



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

## Sare Holding SAB de CV (Mexico)

CREDIT SNAPSHOT

12/11/09

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### SAREB MM Equity

<b>equity ticker:</b>	SAREB MM	<b>capitalisation (MXN in millions):</b>	
<b>bond ticker:</b>	SAREH	stock price	MXN 5.04
<b>sector:</b>	Consumer, Cyclical	shares outstanding (million)	<u>382.91</u>
<b>subgroup:</b>	Bldg-Residential/Commer	market capitalisation (MXN mm)	1,930
<b>company description:</b>	SARE Holding, S.A. de C.V. promotes real estate development, primarily residences for the low income sector. The Company develops, promotes, builds and sells homes in Mexico City, Quintana Roo, Puebla, Michoacan and Jalisco.	total debt	2,992
		cash + marketable securities	160
		other capital	<u>782</u>
		enterprise value (excl. cash)	5,543
		current EV / TTM EBITDA	8.5x

The company's next report is expected for 2/24/2010 (type: Estimated).

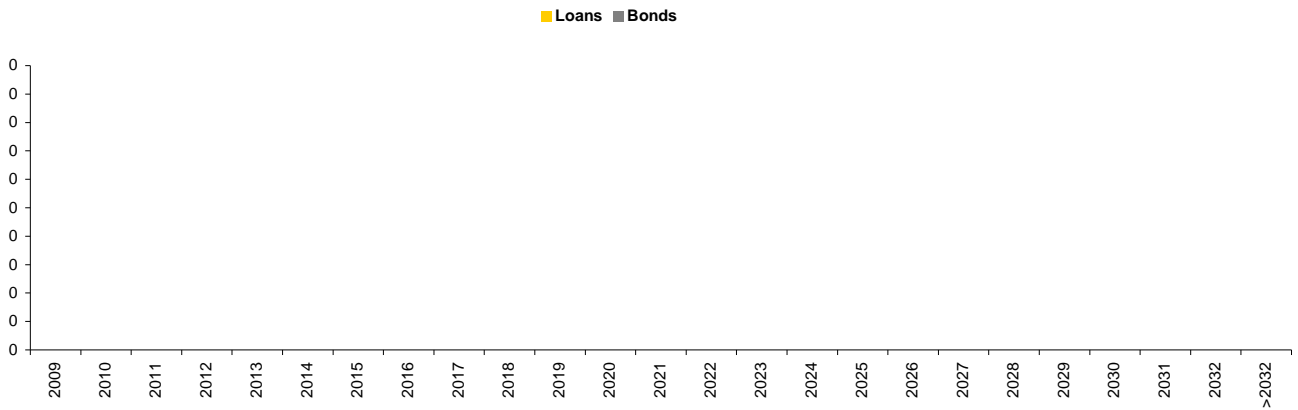
Sare Holding SAB de CV has 1,893 employees.

[www.sare.com.mx](http://www.sare.com.mx)

DEBT DISTRIBUTION

issuer	Rtg	debt type & details	coupon	mat	crncy	amount out (mm)	facility amount (mm)	issue date
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Total amount out of instruments listed above (MXN in MM)	0	Cash (MM)	160
Total debt (MM)	2,992	Total Number of Debt Instruments (for the issuer and its subs)	2



Moody's Ratings		
Outlook	NEG	03/16/09
Issuer	<b>B1</b>	08/11/09
Senior Secured Debt	N/A	
LT Corp Family	N/A	
Bank Loan Debt	N/A	
Senior Unsecured Debt	N/A	
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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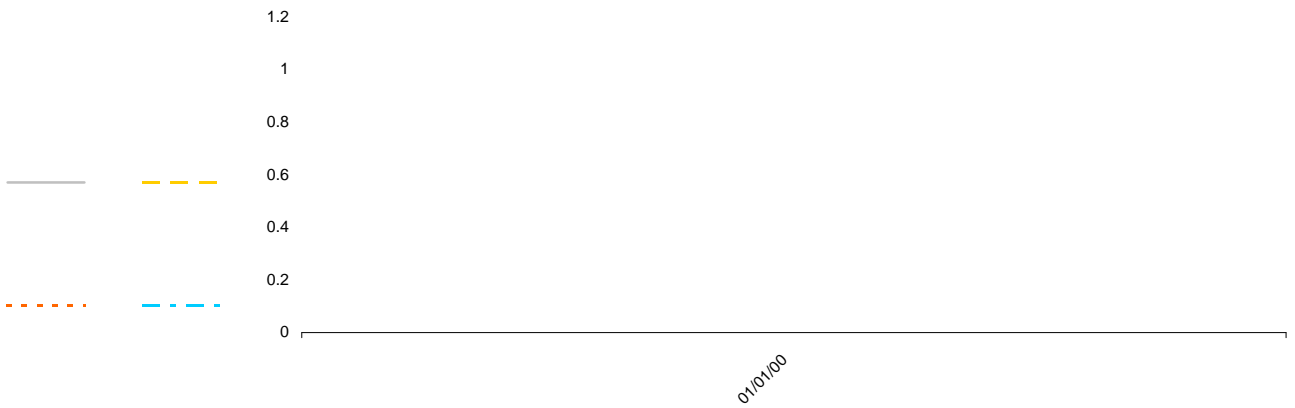
\*interpol. swap spread

Total Debt for the company currently stands at MXN 2,992mm.

bond price



yield

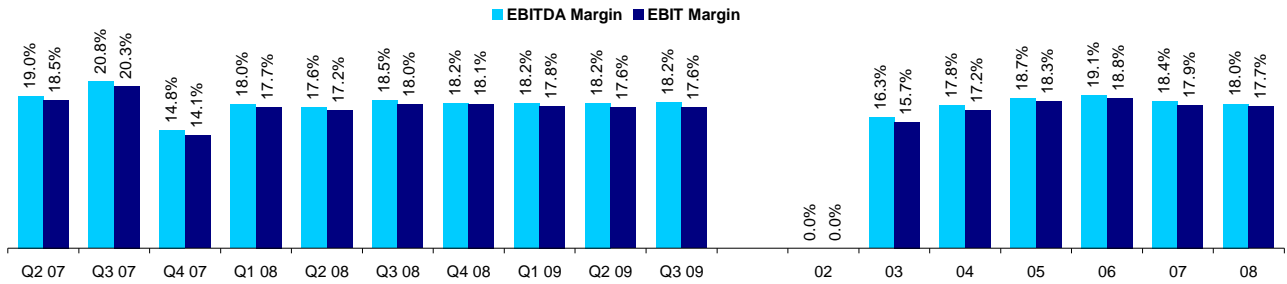


interpolated swap spread

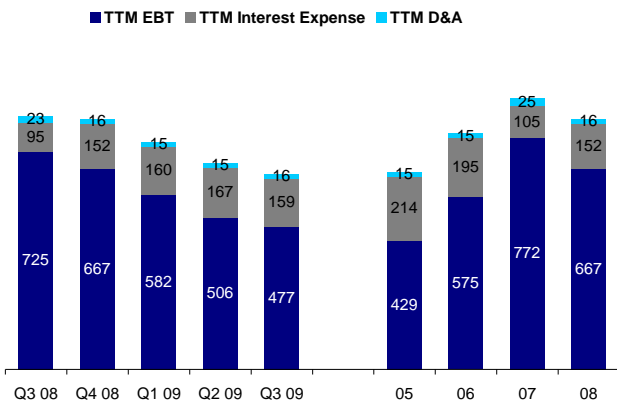
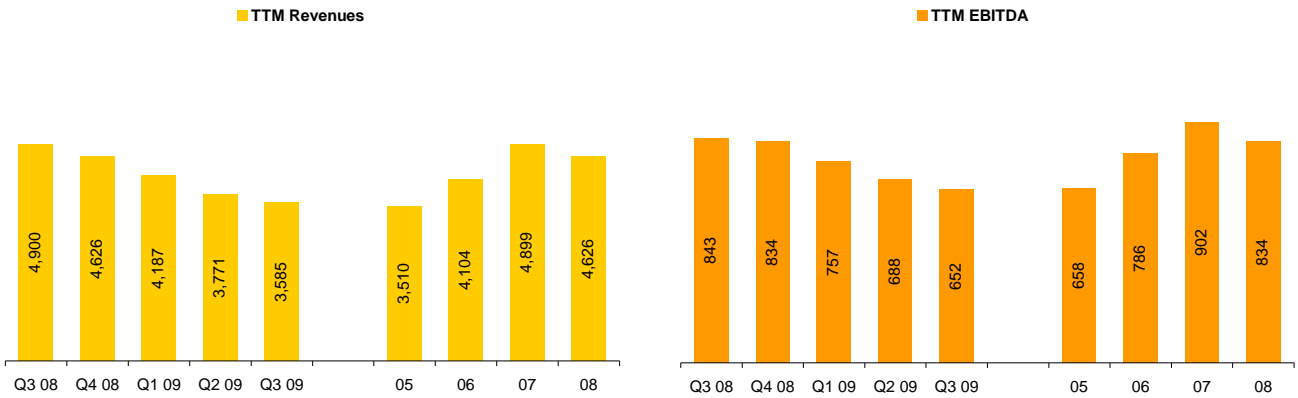


Prices & yields bid side to 28/7/08 and ask side thereafter. Spread is Govt Bid Sprd to 28/7/08 and Interpol. Swap Ask Sprd then.

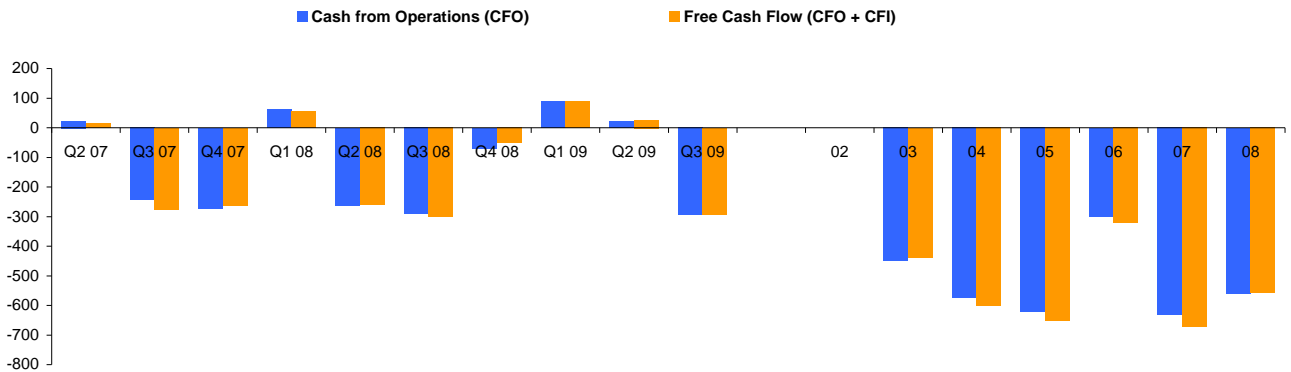
INCOME STATEMENT	MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
						09/30/09				12/31/08
Revenues		1,096	942	862	871	910	3,510	4,104	4,899	4,626
COGS		801	685	631	637	664	2,508	2,928	3,559	3,387
COGS % of Revenues		73.1%	72.7%	73.1%	73.2%	73.0%	71.5%	71.3%	72.6%	73.2%
SG&A		98	87	78	81	85	359	406	464	420
SG&A % of Revenues		8.9%	9.2%	9.1%	9.3%	9.4%	10.2%	9.9%	9.5%	9.1%
EBITDA		203	171	157	158	166	658	786	902	834
Interest Expense		45	57	31	35	37	214	195	105	152
EBT		152	113	122	118	124	429	575	772	667
Net Income		106	69	87	87	87	279	388	487	443
EBITDA Margin		18.5%	18.2%	18.2%	18.2%	18.2%	18.7%	19.1%	18.4%	18.0%
EBIT Margin		18.0%	18.1%	17.8%	17.6%	17.6%	18.3%	18.8%	17.9%	17.7%



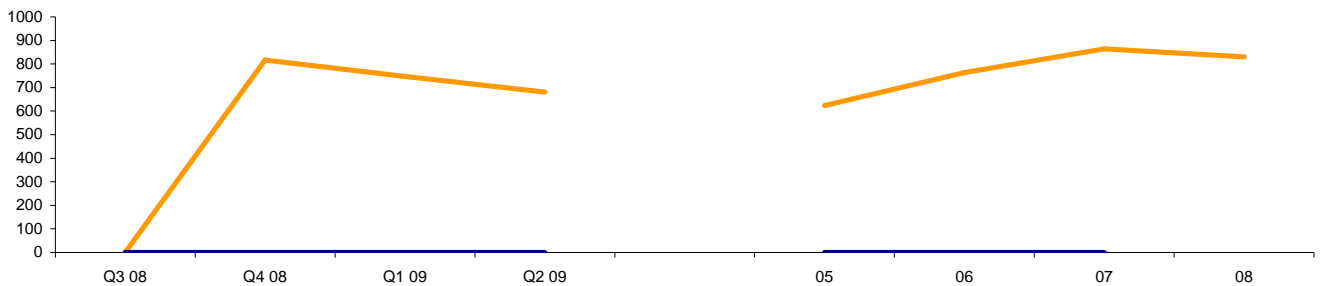
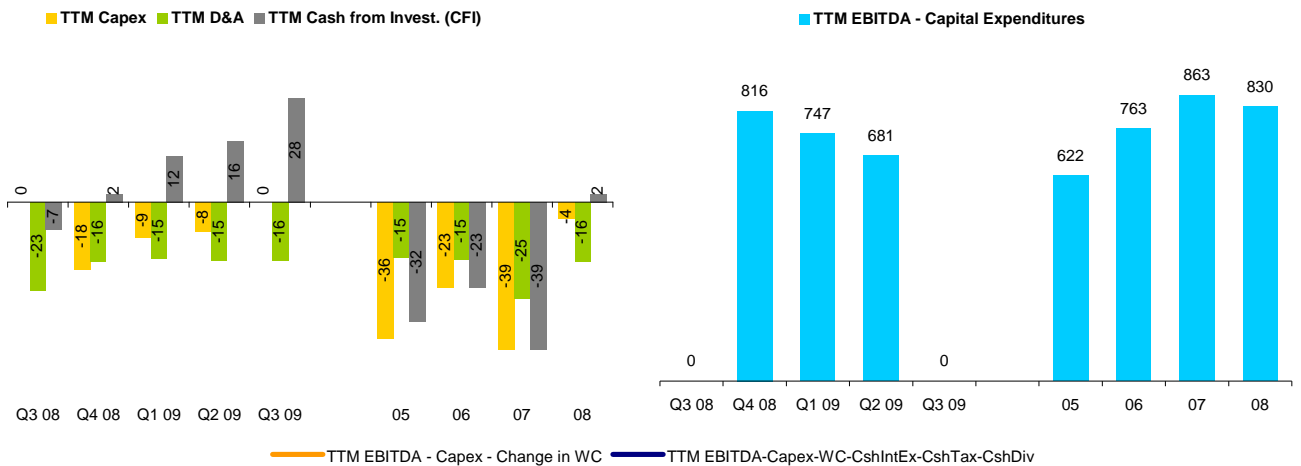
TTM INCOME STATEMENT	MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
						09/30/09				12/31/08
TTM Revenues		4,900	4,626	4,187	3,771	3,585	3,510	4,104	4,899	4,626
TTM EBITDA		843	834	757	688	652	658	786	902	834
TTM D&A		23	16	15	15	16	15	15	25	16
TTM EBIT		820	818	742	673	636	643	770	877	818
TTM Interest Expense		95	152	160	167	159	214	195	105	152
TTM EBT		725	667	582	506	477	429	575	772	667
TTM Net Income		515	443	391	348	329	279	388	487	443



MXN in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
<b>CASH FLOW</b>						09/30/09				12/31/08
	Cash from Operations (CFO)	-290	-70	88	20	-293	-620	-299	-632	-559
	Cash from Investing (CFI)	-11	20	2	6	1	-32	-23	-39	2
	Free Cash Flow (CFO + CFI)	-301	-50	89	26	-292	-652	-321	-671	-557
	Cash from Financing Activities	313	-13	-204	-46	262	1,053	358	473	436



MXN in millions		Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
<b>TTM CASH FLOW</b>						09/30/09				12/31/08
	TTM Cash from Operations (CFO)	-761	-559	-534	-252	-254	-620	-299	-632	-559
	TTM Cash from Invest. (CFI)	-7	2	12	16	28	-32	-23	-39	2
	TTM Capex		-18	-9	-8		-36	-23	-39	-4
	TTM D&A	-23	-16	-15	-15	-16	-15	-15	-25	-16
	TTM Free Cash Flow (CFO + CFI)	-769	-557	-522	-235	-227	-652	-321	-671	-557
	TTM Cash from Financing Activities	689	436	300	49	-1	1,053	358	473	436
	TTM CFO - Capital Expenditures		-576	-543	-259		-656	-321	-671	-563
	TTM EBITDA - Capital Expenditures		816	747	681		622	763	863	830
	TTM EBITDA - Capex - Change in WC		816	748	681		623	763	864	830
	TTM EBITDA-Capex-WC-CshIntEx-CshTax-CshDiv									
TTM CFO/Total Debt		-34.9%	-21.0%	-20.6%	-9.4%	-8.5%	-131.0%	-19.5%	-34.9%	-21.0%
TTM FCF/Total Debt		-35.2%	-20.9%	-20.1%	-8.8%	-7.6%	-137.6%	-20.9%	-37.1%	-20.9%



MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>Cash</b>	389	326	210	190	160	596	622	447	326
<b>Marketable Securities / ST Investments</b>									
<b>Accounts &amp; Notes Receivable</b>	6,163	6,599	6,754	6,995	7,279	2,624	3,328	5,304	6,599
<b>Inventories &amp; Unbilled Receivables</b>	2,170	2,330	2,216	2,170	2,214	1,764	2,098	1,936	2,330
<b>Net Fixed Assets</b>	49	47	45	44	42	39	46	50	47
<b>75% of Accounts Receivable</b>	4,622	4,949	5,066	5,246	5,459	1,968	2,496	3,978	4,949
<b>30% of Inventories &amp; Unbill. Rec.</b>	651	699	665	651	664	529	629	581	699
<b>10% of Net Fixed Assets</b>	5	5	4	4	4	4	5	5	5
<b>Collateral (Liquidation) Asset Value</b>	5,667	5,979	5,945	6,092	6,288	3,097	3,752	5,011	5,979
<b>Working Capital</b>	6,229	6,989	7,077	7,234	8,238	4,079	4,812	6,146	6,989
<b>Cash Conversion Cycle</b>	483.6	575.1	646.5	753.7	815.2	416.2	422.0	406.9	575.1
<b>Total Borrowings (includes ST Borrowings)</b>	2,183	2,664	2,597	2,665	2,992	474	1,534	1,808	2,664
<b>Net Debt</b>	1,794	2,339	2,387	2,475	2,832	-123	912	1,361	2,339
<b>Collateral Asset Value / Total Borrowings</b>	259.6%	224.4%	228.9%	228.6%	210.1%	654.1%	244.6%	277.2%	224.4%

BALANCE SHEET

explanations and definitions:

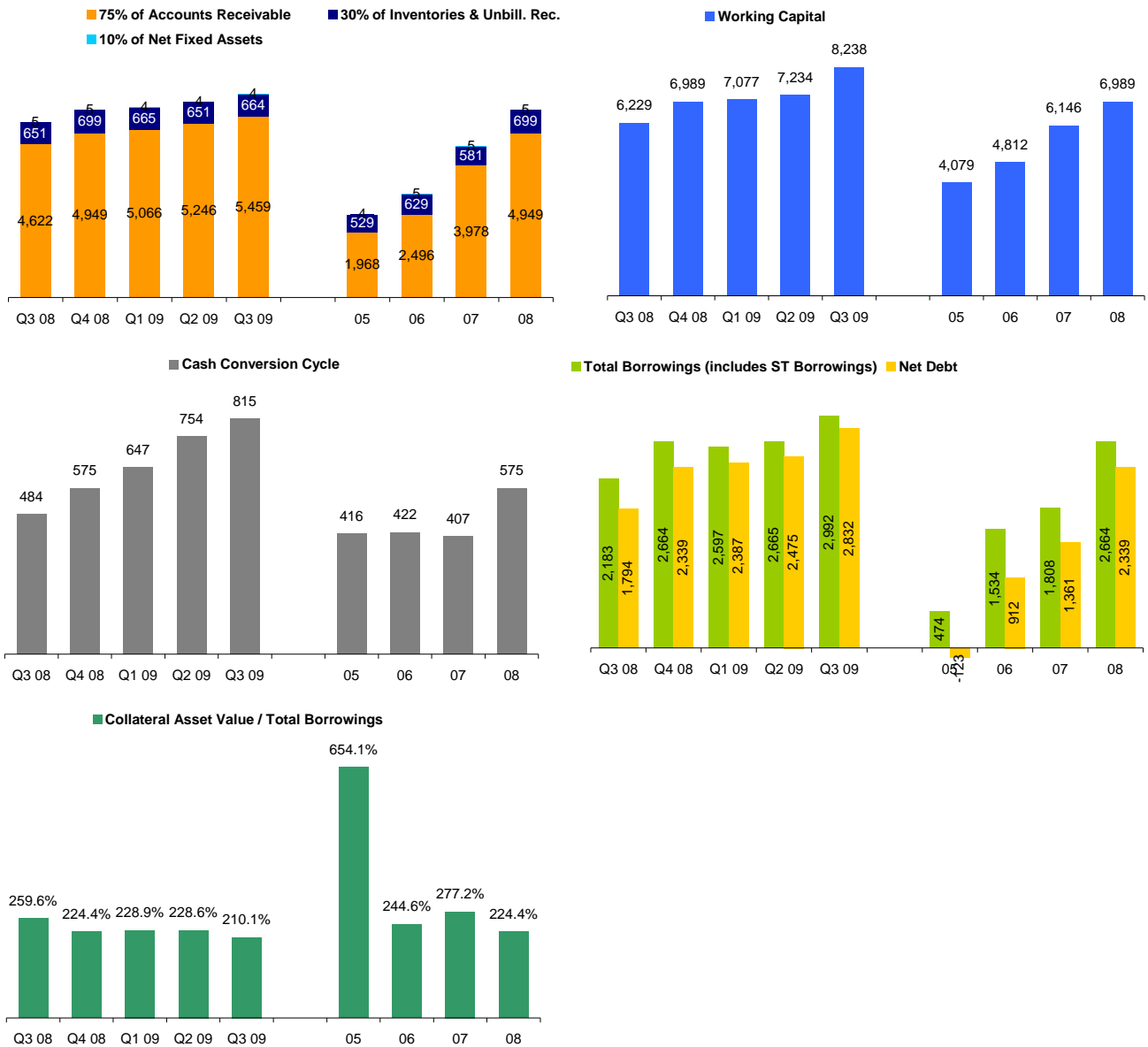
The approximation we use to calculate a company's total **Collateral (Liquidation) Asset Value** (for an asset based liquidation scenario) is calculated as the sum of Cash plus Marketable Securities / Short-Term Investments plus assets with the following valuation rates applied:

75% of stated Accounts Receivable

30% of stated Inventory

10% of stated Net Fixed Assets.

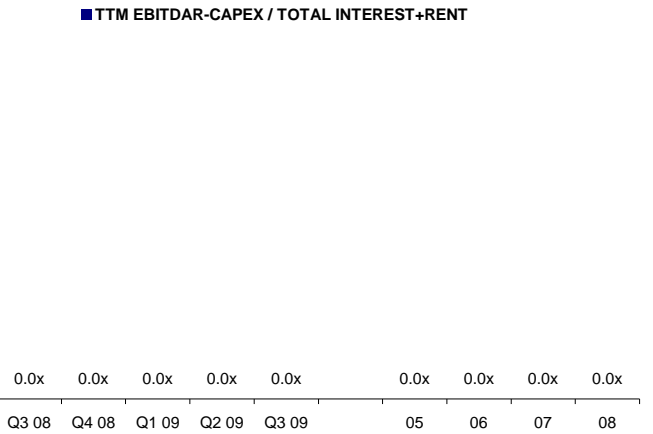
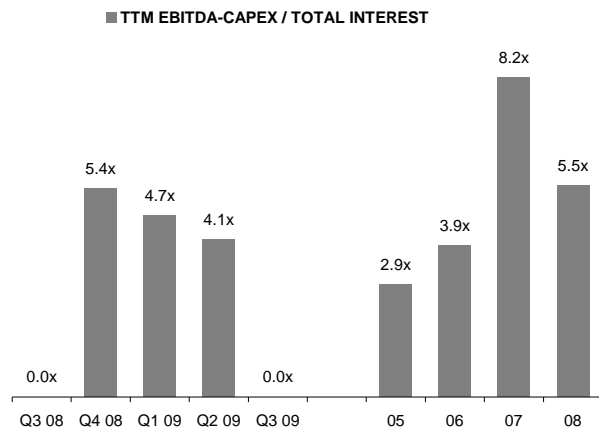
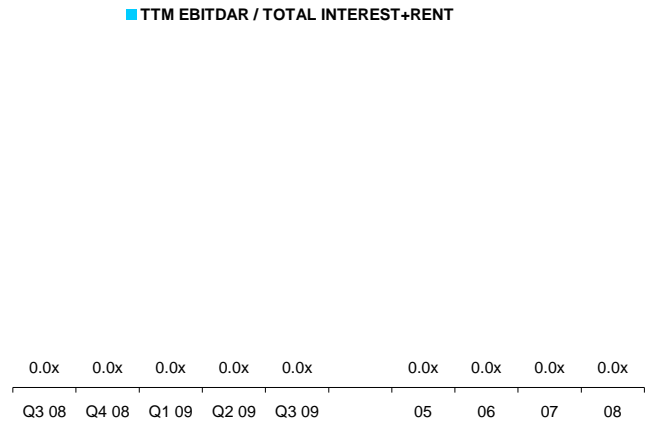
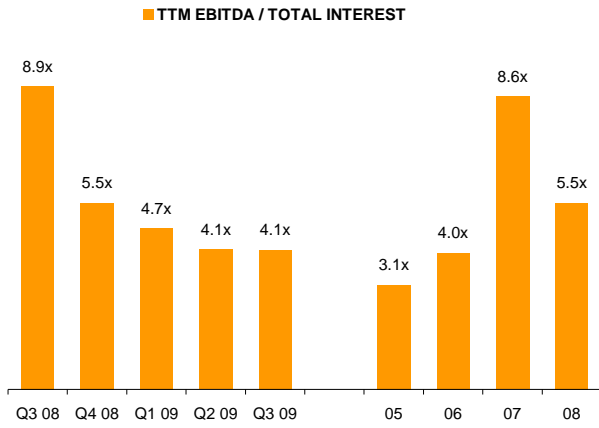
Although we acknowledge that some industries and individual situations demand clearly different assumptions we nevertheless think this is a useful approximation across all industries covered, if only as a starting point for further individual in-depth analysis.



COVERAGE RATIOS	MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
						09/30/09				12/31/08
TTM EBITDA / TOTAL INTEREST		8.9x	5.5x	4.7x	4.1x	4.1x	3.1x	4.0x	8.6x	5.5x
TTM EBITDAR / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-
TTM EBITDA-CAPEX / TOTAL INTEREST		-	5.4x	4.7x	4.1x	-	2.9x	3.9x	8.2x	5.5x
TTM EBITDAR-CAPEX / TOTAL INTEREST+RENT		-	-	-	-	-	-	-	-	-

explanations and definitions:

**TTM TOTAL INTEREST:** For all coverage ratio calculations we use the Total Interest figure which in addition to Interest Expense also includes Capitalized Interest Expenses. We think this gives a better view of the economic reality than the simple Interest Expense figure.

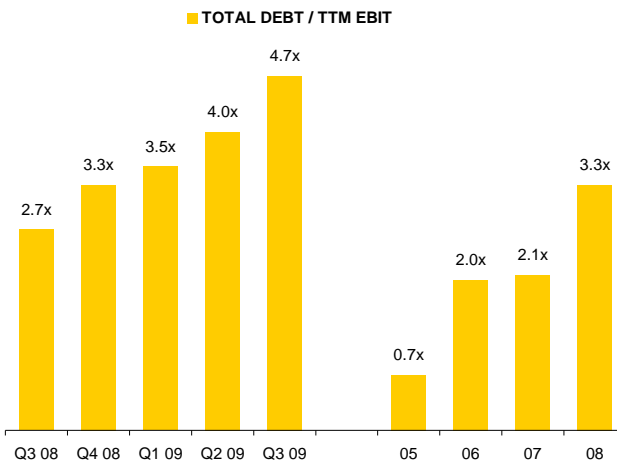
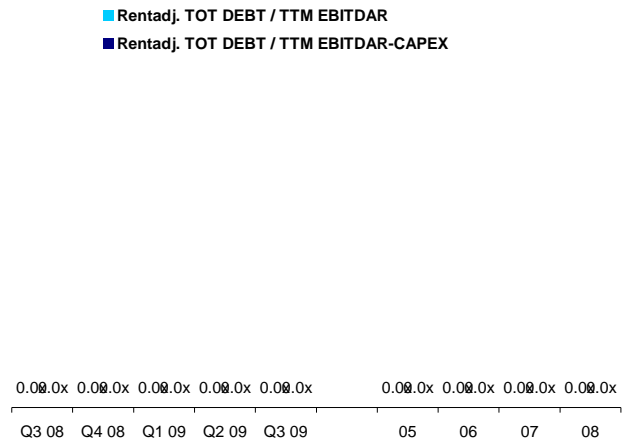
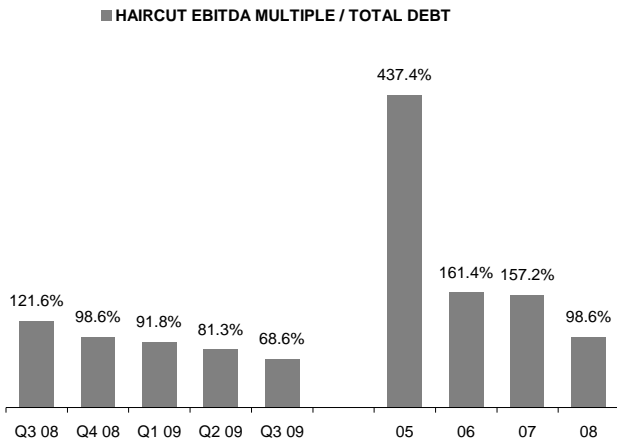
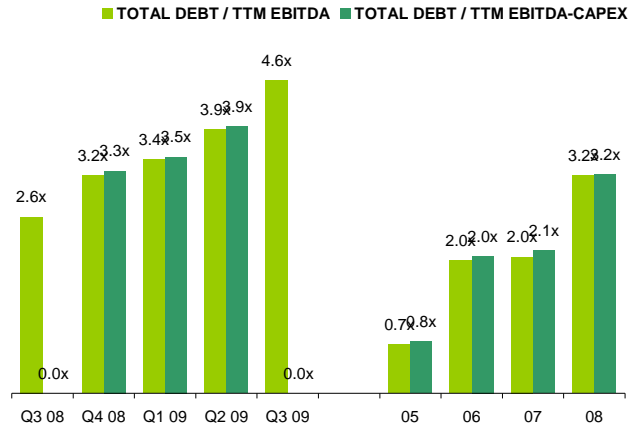
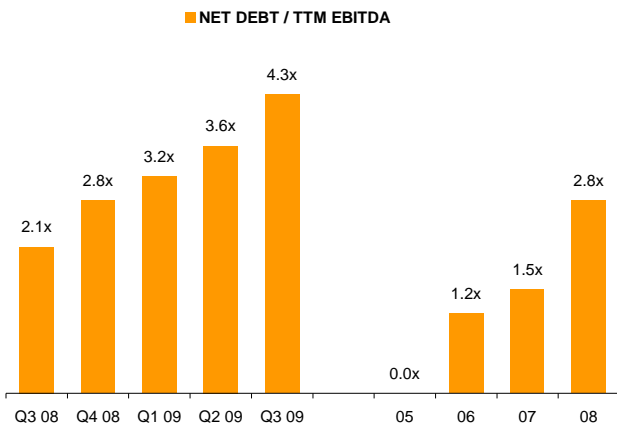


MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>NET DEBT / TTM EBITDA</b>	2.1x	2.8x	3.2x	3.6x	4.3x	NM	1.2x	1.5x	2.8x
<b>TOTAL DEBT / TTM EBITDA</b>	2.6x	3.2x	3.4x	3.9x	4.6x	0.7x	2.0x	2.0x	3.2x
<b>TOTAL DEBT / TTM EBITDA-CAPEX</b>		3.3x	3.5x	3.9x		0.8x	2.0x	2.1x	3.2x
<b>Rentadj. TOT DEBT / TTM EBITDAR</b>									
<b>Rentadj. TOT DEBT / TTM EBITDAR-CAPEX</b>									
<b>HAIRCUT EBITDA MULTIPLE / TOTAL DEBT</b>	121.6%	98.6%	91.8%	81.3%	68.6%	437.4%	161.4%	157.2%	98.6%
<b>TOTAL DEBT / TTM EBIT</b>	2.7x	3.3x	3.5x	4.0x	4.7x	0.7x	2.0x	2.1x	3.3x

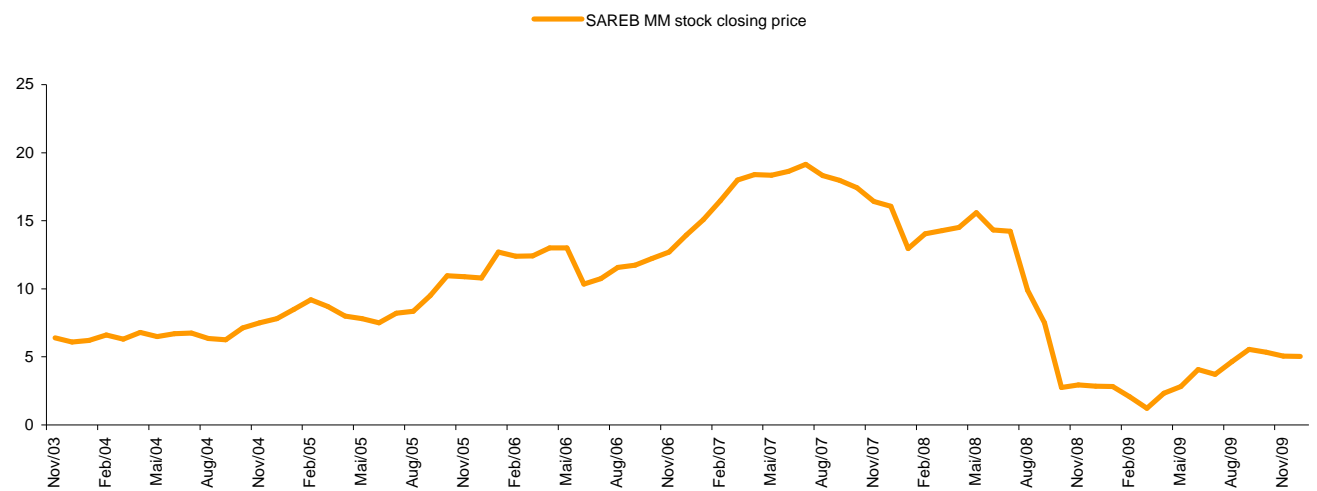
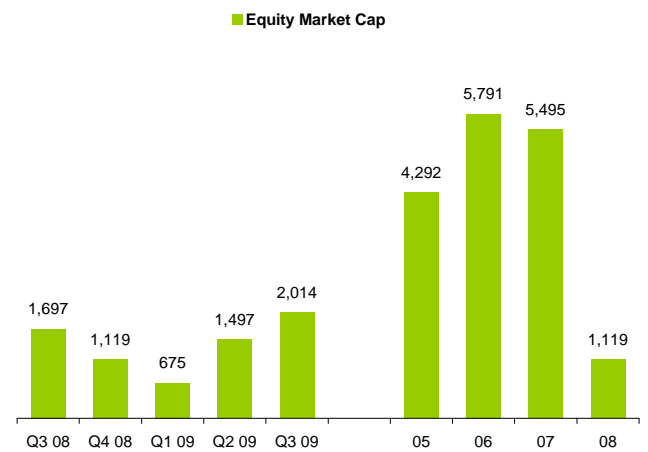
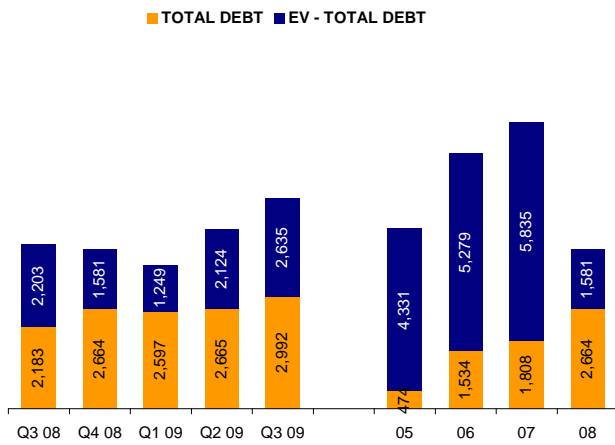
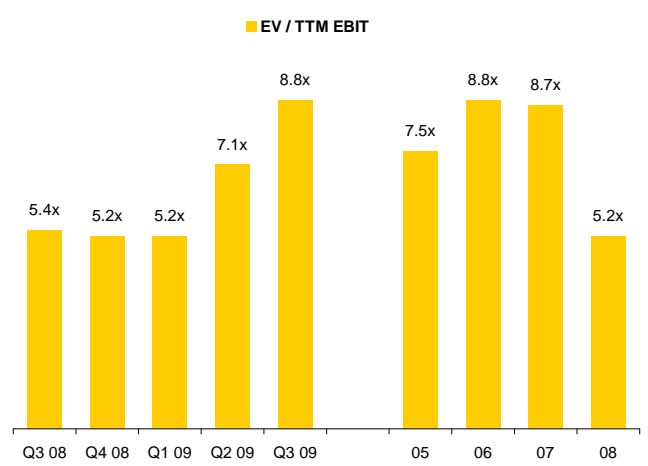
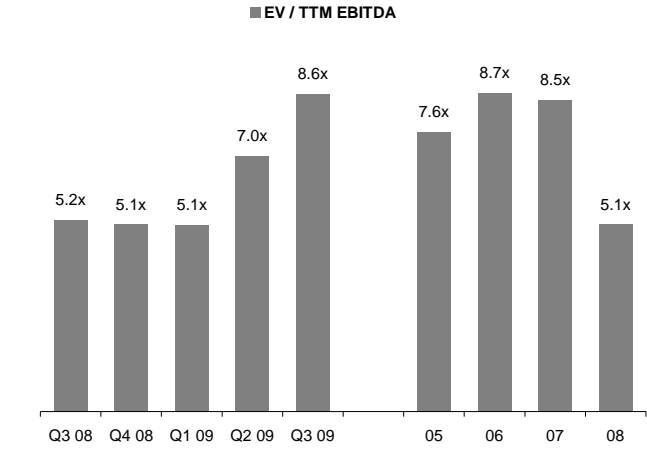
explanations and definitions:

**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.



MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
EV / TTM EBITDA	5.2x	5.1x	5.1x	7.0x	8.6x	7.6x	8.7x	8.5x	5.1x
EV / TTM EBIT	5.4x	5.2x	5.2x	7.1x	8.8x	7.5x	8.8x	8.7x	5.2x
Enterprise Value	4,386	4,245	3,846	4,789	5,628	4,805	6,813	7,643	4,245
TOTAL DEBT	2,183	2,664	2,597	2,665	2,992	474	1,534	1,808	2,664
Equity Market Cap	1,697	1,119	675	1,497	2,014	4,292	5,791	5,495	1,119



MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>Adjusted Cap Rate</b>	12.09%	12.48%	0	9.09%	7.31%	8.93%	7.51%	7.60%	12.79%
<b>Tangible Capital</b>	6,417	6,913	7,044	7,226	7,694	3,025	4,198	5,410	6,913
<b>Total Intangibles</b>		0	0	0	0			95	0
<b>Pre-tax ROIC</b>	12.8%	11.8%	10.5%	9.3%	8.3%	21.3%	18.4%	16.2%	11.8%
<b>After-tax ROIC (effective tax rate)</b>	9.2%	8.5%	7.6%	6.7%	6.0%	14.7%	12.9%	11.7%	8.5%
<b>After-tax ROIC (assumed tax rate)</b>	8.3%	7.7%	6.8%	6.1%	5.4%	13.8%	11.9%	10.5%	7.7%
<b>WACD (Pre-tax)</b>	4.3%	5.7%	6.1%	6.3%	5.3%	45.2%	12.7%	5.8%	5.7%

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:

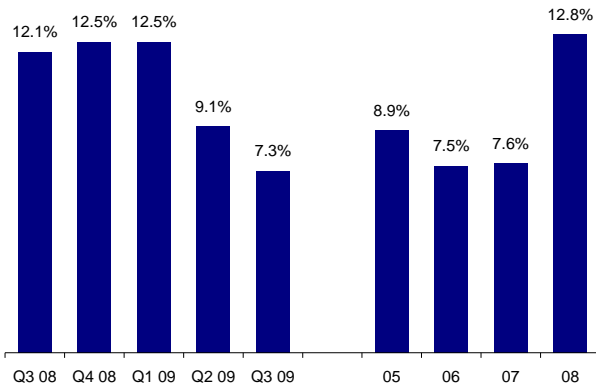
**Pre-Tax ROIC:** this ratio relates the trailing twelve months (TTM) EBIT to Tangible Capital as defined above.

**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.

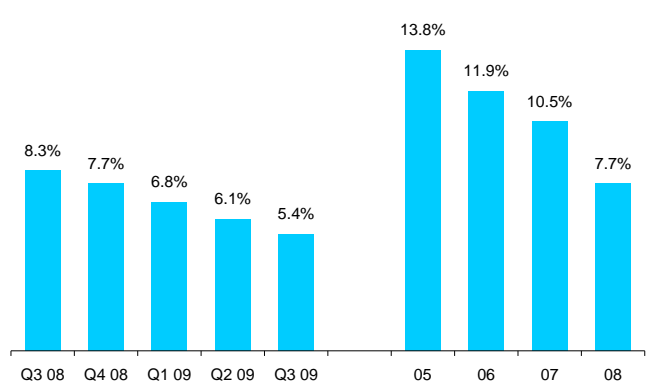
**After-tax ROIC (assumed tax rate):** here EBIT is corrected by an assumed tax rate of 35%, giving a modified after-tax ROIC rate.

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

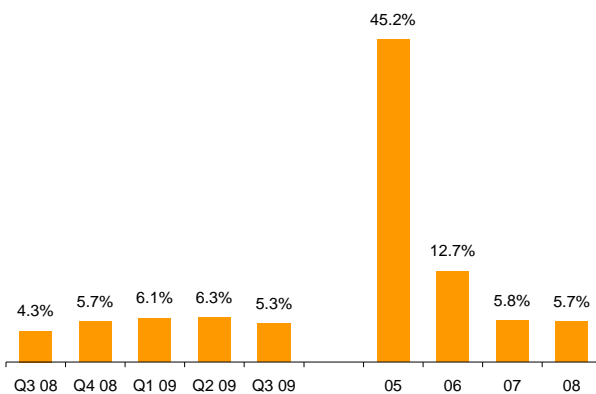
■ Adjusted Cap Rate



■ 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.

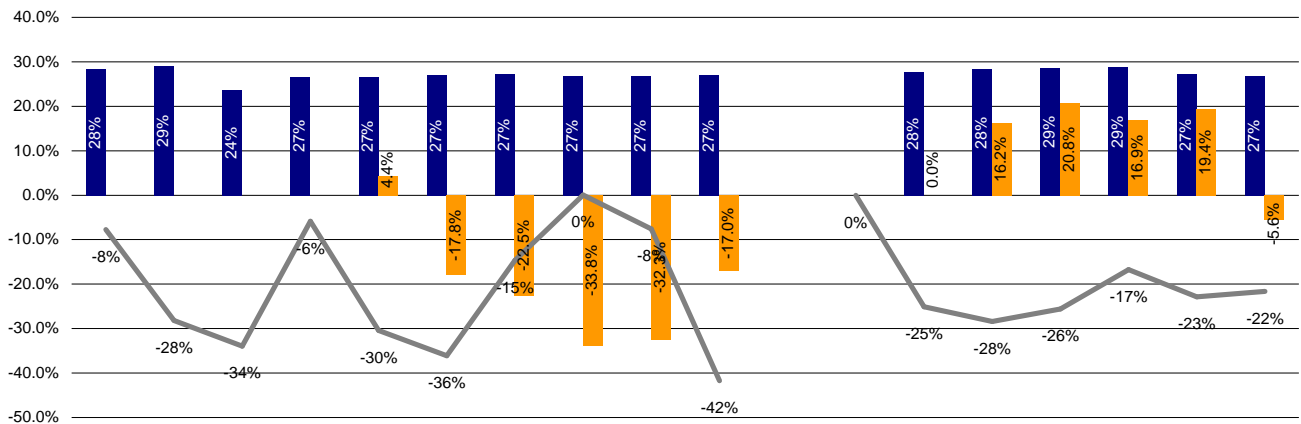
Although we acknowledge that the calculated results are by no means exact, we think they make for a good estimate in the valuation of credit structures when individual default and recovery rates for single issuers are to be used.

MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
<b>Total Assets</b>	9,189	9,565	9,483	9,657	10,018	5,178	6,311	8,042	9,565
<b>Total Liabilities</b>	4,566	4,991	4,826	4,906	5,156	2,030	3,025	3,898	4,991
<b>Total Intangibles</b>								95	
<b>Tangible Net Worth</b>	4,624	4,575	4,658	4,751	4,862	3,148	3,286	4,049	4,575
<b>Rent Debt (8x Annual Rental Expense)</b>									
<b>Underfunded Pension &amp; Post Ret. Liab.</b>									
<b>Discount on Hard Assets</b>	3,104	3,323	3,280	3,307	3,407	1,926	2,342	2,726	3,323
<b>Adjusted Tangible Net Worth</b>	1,520	1,252	1,378	1,444	1,455	1,222	944	1,322	1,252

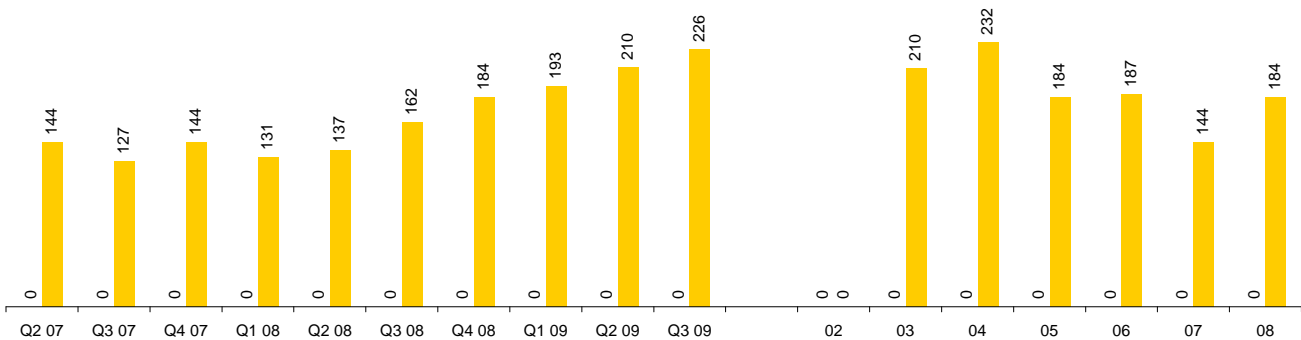
MXN in millions	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	05	06	07	08
					09/30/09				12/31/08
(CFO-Net Income)/Revenues	-36.1%	-14.7%	0.0%	-7.6%	-41.7%	-25.6%	-16.7%	-22.8%	-21.7%
YoY Revenue Growth	-17.8%	-22.5%	-33.8%	-32.3%	-17.0%	20.8%	16.9%	19.4%	-5.6%
Gross Margin	26.9%	27.3%	26.9%	26.8%	27.0%	28.5%	28.7%	27.4%	26.8%
Days Sales Outstanding	459	521	589	678	742	273	296	395	521
Days Sales of Inventory	162	184	193	210	226	184	187	144	184
Soft Assets	418	264	258	259	323	155	217	304	264
Unbilled Receivables	-	-	-	-	-	-	-	-	-
Deferred / Unearned Revenue	-	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
TTM Dividends Paid	0	0	0	0	0	-	-	0	0
TTM Preferred Dividends	0	0	0	0	0	-	-	0	0
Net Change in Capital Stock	0	-13	-5	-2	22	1,240	0	0	-13
Non-Capex CFI (CFI less Capex)	-5	20	2	7		4	0	0	6

ACCOUNTING RED FLAGS

Gross Margin    YoY Revenue Growth    (CFO-Net Income)/Revenues



Days Sales Outstanding    Days Sales of Inventory



Auditor Information:	
<b>Current auditor</b>	DELOITTE TOUCHE TOHMATSU (as of 20.2.2006)
<b>Auditor's opinion</b>	Not audited
<b>Auditor's opinion - Definitions</b>	
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.

LATEST SEC FILINGS

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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