain value of the industry of glass packages through three scopes: a) in the design of the packages by computer, b) in the process of fusion and manufacture maintaining under control variable like temperature of furnaces homogeneity of the glass, speed of machines, weight of the package, number of packages, c) in the process of control of quality by means of the inspection and verification of dimensional and function parameters of the package (aspect, fissures, height, closing of mouth, etc.). The quality control is carried out by optoelectronic machines that control on production chain the 100% of the package eliminating those that do not fulfill the conditions predicted.

As much the fusion equipment, like the machines of manufacture and control of quality is tied to respective computers that store and treat the information. Its impact is translated in a smaller cost of manual labor to that they replace, in a greater precision in the execution of the activities, minor errors and generation of information in real time that it allows to act as soon as knows the defect or error.

In the scope of the quality management it renewed the certification according to 9001 Norms ISO version 2000, staying in addition certification AS 8000 to social responsibility effective.

**Competitors**

At national level, the company enjoys the benefits to feel monopolistic, although some other local industries exist as the case of the Ex- Cristalux, at the moment is handled by Cooperative the Avellaneda Crystal, that centers its production in supplying to its main clients (Makro, Carrefour, Coto and Wall Mart) and single produces for the division home plates and glasses.

At level the International, globalized companies exist that operate at regional level and others that operates at local level, as the case of Chile Glasswork. Nevertheless, main the characteristics of these companies are that the majority concentrates their forces in the origin place and rare time they expand to other countries, like Owen Illinois, whom its market is opening and expanding to Peru and with view to a near future to settle in Mendoza, Argentina to install a plant and to supply the market of the bottles for the wine industry. Although in principle non-serious a direct competitor could get to be it in the long term.

Latest  
Developments

During exercise 2007 the construction was culminated and was put in operation the 300 furnace n° of Tn /day of extraction and new line of production of nutritional bottles integrated by a machine I.S of 12 sections of last technological generation with electronic control of operation. With this new furnace the capacity of total production company was increased in approximately a 20%.

During the exercise it was reversed in generator ELTs and petroleum facilities, that will allow to surpass the existing difficulties in the power supplying and to adjust their onerous consequences. Within the framework of the development of the human resources, with the intention of taking advantage of the capacities each individual and responding to present and future requirements the organization, it has been continued with the program of internal qualification having itself spent 2,956 hours in qualification.

In order to reinforce the leadership of the mark during the 2007 Rigolleau Maison launched to the market two new models of glasses, Pinta and Finland. In set of dishes, the newness is the Antille line in its new color AZURE, which is a unique color in the market, that it looks for to be friendly with the table.

Additionally of production of glasses for home division was settled.

Products

The company has the commercialization divided in two great sectors: Industrialist (representing 83% of the sales) and Home (representing 17% of the sales). Within them the following products make:

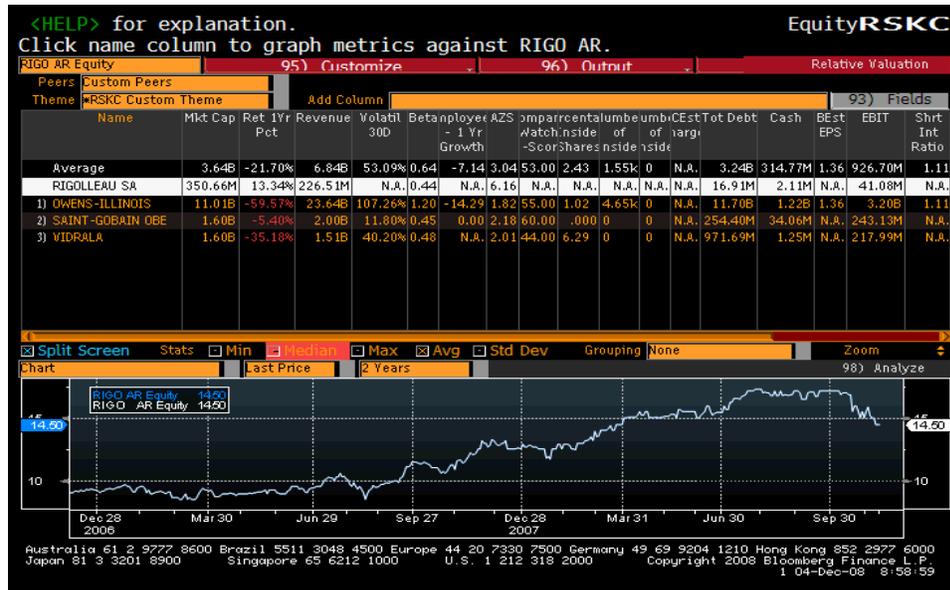
➤ **Industrial:**

1. Packages for foods, like bottles for sauces, essences and others. Jars for jams, candies honeys, yogurths, mayonnaises, coffees, pickles, extracts, etc. In glass flint (white) and capacities from 28 to 4000 milliliters Bottles for crushed tomato, oils and vinegars, in glass flint. Capacity from 250 to 1000 milliliters).
2. Standard line developed for its distributors (Bottles in glass flint. Standard line for fragrances, lotions, extracts, enamels for nails, aquittal enamels and creams).
3. Packages for medicinal products (molded glass Bottles, TYPE II (treated) and TYPE I (soda water lime), color flint and amber. Standard line for liquids, solids, veterinarians farming and antibiotic, from 10 to 1000 milliliters Blisters, bottles and carpules produce from neutral glass tube TYPE I flint and amber. All these lines make in agreement with norms ISO-DIN and in special measures, taking care of the requirements of our clients).
4. Packages for drinks (Bottles for turnaround soda waters and without return, from 237 cc. to 1500 cc. in glass flint with or without decoration. Turnaround bottles for beer and without return, from 300 cc. to 1000 cc. in glass flint and/or amber. Bottles for licores and whiskys without return, from 500 cc. to 1895 cc., exclusive models standard and, (customized), in glass flint and/or amber. Bottles for milk and fruit juices, without return, from 200 cc. to 1000 cc., exclusive models standard and (customized), fundamentally in glass flint.)

➤ **Home:**

1. Sets of dishes, glasses and glasses. These products make in glass amber, blue, flint and smoked.

**PEER ANALYSIS**



Fuente: Bloomberg

OI/NYSE

Owens-Illinois, Inc. manufactures plastic and glass packaging products. The Company's product include glass bottles, plastic containers and closures, plastic prescription containers, labels, an multipack plastic carriers for beverage Bottles. Owens-Illinois sells its products to customers around the world.

OLG/NYSE

Saint-Gobain Oberland AG produces and markets a variety of bottles, packaging glasses, and containers for the beverage and food industries, and ceramics and other glass products for building and industrial purposes. The Company also provides consulting, design, and development service for glass manufacturing plants.

VID/MAD

Vidrala SA manufactures glass bottles and markets them throughout Europe. The Company produces bottles for beverages, vegetable oils, and preserves.

**Comparable with mineral Argentine companies of the industry non-metalists**

### Análisis Fundamental

	RIGO	JMIN	INTR	Sector	MERVAL	S&P500
Activo Total (Mill. \$)	220	1,369	70	252	-	-
Patrimonio Neto (Mill. \$)	166	965	58	179	-	-
ROA	11.0%	1.5%	4.5%	5.0%	-	8.7%
ROE	14.6%	2.1%	5.5%	6.5%	-	21.2%
Margen Bruto	26.13%	34.32%	39.99%	26.43%	-	43.92%
Margen Operativo	20.89%	13.37%	-9.12%	7.48%	-	18.84%
Margen Neto	11.65%	2.54%	12.16%	5.35%	-	12.76%
Ratio Corriente	2.60	1.03	2.86	2.15	-	1.63
Rotación del Activo	0.94	0.59	0.56	1.09	-	0.98
Apalancamiento	32.52%	41.88%	19.93%	47.87%	-	77.00%
Rend. por Dividendos	-	-	-	0.00%	-	2.51%
Divid. / Ganancias	-	-	-	0.00%	-	13.69%

### Ratios de valuación por comparables

	RIGO	JMIN	INTR	Sector	MERVAL	S&P500
Precio / Gan. Proy. (P/E*)	14.09	16.06	109.40	295.85	-	-
Precio / Ganancias (P/E)	14.52	16.54	112.68	304.73	-	18.34
Precio / Ventas (P/S)	1.69	0.42	9.13	8.77	-	2.51
Precio / Flujo de Fondos (P/FF)	-	-	-	0.00	-	13.14
Precio / Valor Libros (P/BV)	2.11	0.35	6.14	15.96	-	3.81

Fuente: Invertir Online.com

**Juan Minetti SA** is an Argentinean company engaged in the production and distribution of Portland cement and concrete. The Company's primary subsidiaries are Hormix SA (99.94%) and Ecoblen SA (55%). Its main shareholder is Cemasco BV. The Company operates cement plants in Cordoba, Mendoza, Jujuy and Buenos Aires, as well as a milling plant between Campana and Zarate. The Company is headquartered in Buenos Aires, Argentina.

**Compania Introdutora de Buenos Aires SA (CIBA)** is an Argentinean company engaged in the industrialization and marketing of salt and spices for domestic consumption and for industrial processes. In addition, the Company sells condiments for fish, meat and poultry, as well as liquid dressings. Its product portfolio includes basil, bay leaf and cinnamon, among others. It conducts its salt extraction operations in the Bebedero salt deposit in the province of San Luis and the Macachu salt deposit in the province of La Pampa. CIBA forms a holding venture with its subsidiary, Do Anclas SA, an Argentinean salt producer and distributor. The Company sells its salt, condiments and spices under the Dos Anclas and Resero trademarks. It contracts an extended network of distributors that deliver the products to customers across the country. As of June 30, 2008, CIBA was controlled by FV Sociedad Anonima, which held approximately 55.56% of its shares.

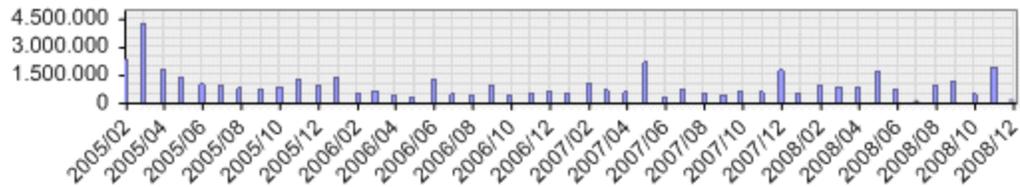
**MANAGING  
STRUCTURE**

Enrique Francisco Cattorini >	Chairman of the Board
Humberto Omar Cattorini >	Vice Chairman of the Board
Ruben O. Vega >	Chief Auditor
Eduardo Sturla >	Director
Carlos David Willging >	Director
Hugo Alberto Stauber >	Director
Juan Carlos Pena >	Trustee
Sebastian Carlos Pena >	Trustee

**ANALYSIS OF  
THE  
COMPOSITION  
SHAREHOLDER**

Main shareholders: Industrias Integrales del Vidrio S.A. (73.96% of the votes).  
Liquidity of the action: unliquidated.

Operated volume: Species: RIGO Due Date: H72  
Price: Homogenous  
Regularity: Monthly - From: 01/01/2005 Even: 09/12/2008



Free float: 26,04%

Fuente: Bolsar.com

**INVESTMENT  
RISKS**

Between the risks of the company the following ones were identified:

- The low level of historical negotiation of the action, denotes a low liquidity of the same one, which implies a risk for the investor at the time of wanting to sell this action.
- Not to obtain competitive prices of market; reduction of commercial margins.
- Change in the preferences of the clients by products substitutes (metal, cardboard, plastic).
- Relation of the type of real par, (weight - real) unfavorable for the local market, causing substitution of the local production by the product import of Brazilian origin.
- Changes in legislation. Sensible demand by fluctuations of the type of change and before changes in the policy of foreign trade.
- Sobreestimación of the demand.
- Sobre dimensionamiento of the installed capacity structure of the business does not adapt to the situation of the market.
- Obsolescence
- Dependency of companies of the group; pressure on the part of the suppliers; reception of insumos nonapt for the consumption.
- Loss of reputation due to adverse publicity.
- High positions of defective product breakage; returns; unexpected changes in the

- conditions of market.
- Incorrect accounting of benefits to the personnel; hostile atmosphere of work.
  - Not to generate funds enough to increase the activity nor to fulfill the payments of debts.
  - Increase of costs as a result of increases in price of energy.
  - Solution of the clients affected by changes in the conditions of market; obtaining of inadequate financial sources.
  - Errors in the accountings; errors in the information sent to contralor organisms

How mitigate the company these risks?

- Management constantly check the margins of sale by line of product and volumes of sale.
- In order to avoid the replacement by products substitutes, it optimizes the quality of products and to offer these to competitive prices.
- As much the lawyers as the Audit Committee advise to the Society in regulations emitted by the contralor organisms.
- Assure that a structure of the appropriate organization stays to maximize the efficiency of the business.
- Participation of the Directory in the day to day; maintaining meetings frequent.
- Reduction of costs; to avoid interruption of supplying of energy using alternative power plants.
- To make quality controls; to maintain and to increase the portfolio of clients.
- To maintain motivated to the personnel through an atmosphere of propitious work and additional benefits by good yields. To maintain a good climate labor.
- Fulfillment of assumed debts, auto finance through the generation of the capital of work to improve the quality of collections.
- To generate flows of positive bottoms; to increase the volume of sales and margin revision of costs.
- To diminish financial risk of debts. Correct application of countable norms;
- Fulfillment of the exigencies of information imposed by the contralor organisms

**FINANCIAL PERFORMANCE AND PROJECTIONS**

Drivers used for the projections of the sales, was their evolution in the past, considering the growth of the consumption of beer, the bilateral and real exchange rate, the considered inflation and the annual GIP for the next years

**OPERATIVE ASSUMPTION**

The behavior of the activity, as well as the yield of the sector is related closely to different factors, as they are the exchange policy, the growth at level country reflected by means of the GIP, and the drink consumption. In function to these variables they were generated supposed that were used to consider a projection of the sales.

With respect to change goods, accounts to pay and to receive, according to the conducted historic analysis on the same ones, are not expected great variations, thus the projections do not show greater differences with the historical data.

For the projection of the costs one considered the constant investments that the company in technology carries out, looking to reduce the costs. Considering the increase of generate productive capacity during the 2007, one hopes that the greater costs generated by this increase are absorbed as the company makes use of the greater installed capacity

Financial assumption      As far as the financing, the company has modified its financial policy in the last years, taking advantage of the high margins to reduce the liabilities, looking to finance with cash excessive flows resorting to financing of third for the acquisition of machineries. In function to this projections, seems to maintain a level of stable indebtedness.

The rate of income-tax stays in 35%. As regards dividends, reference was year 2002 ahead, since 1995 to the 2001 results were mainly negative reason why dividends were not distributed.

Investment assumption      The Investment in technology is constant (whose proportion is independent of the level of sales as the result of the exercise) cradle in historical averages, it was considered an annual increase between 1% and 8% of the value of the existing investment.

**SOURCES OF INFORMATION**

- ✓ Bolsar.com
- ✓ CNV
- ✓ Bloomberg
- ✓ Invertir Online.com
- ✓ Reuters
- ✓ Cámara del Vidrio de Argentina
- ✓ Website Rigolleau
- ✓ SEMINARIO TALLER "ARCHIVOS Y FUENTES PARA LA HISTORIA DE EMPRESAS EN LA ARGENTINA : DIAGNÓSTICO Y PERSPECTIVAS FUTURAS". Cyntia Russo
- ✓ Fernández, E., Avella, L. y Fernández, M. (2003): Estrategia de producción. Mc Graw Hill
- ✓ Gerwin, D. (1993): "Manufacturing Flexibility: A Strategic Perspective", Management Science.
- ✓ Asociación Argentina de Historia Económica.
- ✓ Cámara de la Industria Cerveceras Argentina.
- ✓ Diario El Cronista
- ✓ Home Research Accuracy.
- ✓ Asociación Cerveceros de Latinoamérica.
- ✓ World Class Manufacturing and Japanese Manufacturing Techniques. Richard Schonberger. Edit. Free Press.
- ✓ Materiales Compuestos I Primera Edición 2000 Editorial Reverte Antonio Miravete

**Historical and Projected Financial Statements**

	2005	2006	2007	2008
	Anual 30/11/2005	Anual al 30/11/2006	Anual al 30/11/2007	Anual al 30/11/2008
<b>Current Assets</b>				
Cash and Banks	12.070.757	11.086.261	2.113.637	4.749.130
Inversiones transitorias	-	-	9.144.225	9.630.028
Receivables	38.510.439	41.984.125	51.266.445	47.967.704
Others Receivables	939.943	1.804.640	1.172.747	1.051.015
Bienes de Cambio	39.962.252	39.546.555	42.168.444	53.929.656
Others	-	-	-	-
Llave de Negocio	-	-	-	-
<b>Total Current Asset</b>	<b>91.483.391</b>	<b>94.421.581</b>	<b>105.865.498</b>	<b>117.327.533</b>
<b>Assets Non-Current</b>				
Receivables	32.629	-	-	-
Other Receivables	70.894	81.383	488.968	265.118
Bienes de Cambio	-	-	-	-
Inversiones	-	-	-	-
Bienes de Uso	87.023.753	108.716.530	124.595.555	120.016.989
Assets Intangibles	-	-	-	-
Other Assets	-	-	-	-
Llave de Negocio	-	-	-	-
<b>Total Non-Current Assets</b>	<b>87.127.276</b>	<b>108.797.913</b>	<b>125.084.523</b>	<b>120.282.107</b>
<b>Total Assets</b>	<b>178.610.667</b>	<b>203.219.494</b>	<b>230.950.021</b>	<b>237.609.640</b>
<b>Current Liabilities</b>				
Cuentas por pagar	16.480.364	17.340.094	20.819.412	18.937.275
Préstamos	11.483.258	1.883.408	5.297.412	4.251.776
Remuneraciones y deudas sociales	4.750.128	5.397.065	6.659.474	5.717.258
Deudas fiscales	7.078.374	6.986.842	7.876.408	4.435.352
Other Liabilities	345.106	141.818	143.349	177.163

Previsiones	-	-	-	-
<b>Total Current Liabilities</b>	<b>40.137.230</b>	<b>31.749.227</b>	<b>40.796.055</b>	<b>33.518.824</b>
<b>Non-Current Liabilities</b>				
Cuentas por pagar			275.789	93.991
Préstamos	2.470.080	15.474.079	11.610.878	8.234.546
Deudas fiscales y sociales	197.322	157.655	121.274	72.945
Others Liabilities	3.248.832	4.176.542	5.374.038	4.515.260
Previsiones	1.190.000	930.000	1.395.000	1.064.640
<b>Total Non-Current Liabilities</b>	<b>7.106.234</b>	<b>20.738.276</b>	<b>18.776.979</b>	<b>13.981.383</b>
<b>Total Liabilities</b>	<b>47.243.464</b>	<b>52.487.503</b>	<b>59.573.034</b>	<b>47.500.207</b>
Particip. de terceros en Sociedades Controladas	265	258	257	284
Diferencias Transitorias De Conversión	-	-	-	-
Diferencias Transitorias De Medición Instrumentos Derivados	-	-	-	-
<b>Equity</b>	<b>131.366.938</b>	<b>150.731.733</b>	<b>171.376.730</b>	<b>190.109.434</b>
<b>Capital social</b>	24.178.244	24.178.244	24.178.244	24.178.244
<b>Ajuste de capital</b>	28.971.255	28.971.255	28.971.255	28.971.255
<b>Aportes no capitalizados</b>	510.615	510.615	510.615	510.615
<b>Total Aportes</b>	53.660.114	53.660.114	53.660.114	53.660.114
<b>Reserva revalúo técnico Bs de uso</b>	4.987.023	4.847.386	4.726.201	4.611.354
<b>Reserva legal</b>	6.606.518	8.036.090	9.253.088	10.732.023
<b>Resultados no asignados</b>	66.113.283	84.188.143	103.737.327	121.105.943
<b>Total del PN</b>	131.366.938	150.731.733	171.376.730	190.109.434
			0	0
<b>Resultado del ejercicio</b>	28.591.452	24.339.960	25.601.710	24.693.100
Reserva legal	1.429.572	1.216.998	1.280.086	198.849
Dividendo en efectivo acciones preferidas	51	51	51	51
Dividendo en efectivo acciones ordinarias	4.835.477	4.835.477	6.044.347	4.835.477
Resultados no asignados	66.113.283	84.188.142	103.737.326	121.105.943
Dividendo distribuido	17%	20%	24%	20%

**Estados contables históricos y proyectados.**

Estado de resultado	2005	2006	2007	2007	2008	
	Anual al 30/11/2005	Anual al 30/11/2006	3° trimestre al 31/08/2007	Anual al 30/11/2007	3° trimestre al 31/08/2008	Anual al 30/11/2008
Ventas	184.124.347	201.429.987	161.607.872	226.387.415	189.731.858	251.771.351
Costo de las mercaderías vendidas	(115.282.902)	(132.139.466)	(121.716.695)	(158.711.202)	(148.703.599)	(185.900.004)
Desafectación reserva de revalúo técnico	172.827	139.637	91.131	121.185	86.017	114.847
<b>Ganancia bruta</b>	<b>69.014.272</b>	<b>69.430.158</b>	<b>39.982.308</b>	<b>67.797.398</b>	<b>41.114.276</b>	<b>65.986.194</b>
Gastos de administración	(2.307.713)	(2.708.098)	(2.518.740)	(3.033.840)	(2.828.164)	(3.856.764)
Gastos de comercialización	(8.262.730)	(8.137.051)	(6.074.084)	(8.473.624)	(7.399.029)	(9.760.532)
<b>Ganancia de explotación</b>	<b>58.443.829</b>	<b>58.585.009</b>	<b>31.389.484</b>	<b>56.289.934</b>	<b>30.887.083</b>	<b>52.368.898</b>
Others ingresos y egresos	716.760	(2.539.379)	525.674	(165.278)		511.869
Amortización	(10.225.477)	(12.404.277)		(15.212.549)		(14.866.395)
Resultados financieros y por tenencia	-					-
Generados por Assets	-					-
Diferencias de cambio	179.702	358.020	264.894	219.833	(454.138)	(606.320)
Intereses y actualizaciones	331.230	506.892	567.610	922.427	495.642	625.870
Descuentos y gastos bancarios	(762.597)	(828.456)	(604.255)	(832.248)	(646.199)	(842.351)
Deudores incobrables	(151.532)	(219.465)	-	-		-
Resultado por tenencia de bienes de cambio	2.186.446	2.393.764	4.613.034	6.414.704	6.321.968	8.346.240
Generados por Liabilities	-					-
Tax a los Receivables y débitos bancarios	(2.462.991)	(2.605.652)	(2.369.398)	(3.236.627)	(2.823.671)	(3.716.123)

Diferencias de cambio	(316.058)	(273.868)	(95.508)	(130.978)	(106.307)	(143.120)
Intereses y actualizaciones	(879.648)	(1.818.745)	(1.695.118)	(2.287.628)	(1.744.165)	(2.327.555)
Participación de terceros	(15)	5	5	2	(26)	(31)
<b>Ganancia antes del Tax a las ganancias</b>	<b>47.059.649</b>	<b>41.153.848</b>	<b>32.596.422</b>	<b>41.981.592</b>	<b>32.130.630</b>	<b>39.350.982</b>
Tax a las ganancias	(18.468.197)	(16.813.888)	(12.607.916)	(16.379.882)	(11.862.495)	(14.657.882)
<b>Ganancia neta del período</b>	<b>28.591.452</b>	<b>24.339.960</b>	<b>19.988.506</b>	<b>25.601.710</b>	<b>20.268.135</b>	<b>24.693.100</b>
Resultado por acción ordinaria:	-					-
Cantidad de acciones	24.177.387	24.177.387	24.177.387	24.177.387	24.177.387	24.177.387
Resultado por acción (Ganancia)	1,18	1,01	0,83	1,06	0,84	1,75
<b>Tasa de Tax pagada</b>	<b>-39%</b>	<b>-41%</b>		<b>-39%</b>	<b>-37%</b>	<b>-37%</b>
<b>Tax Receivables y débitos</b>						
S/ ctas a cobrar	-6,40%	-6,21%		-6,31%		-7,75%
<b>Amortizaciones Bienes de uso</b>						
<b>Rigolleau</b>						
Valor al inicio del ejercicio	410.343.836	419.174.053		453.402.309		484.392.440
Aumentos y transferencias	15.039.371	34.228.256		30.990.131		10.950.484
Valor al cierre del ejercicio	425.383.207	453.402.309		484.392.440		495.342.924
Amort. Al inicio del ejercicio	332.162.755	336.540.956		348.858.269		364.070.818
Amortización del ejercicio	10.225.477	12.404.277		15.212.549		14.860.619
Amort acumulada al cierre	342.354.819	348.858.269		364.070.818		378.931.437
Neto resultante	83.028.388	104.544.040		120.321.622		116.411.487
% de amortización	0,02	0,03		0,03		0,03
<b>Amposan</b>						
Valor origen						16.292.294,00
Amort acumulada						12.302.332,00
Amort del ejercicio						384.460,00

Neto resultante				3.605.502,00
<b>Total Neto resultante</b>				120.016.989
% amortizacion				2%
<b>Total amortizable</b>				<b>3%</b>
<b>Amortizacion del ej imputacion</b>	10.225.477	12.404.277	15.212.549	14.866.395
Costo de bienes de cambio	9.943.813	12.122.613	14.930.885	14.584.731
Gastos de administración	229.680	229.680	229.680	229.680
Gastos de comercialización	51.984	51.984	51.984	51.984

**Estados contables históricos y proyectados.**

Estado de Resultados Proyectado						
	2008	2009	2010	2011	2012	2013
Ventas	\$251.771.351	\$289.295.190	\$332.255.135	\$382.924.743	\$441.875.484	\$510.392.697
Costo de Ventas	(\$185.900.004)	(\$216.971.393)	(\$249.191.351)	(\$268.047.320)	(\$309.312.839)	(\$357.274.888)
Gs. Generales y Adm.	(\$13.617.296)	(\$14.464.760)	(\$16.612.757)	(\$22.975.485)	(\$22.093.774)	(\$25.519.635)
Depreciaciones	(\$14.866.395)	(\$15.349.057)	(\$15.963.019)	(\$16.601.540)	(\$17.265.601)	(\$17.956.225)
Others resultados	\$8.007.004	\$0	\$0	\$0	\$0	\$0
<b>EBIT</b>	<b>\$45.394.660</b>	<b>\$42.509.982</b>	<b>\$50.488.008</b>	<b>\$75.300.399</b>	<b>\$93.203.270</b>	<b>\$109.641.949</b>
Intereses Pagados	(\$2.327.555)	(\$1.724.361)	(\$2.615.960)	(\$2.352.718)	(\$2.428.527)	(\$1.563.088)
<b>EBT</b>	<b>\$43.067.105</b>	<b>\$40.785.621</b>	<b>\$47.872.048</b>	<b>\$72.947.681</b>	<b>\$90.774.743</b>	<b>\$108.078.861</b>
Tax to Receivables and bank debits	(\$3.716.123)	(\$5.592.146)	(\$6.644.040)	(\$7.657.271)	(\$7.952.487)	(\$8.505.185)
TAX <sub>EBT</sub>	(\$14.657.882)	(\$14.274.967)	(\$16.755.217)	(\$25.531.688)	(\$31.771.160)	(\$37.827.601)
<b>Resultado Neto</b>	<b>\$24.693.100</b>	<b>\$20.918.507</b>	<b>\$24.472.791</b>	<b>\$39.758.722</b>	<b>\$51.051.096</b>	<b>\$61.746.075</b>
Dividendos	(\$4.835.426)	(\$4.096.369)	(\$6.118.198)	(\$13.915.553)	(\$17.867.883)	(\$21.611.126)
Reserva y revalúo	\$1.364.088					
Ganancias Retenidas	\$18.493.586	\$16.822.138	\$18.354.593	\$25.843.169	\$33.183.212	\$40.134.948

**Estados contables históricos y proyectados.**

Balance Proyectado						
	2008	2009	2010	2011	2012	2013
<b>Total Assets</b>	<b>\$237.609.640</b>	<b>\$276.882.974</b>	<b>\$304.543.151</b>	<b>\$332.595.946</b>	<b>\$359.578.515</b>	<b>\$391.481.467</b>
Current Asset	\$117.327.533	\$151.484.514	\$173.823.685	\$196.342.634	\$217.570.002	\$243.487.546
Cash	\$4.749.130	\$8.678.856	\$6.645.103	\$3.829.247	\$8.837.510	\$12.759.817
Inversiones CP	\$9.630.028	\$0	\$0	\$0	\$0	\$0
Bienes de Cambio	\$53.929.656	\$57.859.038	\$66.451.027	\$76.584.949	\$88.375.097	\$102.078.539
Cuentas a Cobrar	\$47.967.704	\$83.895.605	\$99.676.541	\$114.877.423	\$119.306.381	\$127.598.174
Other receivables	\$1.051.015	\$1.051.015	\$1.051.015	\$1.051.015	\$1.051.015	\$1.051.015
Fix Asset Net	\$120.016.989	\$125.133.342	\$130.454.348	\$135.988.194	\$141.743.395	\$147.728.803
Fix Asset Gross	\$511.635.218	\$532.100.627	\$553.384.652	\$575.520.038	\$598.540.839	\$622.482.473
Deprec. Acumulada	\$391.618.229	\$406.967.285	\$422.930.304	\$439.531.844	\$456.797.445	\$474.753.670
Other Assets	\$265.118	\$265.118	\$265.118	\$265.118	\$265.118	\$265.118
Others Creditos	\$265.118	\$265.118	\$265.118	\$265.118	\$265.118	\$265.118
<b>Total Liabilities</b>	<b>\$47.500.207</b>	<b>\$69.951.402</b>	<b>\$79.256.986</b>	<b>\$81.466.612</b>	<b>\$75.265.968</b>	<b>\$67.033.972</b>
Current Liabilities	\$33.518.824	\$48.359.072	\$54.732.662	\$56.334.843	\$54.563.859	\$54.820.963
Cuentas a Pagar	\$18.937.275	\$28.929.519	\$33.225.514	\$34.463.227	\$35.350.039	\$40.831.416
Deuda Financiera CP	\$4.251.776	\$9.233.549	\$11.311.145	\$11.675.612	\$9.017.816	\$3.793.544
Ds fiscales y sociales	\$10.152.610	\$10.021.135	\$10.021.135	\$10.021.135	\$10.021.135	\$10.021.135
Otras deudas	\$177.163	\$174.869	\$174.869	\$174.869	\$174.869	\$174.869
No Current Liabilities	\$13.981.383	\$21.592.329	\$24.524.324	\$25.131.769	\$20.702.110	\$12.213.009
Cuentas a Pagar	\$93.991	\$92.774	\$92.774	\$92.774	\$92.774	\$92.774
Deuda Financiera LP	\$8.234.546	\$15.919.913	\$18.851.908	\$19.459.353	\$15.029.693	\$6.540.592
Otras deudas	\$5.652.845	\$5.579.642	\$5.579.642	\$5.579.642	\$5.579.642	\$5.579.642
<b>Equity</b>	<b>\$190.109.434</b>	<b>\$206.931.572</b>	<b>\$225.286.165</b>	<b>\$251.129.334</b>	<b>\$284.312.546</b>	<b>\$324.447.495</b>
Capital Social	\$53.660.114	\$53.660.114	\$53.660.114	\$53.660.114	\$53.660.114	\$53.660.114
Ganancias Acumuladas	\$121.105.943	\$137.928.081	\$156.282.674	\$182.125.844	\$215.309.056	\$255.444.004
Reserva y revaluó	\$15.343.377	\$15.343.377	\$15.343.377	\$15.343.377	\$15.343.377	\$15.343.377
<b>Liabilitie + Equity</b>	<b>\$237.609.640</b>	<b>\$276.882.974</b>	<b>\$304.543.151</b>	<b>\$332.595.946</b>	<b>\$359.578.515</b>	<b>\$391.481.467</b>

