



On a long enough timeline
the survival rate for
everyone drops to zero.

Aluar Aluminio Argentino SAIC (Argentina)

CREDIT SNAPSHOT

11/17/09

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- 01 DEBT DISTRIBUTION**
- 02 BONDS**
- 03 INCOME STATEMENT**
- 04 CASH FLOW**
- 05 BALANCE SHEET**
- 06 COVERAGE RATIOS**
- 07 LEVERAGE RATIOS**
- 08 ENTERPRISE VALUE**
- 09 RETURN ON CAPITAL**
- 10 RECOVERY & TANGIBLE NET WORTH**
- 11 ACCOUNTING RED FLAGS**
- 12 LATEST SEC FILINGS**
- 13 LEGAL DISCLAIMER**

ALUA AR Equity

equity ticker: ALUA AR

bond ticker: ALUAAR

sector: Basic Materials

subgroup: Metal-Aluminum

company description:

Aluar Aluminio Argentino S.A.I.C. produces, markets, and distributes aluminum and aluminum products for industrial uses. The Company markets its products to the aerospace, electrical component, construction, and transportation industries.

Aluar Aluminio Argentino SAIC has 1,857 employees.

capitalisation (ARS in millions):

stock price	ARS 3.32
shares outstanding (million)	<u>1,943.00</u>
market capitalisation (ARS mm)	6,451
total debt	2,245
cash + marketable securities	582
other capital	<u>258</u>
enterprise value (excl. cash)	8,371
current EV / TTM EBITDA	9.7x

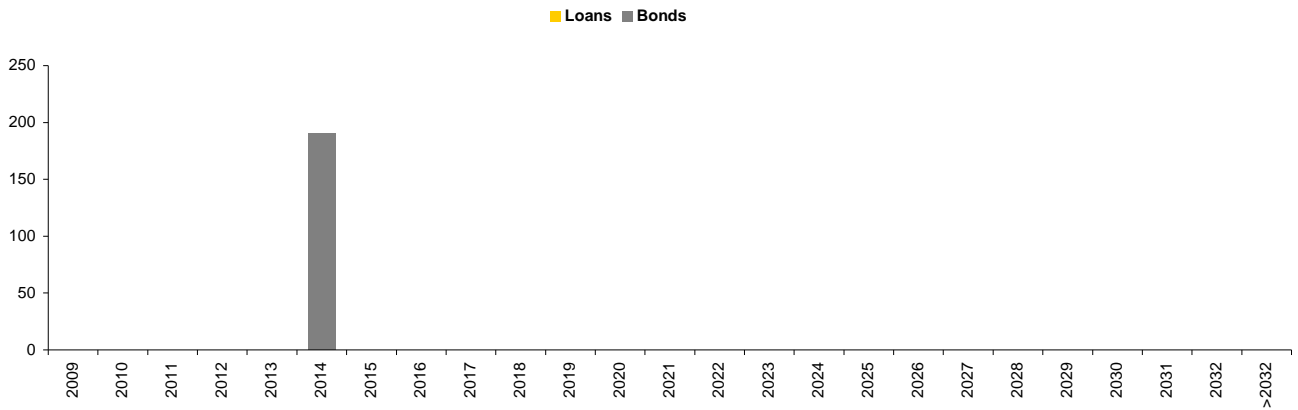
The company's next report is expected for 2/5/2010 (type: Estimated).

www.aluar.com.ar

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
ALUAR ALUMINIO ARGENTINO	NR	Bond, sinkable, sr unsecured, floating	6.500%	6/26/2014	USD	50	-	6/26/2009

Total amount out of instruments listed above (ARS in MM)	191	Cash (MM)	582
Total debt (MM)	2,245	Total Number of Debt Instruments (for the issuer and its subs)	1



Moody's Ratings		
Outlook	STABLE	06/08/09
Issuer	N/A	
Senior Secured Debt	N/A	
LT Corp Family	B2	06/08/09
Bank Loan Debt	N/A	
Senior Unsecured Debt	B2	06/08/09
Subordinated Debt	N/A	
Short Term	N/A	

Standard & Poor's Ratings	
Outlook	N/A
LT Foreign Currency Issuer	N/A
LT Local Currency Issuer	N/A
ST Foreign Currency Issuer	N/A
ST Local Currency Issuer	N/A

BONDS

id	issuer	coupon	mat	outstanding	S&P	MDY	ask px	yield	spread*	px date
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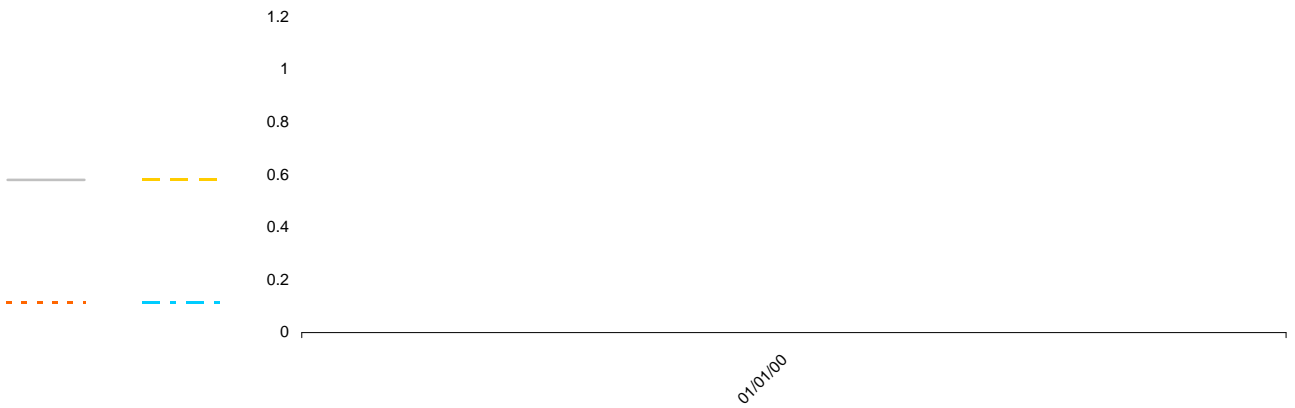
*interpol. swap spread

Total Debt for the company currently stands at ARS 2,244mm.

bond price



yield



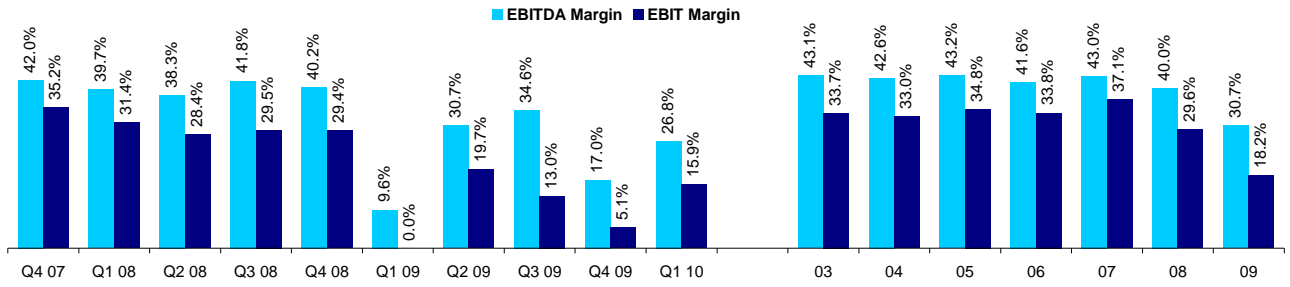
interpolated swap spread



Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

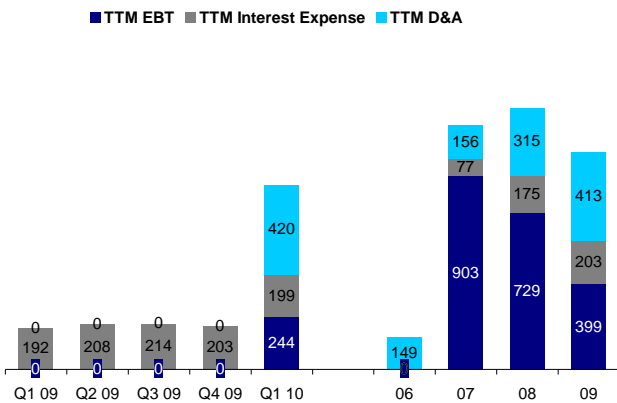
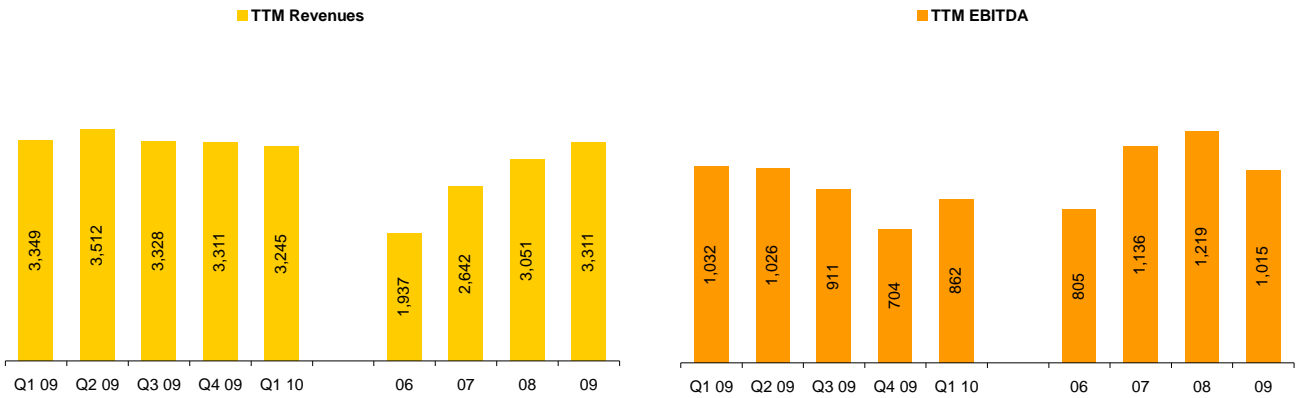
ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
Revenues	1,018	907	521	864	952	1,937	2,642	3,051	3,311
COGS	676	697	424	791	768	1,204	1,574	2,033	2,587
COGS % of Revenues	66.4%	76.8%	81.3%	91.5%	80.6%	62.2%	59.6%	66.6%	78.2%
SG&A		32	29	29	33	77	88	114	121
SG&A % of Revenues		3.5%	5.6%	3.4%	3.5%	4.0%	3.3%	3.7%	3.7%
EBITDA	98	279	180	147	255	805	1,136	1,219	1,015
Interest Expense	52	55	55	42	47		77	175	203
EBT		124	13	3	104		903	729	399
Net Income	98	-73	-127	-34	76	423	602	557	-136
EBITDA Margin	9.6%	30.7%	34.6%	17.0%	26.8%	41.6%	43.0%	40.0%	30.7%
EBIT Margin	-	19.7%	13.0%	5.1%	15.9%	33.8%	37.1%	29.6%	18.2%

INCOME STATEMENT

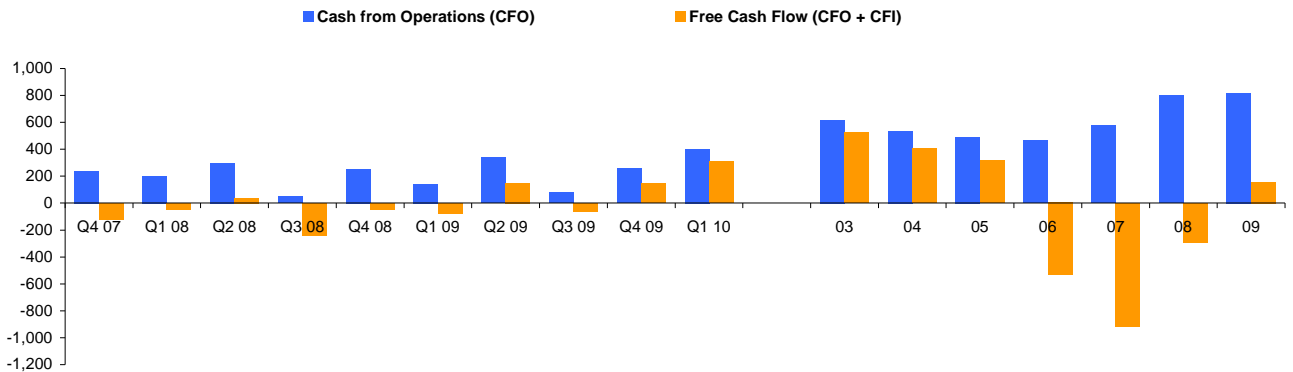


ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
TTM Revenues	3,349	3,512	3,328	3,311	3,245	1,937	2,642	3,051	3,311
TTM EBITDA	1,032	1,026	911	704	862	805	1,136	1,219	1,015
TTM D&A					420	149	156	315	413
TTM EBIT					442	655	980	904	602
TTM Interest Expense	192	208	214	203	199		77	175	203
TTM EBT					244		903	729	399
TTM Net Income	543	364	103	-136	-158	423	602	557	-136

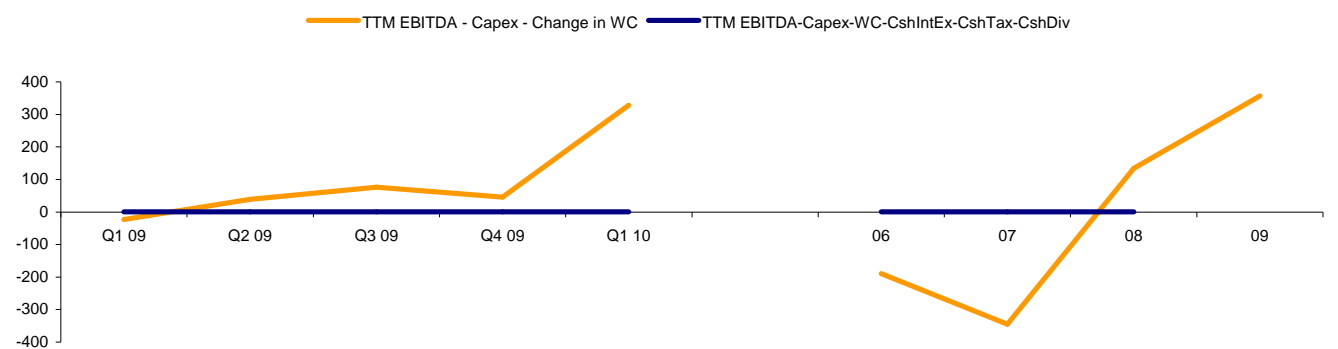
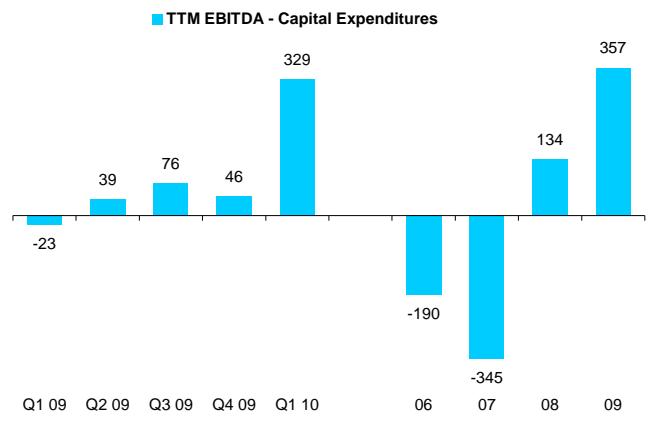
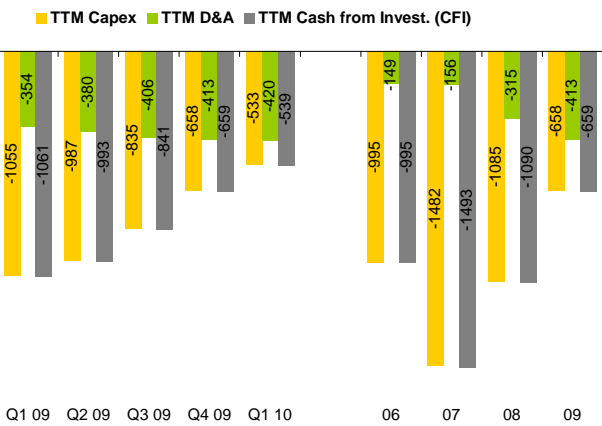
TTM INCOME STATEMENT



ARS in millions		Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09	
		09/30/09					06/30/09				
CASH FLOW	Cash from Operations (CFO)	140	339	79	259	404	464	577	800	817	
	Cash from Investing (CFI)	-217	-191	-137	-114	-97	-995	-1,493	-1,090	-659	
	Free Cash Flow (CFO + CFI)	-77	148	-59	145	307	-531	-916	-290	158	
	Cash from Financing Activities	48	-9	2	-214	-51	649	859	340	-173	



ARS in millions		Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09	
		09/30/09					06/30/09				
TTM CASH FLOW	TTM Cash from Operations (CFO)	739	780	811	817	1,081	464	577	800	817	
	TTM Cash from Invest. (CFI)	-1,061	-993	-841	-659	-539	-995	-1,493	-1,090	-659	
	TTM Capex	-1,055	-987	-835	-658	-533	-995	-1,482	-1,085	-658	
	TTM D&A	-354	-380	-406	-413	-420	-149	-156	-315	-413	
	TTM Free Cash Flow (CFO + CFI)	-321	-213	-30	158	542	-531	-916	-290	158	
	TTM Cash from Financing Activities	232	298	65	-173	-272	649	859	340	-173	
	TTM CFO - Capital Expenditures	-316	-207	-24	159	548	-531	-905	-285	159	
	TTM EBITDA - Capital Expenditures	-23	39	76	46	329	-190	-345	134	357	
	TTM EBITDA - Capex - Change in WC	-23	39	77	46	329	-190	-345	134	357	
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv										
TTM CFO/Total Debt	26.5%	24.8%	23.7%	24.8%	48.2%	49.4%	27.0%	30.7%	24.8%		
TTM FCF/Total Debt	-11.5%	-6.8%	-0.9%	4.8%	24.1%	-56.5%	-42.8%	-11.1%	4.8%		



ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
Cash	31	138	37	37	42	40	43	44	37
Marketable Securities / ST Investments	280	312	384	420	540	308	303	296	420
Accounts & Notes Receivable	402	393	253	230	382	182	211	271	230
Inventories & Unbilled Receivables	1,220	1,387	1,470	1,287	1,180	771	946	1,250	1,287
Net Fixed Assets	4,190	4,285	4,313	4,328	4,318	1,946	3,284	4,068	4,328
75% of Accounts Receivable	302	294	190	173	287	136	158	203	173
30% of Inventories & Unbill. Rec.	366	416	441	386	354	231	284	375	386
10% of Net Fixed Assets	419	428	431	433	432	195	328	407	433
Collateral (Liquidation) Asset Value	1,398	1,589	1,483	1,449	1,655	911	1,116	1,325	1,449
Working Capital	835	675	444	482	1,257	475	731	867	482
Cash Conversion Cycle	175.7	166.2	189.2	154.2	160.6	196.0	177.0	180.3	154.2
Total Borrowings (includes ST Borrowings)	2,790	3,140	3,427	3,295	2,245	939	2,138	2,608	3,295
Net Debt	2,479	2,689	3,006	2,838	1,662	591	1,793	2,268	2,838
Collateral Asset Value / Total Borrowings	50.1%	50.6%	43.3%	44.0%	73.7%	97.0%	52.2%	50.8%	44.0%

BALANCE SHEET

explanations and definitions:

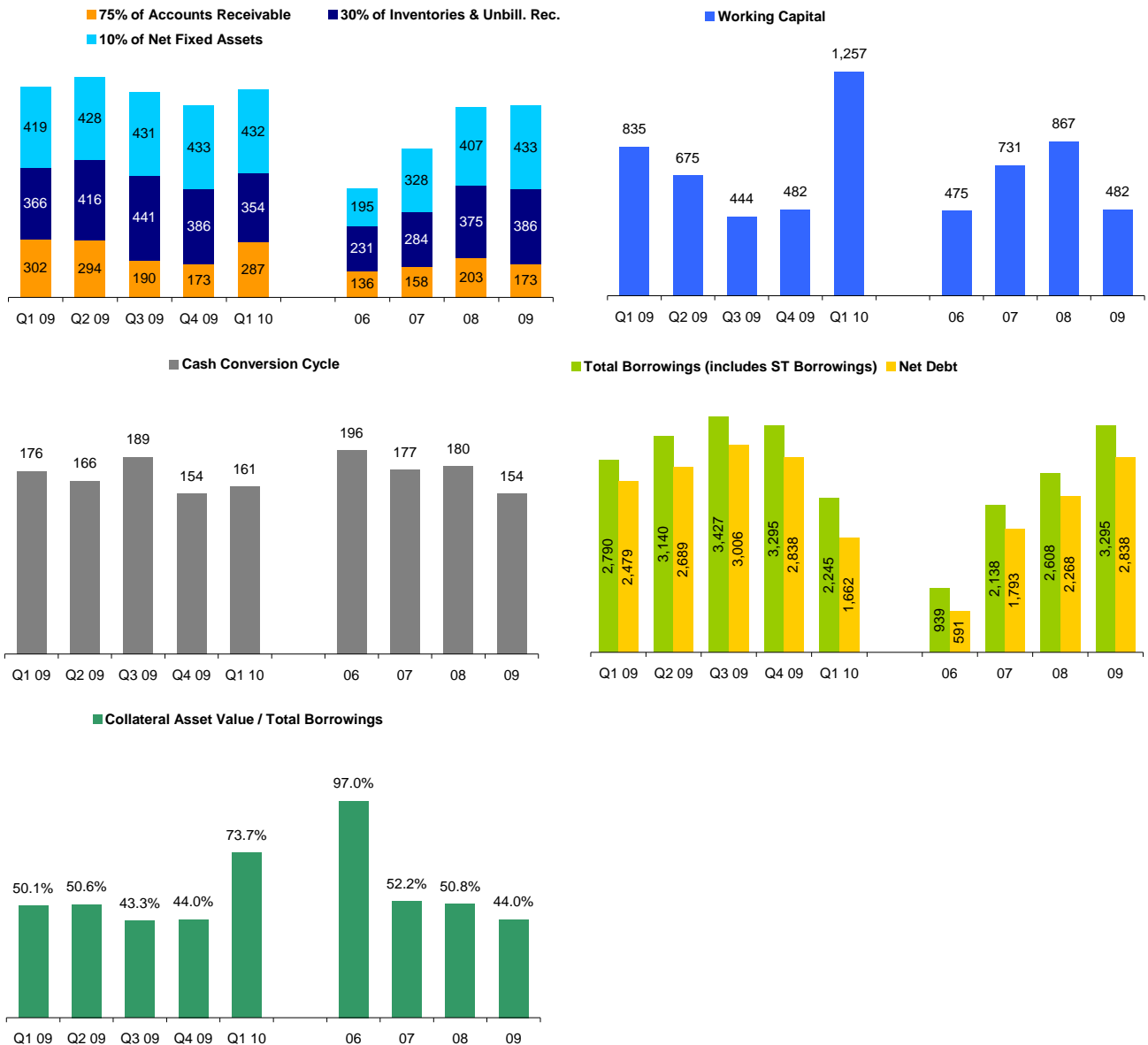
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.

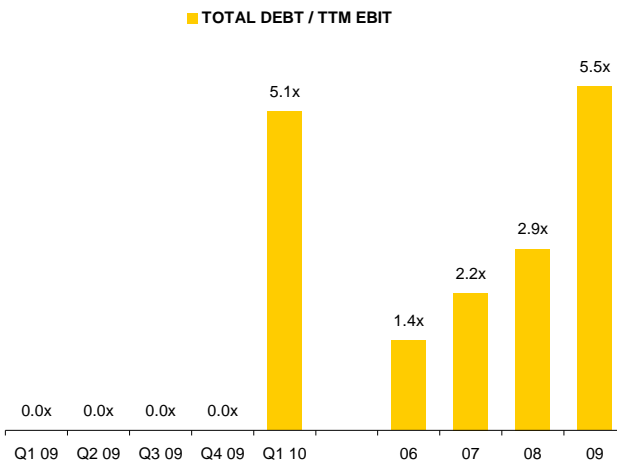
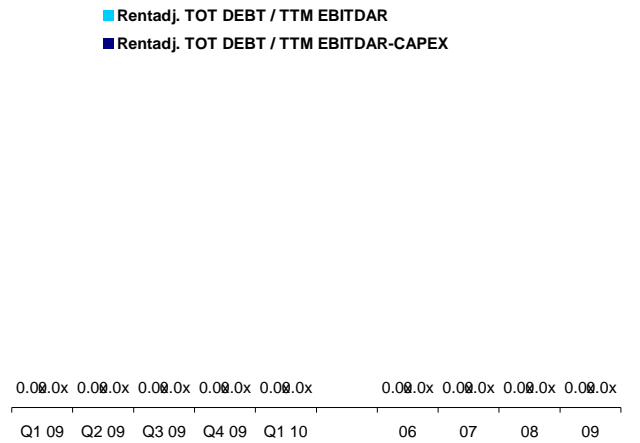
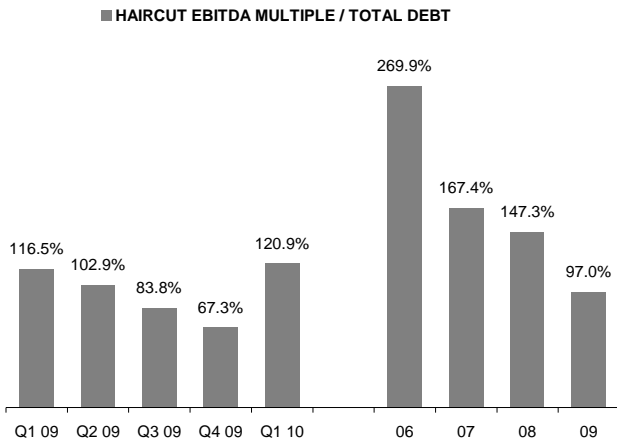
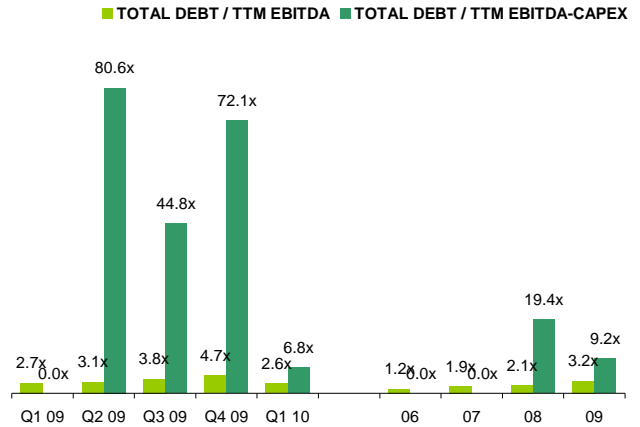
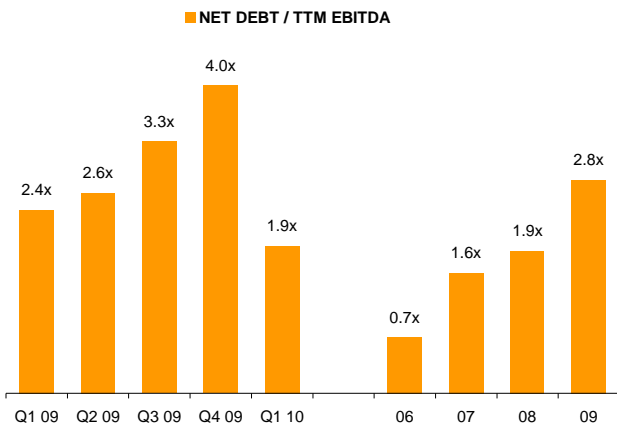


ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
NET DEBT / TTM EBITDA	2.4x	2.6x	3.3x	4.0x	1.9x	0.7x	1.6x	1.9x	2.8x
TOTAL DEBT / TTM EBITDA	2.7x	3.1x	3.8x	4.7x	2.6x	1.2x	1.9x	2.1x	3.2x
TOTAL DEBT / TTM EBITDA-CAPEX	NM	80.6x	44.8x	72.1x	6.8x	NM	NM	19.4x	9.2x
Rentadj. TOT DEBT / TTM EBITDAR									
Rentadj. TOT DEBT / TTM EBITDAR-CAPEX									
HAIRCUT EBITDA MULTIPLE / TOTAL DEBT	116.5%	102.9%	83.8%	67.3%	120.9%	269.9%	167.4%	147.3%	97.0%
TOTAL DEBT / TTM EBIT					5.1x	1.4x	2.2x	2.9x	5.5x

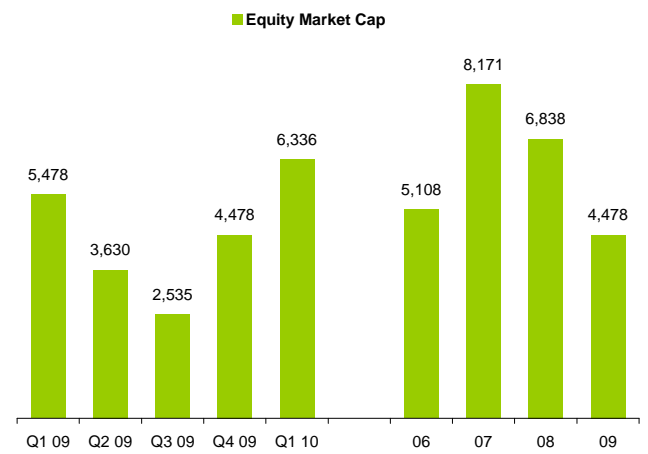
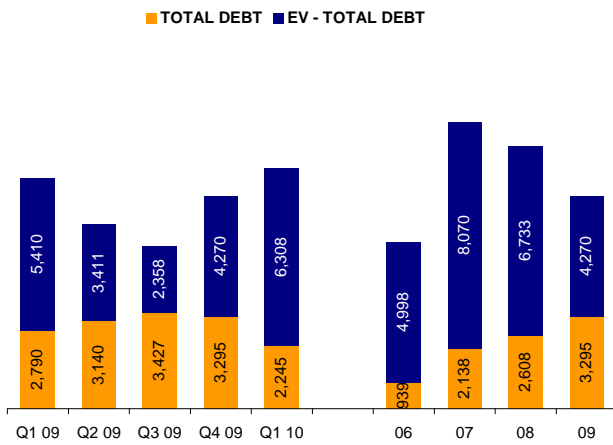
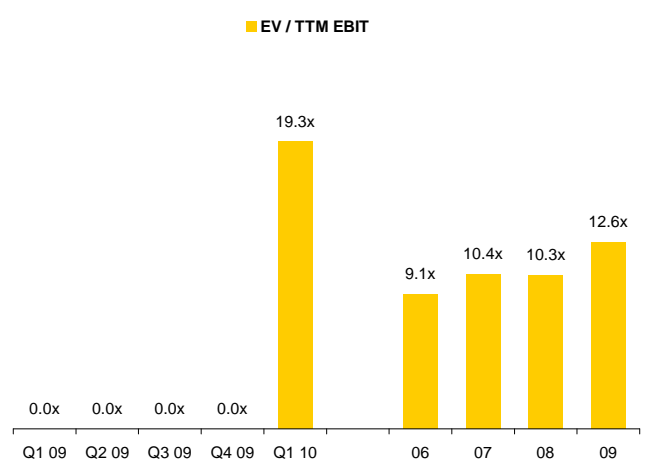
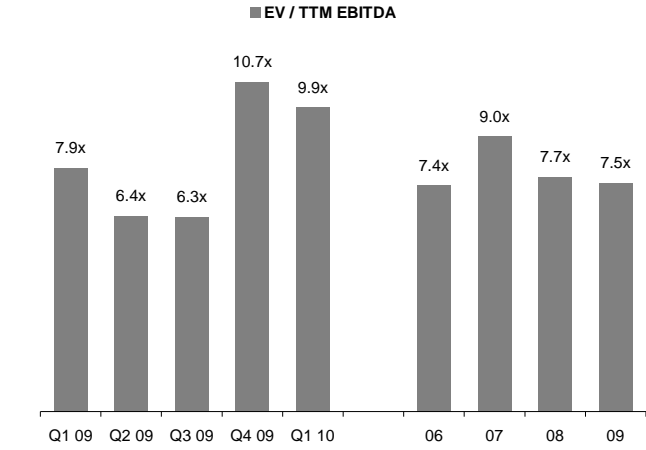
explanations and definitions:

Rent adj. Total Debt/TTM EBITDAR: This ratio is calculated by dividing the Rent Adjusted Total Debt figure (Total Debt plus 8 times TTM Rental Expenses) by EBITDAR (TTM EBITDA plus TTM Rental Expenses).

HAIRCUT EBITDA MULTIPLE / TOTAL DEBT: We adjust TTM EBITDA to 70% of its stated value, multiply the result with 4.5 as an assumed exit multiple and relate the resulting figure (the haircut EBITDA multiple) to the TOTAL DEBT number. This ratio should reflect the situation of an issuer's liquidation, whereby the assets can be sold at a reduced EBITDA multiple.



ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
EV / TTM EBITDA	7.9x	6.4x	6.3x	10.7x	9.9x	7.4x	9.0x	7.7x	7.5x
EV / TTM EBIT					19.3x	9.1x	10.4x	10.3x	12.6x
Enterprise Value	8,200	6,550	5,785	7,565	8,552	5,937	10,209	9,341	7,565
TOTAL DEBT	2,790	3,140	3,427	3,295	2,245	939	2,138	2,608	3,295
Equity Market Cap	5,478	3,630	2,535	4,478	6,336	5,108	8,171	6,838	4,478



ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
Adjusted Cap Rate					3.57%	7.67%	6.53%	6.60%	5.56%
Tangible Capital	5,696	5,791	5,998	5,810	5,792	2,816	4,376	5,374	5,810
Total Intangibles	223	219	216	212	209	255	241	226	212
Pre-tax ROIC					7.6%	23.3%	22.4%	16.8%	10.4%
After-tax ROIC (effective tax rate)					4.8%	14.5%	14.3%	10.7%	
After-tax ROIC (assumed tax rate)					5.0%	15.1%	14.6%	10.9%	6.7%
WACD (Pre-tax)	6.9%	6.6%	6.2%	6.2%	8.8%		3.6%	6.7%	6.2%

explanations and definitions:

Adjusted Cap Rate: This ratio shows EBIT reduced by an assumed tax rate of 35% and adjusted for Net Non-Operating and Extraordinary Losses (Gains) - averaged over the last 5 years - divided by the Enterprise Value.

Tangible Capital: Starting with the Total Book Capital the Tangible Capital figure is calculated by subtracting Intangibles, Cash and Marketable Securities as well as Short Term Investments.

We calculate three different ROIC (Return on Invested Capital) figures:

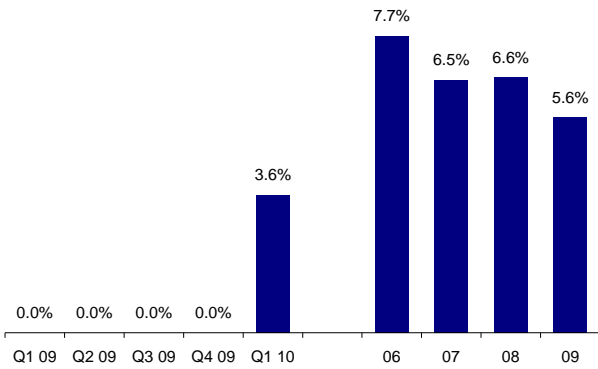
Pre-Tax ROIC: this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

After-tax ROIC (effective tax rate): here EBIT is corrected by the company's effective tax rate as stated in it's latest financials, giving an after-tax ROIC rate.

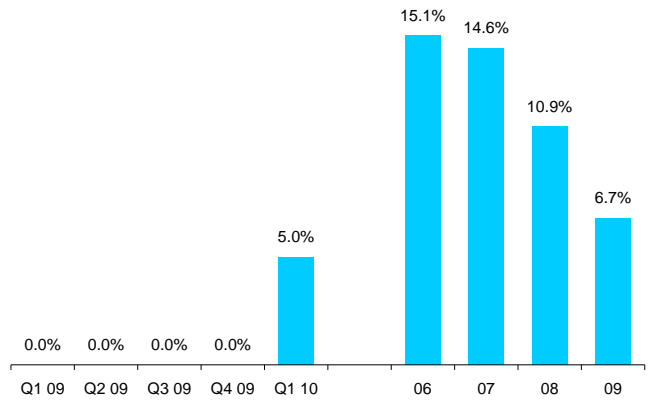
After-tax ROIC (assumed tax rate): here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

WACD (Pre-Tax): This rate is defined as trailing twelve months (TTM) TOTAL INTEREST EXPENSE divided by Total Borrowings.

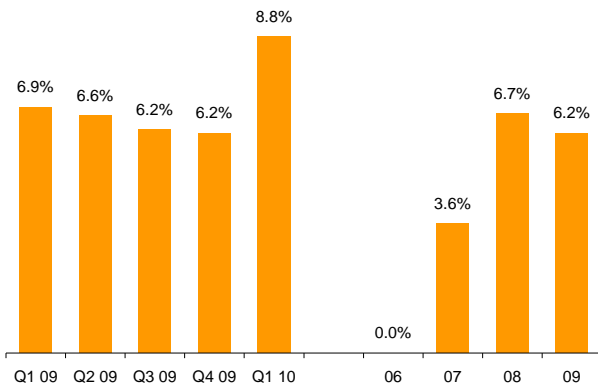
■ Adjusted Cap Rate



■ After-tax ROIC (assumed tax rate)



■ WACD (Pre-tax)



Average Bond Spread (in BPoints (1))	N/A
Estimated Bond Recovery Rate (2)	
Resulting Tolerable Default Rate (3)	

explanations and definitions:

We calculate estimated default and recovery rates to be used in other credit models (f.i. for the valuation of CDOs or similar structures) as follows:

(1) **Average Bond Spread:** Average Spread of all bonds listed on page 2 of this report.

(2) **Estimated Bond Recovery Rate:** To calculate this rate we first divide the total debt amount into bond debt and loan debt that is senior to bond debt. As an approximation for the total amount of bond debt we use the sum of the amounts outstanding of all bonds listed on page 1 of this report. The total debt figure is reduced by this sum, giving us an approximate figure for debt that is senior to bond debt. We then calculate a collateral asset coverage figure for the bond debt by starting with the Collateral Asset Value (as defined on page 5 of this report) which we reduce by the amount of senior debt ahead of the bonds. The remaining Collateral Asset Value is then divided by the approximate bond debt amount as defined above, giving an estimated recovery value on a collateral asset basis. We apply the same logic to an EBITDA multiple ratio (as on page 7 of this report) and get a second recovery estimate based on the EBITDA multiple. The higher of the 2 estimates is used as the "Estimated Bond Recovery Rate".

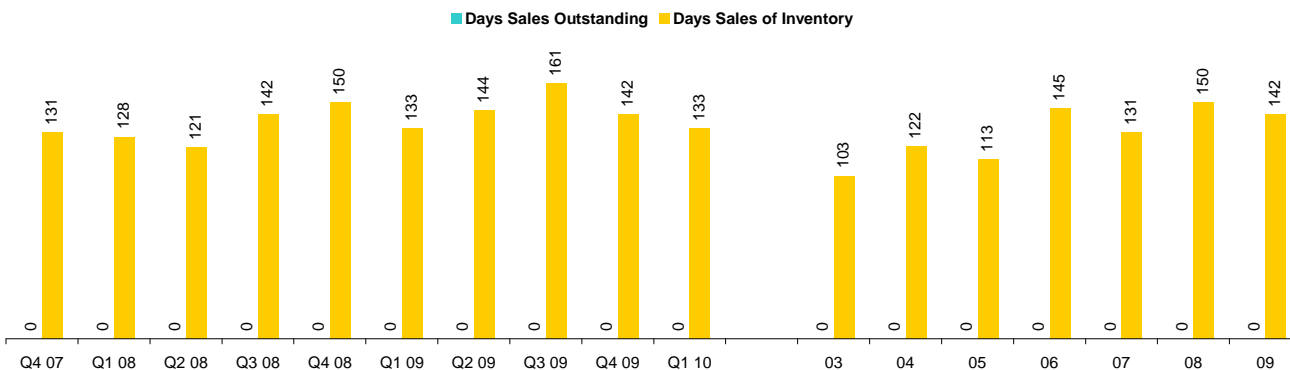
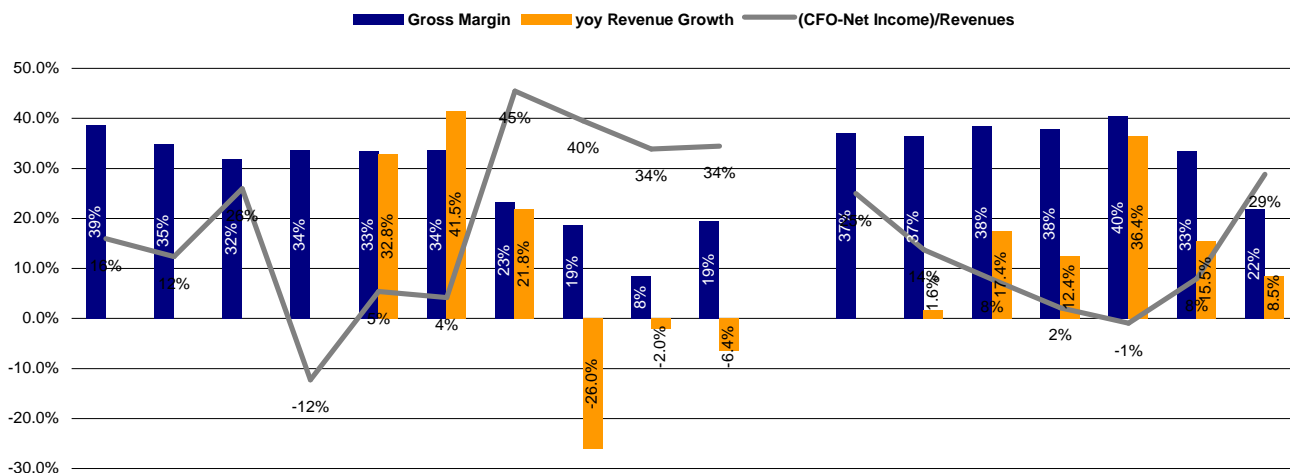
(3) **Resulting Tolerable Default Rate:** The implied default rate calculated using the Market Spread (1) and the Estimated Recovery Rate (2). With the given Market Spread and Estimated Recovery Rate it defines the maximum tolerable default probability for the risk premium paid in the form of Spread. Please note: This rate will only be displayed when it is greater than 0% and lower than 30% as we believe it is not meaningful ('NM') out of this range.

Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
Total Assets	6,947	7,390	7,432	7,339	7,443	3,747	5,469	6,665	7,339
Total Liabilities	3,507	4,069	4,225	4,155	3,104	1,266	2,645	3,332	4,155
Total Intangibles	223	219	216	212	209	255	241	226	212
Tangible Net Worth	3,217	3,102	2,992	2,972	4,130	2,225	2,583	3,106	2,972
Rent Debt (8x Annual Rental Expense)									
Underfunded Pension & Post Ret. Liab.									
Discount on Hard Assets	4,726	4,925	4,974	4,853	4,808	2,337	3,670	4,604	4,853
Adjusted Tangible Net Worth	-1,509	-1,823	-1,982	-1,881	-678	-111	-1,087	-1,498	-1,881

ARS in millions	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	06	07	08	09
					09/30/09				06/30/09
(CFO-Net Income)/Revenues	4.2%	45.4%	39.5%	33.9%	34.4%	2.1%	-1.0%	8.0%	28.8%
yoy Revenue Growth	41.5%	21.8%	-26.0%	-2.0%	-6.4%	12.4%	36.4%	15.5%	8.5%
Gross Margin	33.6%	23.2%	18.7%	8.5%	19.4%	37.8%	40.4%	33.4%	21.8%
Days Sales Outstanding	44	41	28	25	43	34	29	32	25
Days Sales of Inventory	133	144	161	142	133	145	131	150	142
Soft Assets	649	687	763	860	835	455	564	607	860
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	-	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	3	2	2	2	-	-	-	2
TTM Dividends Paid	58	43	40	40	40	29	300	58	40
TTM Preferred Dividends	0	-	-	-	-	0	0	0	0
Net Change in Capital Stock	0	0	0	0	0	-8	0	0	0
Non-Capex CFI (CFI less Capex)	-1	0	0	0	-6	0	-12	-5	-1

ACCOUNTING RED FLAGS



Auditor Information:	
Current auditor	PRICEWATERHOUSE COOPERS (as of 7.9.2009)
Auditor's opinion	Unqualified
Auditor's opinion - Definitions	
Not Audited / Unaudited	No tests were performed to verify amounts in financial statements. Typically applied to interim statement.
Partially audited	Not all statements were audited. Auditor may specifically give opinion on one or two statements.
Unqualified	Auditor declares, without reservation, that the financial statements fairly represent the company's financial position at a point in time and that the statements conform in all material respects to GAAP.
Qualified: Limited Scope	An aspect of the company's financial statements could not be verified, such as a portion of inventory not counted.
Qualified: Inconsistent Standards	Accounting standards were not applied consistently between periods.
Qualified: not GAAP	Standard accounting principles for the country were not followed. Typically related to a unique line item and uses the phrase 'except for.'
Qualified: uncertainty	Doubt exists related to a material balance sheet item, such as value of investment or collectability of major receivable; or auditor doubts going concern ability of company. This opinion usually employs the phrase 'subject to.'
Disclaimer	Auditor refuses to state opinion on financial statements, typically due to lack of sufficient documentation provided by company and/or subsidiaries.

Quarterly Report (Form Type 10-Q)

end of period

Annual Report (Form Type 10-K)

end of period

Special Events & Material News (Form Type 8-K)

filing date

Prospectus (Form Type 42..)

filing date



On a long enough timeline
the survival rate for
everyone drops to zero.

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