

The information contained in this report was developed through research and interviews during the days immediately prior to the data below.

<b>COUNTRY</b> : PERU	<b>REPORTER</b> : IR	<b>DATE</b> : 10/04/2007
<b>SUBSCRIBER</b> : 7103	<b>OPERATOR</b> : PR	(Day/Mon/Year)
<b>PRIORITY</b> : EXPRESS	<b>REFERENCE</b> : 20100284	<b>TYPE</b> : OR
<b>ORDER</b> : 10/07/2006		

### IDENTIFICATION

<b>COMPANY NAME</b>	: ABC INDUSTRIAL SA	
<b>TRADE NAME</b>	: "ABC"	
<b>TAX ID. NUMBER</b>	: RUC 12345678901	<b>CURRENT STATUS</b> : Active
<b>MAIN ADDRESS</b>	: Av. Argentina 12345 Colonia del Carmen	
<b>CITY/PROVINCE/STATE</b>	: Lima	
<b>PHONE NUMBER(S)</b>	: 00511.515.9999	
<b>FAX NUMBER</b>	: 00511.465.8888	
<b>E - MAIL</b>	: abcde@ibm.com	
<b>WEB SITE</b>	: www.abcindustria.com	
<b>CR-RATING</b>	: <b>CR. A: ALMOST NO RISK</b>	
<b>PAYMENT HISTORY</b>	: <b>EP. A: PAYMENTS USUALLY PROMPT</b>	

### LEGAL ASPECTS

<b>LEGAL STATUS</b>	: Stock Company
<b>INCORPORATION DATE</b>	: 22/10/1985
<b>REGISTERED IN</b>	: Lima
<b>NOTARY OFFICE</b>	: Manuel Noya de la Piedra
<b>DURATION</b>	: Unlimited
<b>REGISTRATION</b>	: Record Card 12345
<b>INITIAL CAPITAL</b>	: S/.2,000,000.00 New Soles
<b>PAID-UP CAPITAL</b>	: S/.800,000.00 New Soles
<b>LAST CAPITAL INCREASE</b>	: 25/05/2002 by capitalization and new contributions
<b>NET WORTH</b>	: S/.1,040,332.00 Nuevos Soles(as of 31/12/2005)
<b>TYPE OF SHARES</b>	: Registered stock
<b>LISTED AT STOCK EXCHANGE</b>	: NO
<b>SHARE VALUE</b>	: S/.10.00 New Soles
<b>RATE OF EXCHANGE</b>	: US\$1.00 = S/.3.19 as of report date
<b>BACKGROUND (HISTORY) .-</b>	

The firm was established by the current shareholders, who have placed subject among the main companies of its sector in the country.

On 30/05/1999, the firm took over SERVICIOS INTEGRALES SA, which was dissolved without liquidation.

In August 2001 the shareholders contributed an additional Capital of S/.100,000.00 in order to expand the line of aluminium containers (sole manufacturer in the country), with which sales are expected to be increased in a 40% per year.

Subject's projects include the expansion of its plant with 1,000 sq.m. of land, next to its current plant.

#### RELATED COMPANIES .-

NAME	TAX ID. NUMBER	COUNTRY
* EMPRESA NUEVA DE UNA SOLA PAG.	23456789	PERU
1/2 DE CONSTRUCCION SA	20101863230	PERU
100 % SEGURIDAD INTEGRAL SAC	20417025244	PERU

GAMA SA

PERU

ZZEMPRESA AAA SA

1234567890123

PERU

## BOARD OF DIRECTORS-EXECUTIVES-SHAREHOLDERS

NAME	JOB TITLE	% STAKE
ZZSOTO MORALES, JUAN	President	65%
ZZDE LOS RIOS PEREZ, JUAN C.	Director	30%
ZZMORALES MORALES, PEDRO	Director	05%
ZZRUIZ PONCE, LUIS	Sales Manager	
ZZPAREDES HERRERA, MARIO	General Accountant	

## WHO IS WHO?

### ZZSOTO MORALES, JUAN

12345678, Married to Raquel Perez Moran, RUC 98765432, with Address: Las Acacias 345 (Miraflores, Lima 18 (owned house)), Telephone: 222.1133

### ZZDE LOS RIOS PEREZ, JUAN C.

Peruvian, born on August 22, 1962, 12345678, Married to Flor Mujica, RUC 98765432, with Address: Libertad 234 (Surquillo, Lima), Telephone: 345.6781

### ZZMORALES MORALES, PEDRO

Peruvian, born on August 22, 1933, with Address: Cerro de Pasco 124 Urb.Covida (Los Olivos), Telephone: 485.5533

### ZZRUIZ PONCE, LUIS

Peruvian, born on 13/05/1699, Married to Luz Navarro, RUC 48158792, with Address: Las Tipas 345 (Surco), Telephone: 476.7890

### ZZPAREDES HERRERA, MARIO

Born on 15/04/1961, RUC 23456789, PUBLIC ACCOUNTANT, with Address: Av. La Paz 3456 (Miraflores, Lima)

## OPERATIONS

<b>SECTOR</b>	: 1.-INDUSTRY
<b>MAIN ACTIVITY</b>	: METAL PRODUCTS
<b>ISIC CATEGORY</b>	: D MANUFACTURING INDUSTRIES (ELABORATION, MANUFACTURING, PRODUCTION, PUBLISHING, CASTING, CONSTRUCTION)
<b>ISIC CLASS</b>	: 2899 Manufacture of not specified diverse metal products
The subject is engaged in the manufacture and sale of metal products such as metal containers for the chemical industry, among others.	
<b>% CASH SALES/PAYMENT</b>	: 30% Invoices at 30 days
<b>% CREDIT SALES/TERMS</b>	: 70% Drafts at 30,60,90 days
<b>TERRITORY OF SALES</b>	: 80% capital, 10% provinces
<b>% FOREIGN SALES</b>	: 10.00%
<b>% LOCAL PURCHASING</b>	: 70.00%
<b>% FOREIGN PURCHASING</b>	: 30.00%
<b>N° OF EMPLOYEES</b>	: 41 (employees, workers and technicians)

### LOCATION .-

TAX DOMICILE AND ADMINISTRATION OFFICES: Since July 1997 the firm has been located at captioned address, in industrial zone of the city. Premises consist of 1,200 sq.m., property of INMOBILIARIA MODERNA SA (owned by the subject's shareholders). Modern premises which counts on advanced equipment and efficient security system.

STORAGE: Av. Nestor Gambeta S/N - Callao Km.12. rented premises in industrial zone.

WAREHOUSE: Av. Tacna 398, Lima Centro. Rented premises in industrial zone.

### COMMENTS .-

Products manufactured by the company include: containers for paints, chemical products, cans for cookies

and industrial products in general.

Exports started in 1996 and at present, they are one of the main operations of the firm.

The feasibility to export products to Costa Rica, El Salvador and Guatemala is being assessed. Exports are made only against letters of credit.

The firm supplies mainly local industrialists against contract.

It deals with 120 active clients.

## FINANCIAL INFORMATION

### CONTENT .-

In recent interview, Manolo Gonzalez (General Accountant), supplied the General Balance Sheet as of 31/12/2006, audited by Guzman & Asociados.

Transparent and collaborative company.

### GENERAL BALANCE SHEET

DATE OF BALANCE SHEET	:	31/12/2006	31/12/2005	% VARIA.
EXCHANGE RATE	:	3.50	3.40	
CURRENCY	:	Dollar	Dollar	
<b>ASSETS</b>				
CASH AT BANKS	:	12,345.00	23,456.00	(47.37)
TRADE ACCOUNTS RECEIVABLE	:	34,567.00	6,789.00	409.16
INVENTORY OR STOCK	:	345,678.00	12,345.00	2,700.15
OTHER ASSETS	:		67,890.00	(100.00)
TOTAL CURRENT ASSETS	:	392,590.00	110,480.00	255.35
NET FIXED	:	987,654.00		
OTHER ASSETS	:	85,641.00	70,320.00	21.79
<b>TOTAL ASSETS</b>	:	<b>1,465,885.00</b>	<b>180,800.00</b>	<b>710.78</b>
<b>LIABILITIES</b>				
BANKS/SUPPLIERS	:	123,456.00	133,889.00	(7.79)
OTHER LIABILITIES	:	15,678.00	13,200.00	18.77
TOTAL CURRENT LIABILITIES	:	139,134.00	147,089.00	(5.41)
LONG-TERM ACCOUNTS	:	187,654.00	12,300.00	1,425.64
OTHER LIABILITIES	:	98,765.00	5,000.00	1,875.30
<b>TOTAL LIABILITIES</b>	:	<b>425,553.00</b>	<b>111,300.00</b>	<b>282.35</b>
<b>NET WORTH</b>				
CAPITAL	:	850,000.00	50,000.00	1,600.00
RESERVES	:	154,345.00	12,000.00	1,186.21
RETAINED EARNINGS	:	35,987.00	7,500.00	
<b>TOTAL NET WORTH</b>	:	<b>1,040,332.00</b>	<b>69,500.00</b>	<b>1,396.88</b>
<b>TOTAL LIAB. &amp; NET WORTH</b>	:	<b>1,465,885.00</b>	<b>180,800.00</b>	<b>710.78</b>
DATE OF BALANCE SHEET	:	31/12/2004		
EXCHANGE RATE	:	3.31		
CURRENCY	:	Dollar		
<b>ASSETS</b>				
CASH AT BANKS	:	880,000.00		
MARKETABLE SECURITIES	:	1,000.00		
TRADE ACCOUNTS RECEIVABLE	:	25,000.00		
INVENTORY OR STOCK	:	150,000.00		
OTHER ASSETS	:	12,000.00		
<b>TOTAL CURRENT ASSETS</b>	:	<b>1,068,000.00</b>		

NET FIXED	:	2,500,000.00
TOTAL ASSETS	:	<b>3,568,000.00</b>
LIABILITIES		
BANKS/SUPPLIERS	:	100,000.00
OTHER LIABILITIES	:	85,000.00
TOTAL CURRENT LIABILITIES	:	185,000.00
LONG-TERM ACCOUNTS	:	138,000.00
OTHER LIABILITIES	:	50,000.00
TOTAL LIABILITIES	:	<b>300,000.00</b>
NET WORTH		
CAPITAL	:	3,150,000.00
RESERVES	:	50,000.00
RETAINED EARNINGS	:	68,000.00
TOTAL NET WORTH	:	<b>3,268,000.00</b>
TOTAL LIAB. & NET WORTH	:	<b>3,568,000.00</b>

### PROFIT AND LOSS ACCOUNT

BALANCE DATE	:	31/12/2006	31/12/2005	% VARIA
EXCHANGE RATE	:	3.50	3.45	
CURRENCY	:	Dollar	Dollar	
NET SALES	:	2,765,432.00	1,174,067.00	135.54
COST OF GOODS SOLD	:	1,200,500.00	500,000.00	140.10
GROSS PROFITS	:	<b>1,564,932.00</b>	<b>674,067.00</b>	<b>132.16</b>
OPERATING COSTS:				
OPERATING EXPENSES	:	98,000.00	145,000.00	(32.41)
ADMINISTRATION EXPENSES	:	54,300.00	80,000.00	(32.12)
SELLING EXPENSES	:	95,000.00	90,000.00	5.56
OPERATING PROFIT	:	<b>1,415,632.00</b>	<b>504,067.00</b>	<b>180.84</b>
OTHER INCOME AND EXPENSES:				
DISCOUNTS AND ALLOWANCES	:	3,000.00		
SUNDRY INCOME	:	12,000.00		
FINANCIAL INCOME	:	13,000.00	10,000.00	30.00
EXCEPTIONAL INCOME	:	1,000.00		
FINANCIAL EXPENSES	:	35,000.00	29,900.00	17.06
EXCEPTIONAL EXPENSES	:	3,200.00	5,000.00	(36.00)
EARNINGS BEFORE PROFIT	:	<b>1,400,432.00</b>	<b>479,167.00</b>	<b>192.26</b>
INCOME TAX	:	140,000.00	48,000.00	191.67
INCOME DISTRIBUTION	:	25,000.00	10,000.00	150.00
PROFIT (LOSS)	:	<b>1,235,432.00</b>	<b>421,167.00</b>	<b>193.34</b>

BALANCE DATE	:	31/12/2004
EXCHANGE RATE	:	3.31
CURRENCY	:	Dollar
NET SALES	:	2,500,000.00
COST OF GOODS SOLD	:	1,200,000.00
GROSS PROFITS	:	<b>1,300,000.00</b>
OPERATING COSTS:		
OPERATING EXPENSES	:	25,000.00
ADMINISTRATION EXPENSES	:	80,000.00
SELLING EXPENSES	:	100,000.00
OPERATING PROFIT	:	<b>1,120,000.00</b>

**OTHER INCOME AND EXPENSES:**

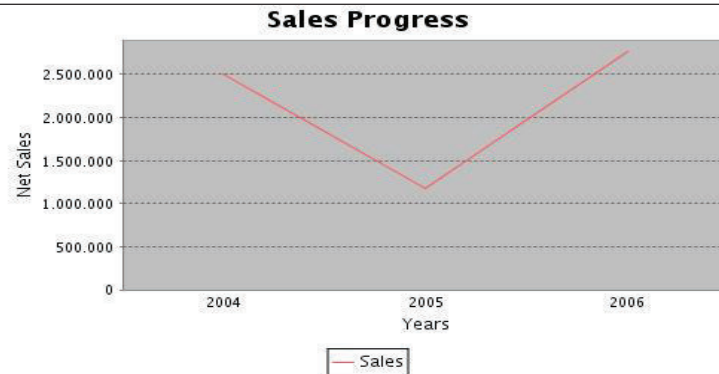
<b>SUNDRY INCOME</b>	:	178,234.00
<b>FINANCIAL INCOME</b>	:	34,500.00
<b>EXCEPTIONAL INCOME</b>	:	1,000.00
<b>FINANCIAL EXPENSES</b>	:	30,000.00
<b>EXCEPTIONAL EXPENSES</b>	:	1,200.00
<b>EARNINGS BEFORE PROFIT</b>	:	<b>1,302,534.00</b>
<b>INCOME TAX</b>	:	130,000.00
<b>INCOME DISTRIBUTION</b>	:	20,000.00
<b>PROFIT (LOSS)</b>	:	<b>1,152,534.00</b>

**FINANCIAL RATIOS**

<b>RATIOS YEAR</b>	:	2006	2005	
<b>MANAGEMENT RATIOS</b>				
<b>TOTAL ASSET TURNOVER</b>	:	1.89	6.49	(70.95)
<b>INVENTORY TURNOVER</b>	:	3.47	40.50	(91.43)
<b>COST OF SALES TO SALES</b>	:	0.43	0.43	1.93
<b>PROFITABILITY RATIOS</b>				
<b>RETURN ON EQUITY</b>	:	1.19	6.06	(80.40)
<b>PROFIT MARGIN</b>	:	0.57	0.57	(1.44)
<b>NET SALES RETURN</b>	:	0.45	0.36	24.54
<b>LIQUIDITY RATIOS</b>				
<b>CURRENT RATIO</b>	:	2.82	0.75	275.67
<b>ABSOLUTE LIQUIDITY RATIO</b>	:	0.09	0.16	(44.36)
<b>WORKING CAPITAL</b>	:	253,456.00	(36,609.00)	(792.33)
<b>BORROWING RATIOS</b>				
<b>LIAB./NET WORTH RATIO</b>	:	0.41	1.60	(74.46)
<b>SHORT TERM DEBT/NET WORTH</b>	:	0.18	0.18	1.92
<b>LIAB./TOTAL ASSETS RATIO</b>	:	0.29	0.62	(52.84)

**FINANCIAL RATIOS**

<b>RATIOS YEAR</b>	:	2004
<b>MANAGEMENT RATIOS</b>		
<b>TOTAL ASSET TURNOVER</b>	:	0.70
<b>INVENTORY TURNOVER</b>	:	8.00
<b>COST OF SALES TO SALES</b>	:	0.48
<b>PROFITABILITY RATIOS</b>		
<b>RETURN ON EQUITY</b>	:	0.35
<b>PROFIT MARGIN</b>	:	0.52
<b>NET SALES RETURN</b>	:	0.46
<b>LIQUIDITY RATIOS</b>		
<b>CURRENT RATIO</b>	:	5.77
<b>ABSOLUTE LIQUIDITY RATIO</b>	:	4.76
<b>WORKING CAPITAL</b>	:	883,000.00
<b>BORROWING RATIOS</b>		
<b>LIAB./NET WORTH RATIO</b>	:	0.09
<b>SHORT TERM DEBT/NET WORTH</b>	:	0.04
<b>LIAB./TOTAL ASSETS RATIO</b>	:	0.08



### FINANCIAL COMMENTS .-

ABC INDUSTRIAL SA, is a company with 21 years in business, whose operations are being conducted in a normal manner. The firm is a market leader.

### STRENGTHS AND OPPORTUNITIES:

- Business know-how
- Highly qualified board of directors
- Excellent relations with banks/suppliers/clients
- High quality products

### WEAKNESSES AND THREATS:

- Recessive market
- Substantial increase of sea freight due to Asian demand on shipments
- Tax contingency

### COUNTRY RISK PERU:

The following information has been obtained from a public source of recognized prestige specialized in releasing such sort of data.

The main economic indicators of the country are:

- The real growth rate of GDP is 6.5% while annual GDP per capita reaches 6400 Dollars.
- GDP is composed of:
  - Industry: 26.4%
  - Services: 65%
  - Agriculture: 8.5%
- Labor force: 9.21 million people. The unemployment rate for 2007 is estimated at 7.2%
- Exportations: US\$22.69 billions FOB  
Peru exports mainly to the USA (31.1%), China (10.8%), Chile (6.6%), Canada (5.9%) and Switzerland (4.6%).
- Importations: US\$15.38 billions FOB  
Importations come mainly from the USA (18.2%), China (8.5%), Brazil (8%), Ecuador (7.4%), Colombia (6.1%), Argentina (5.1%) and Chile (5.1%)
- Its external debt amounts to US\$27.93 billions (June 2006) and international reserves amount to US\$17.04 billions (January 2007)
- Inflation rate forecasted for 2007 is 1.6%

Peru has abundant mineral resources, which subject the country to the fluctuations of international prices. In the last two years Latin America has been characterized by a good economic performance and a low inflation. The countrys growth has been boosted by agricultural, mining and textile exports. Current president Alan Garcia pretends to improve these exports with the program Sierra Exportadora.

### DETAILS OF FIXED ASSETS .-

- Two Myko lathes
- Three Kelomatic bending machines
- Manual presses, etc.

Besides two Chevrolet Pick up trucks, year 1997, with license plates UB-9878 UB-and 8765.

**INSURANCE .-**

Insurance policy is taken out with CIA.RIMAC SEGUROS SA, through broker MINAYA ASOCIADOS for a coverage amount of US\$1,000,000.00 dollars. Policy is valid until December 2007.

## PAYMENTS

**TRADE REFERENCES .-**

- |                            |   |
|----------------------------|---|
| 1) <b>TYPE OF SUPPLIER</b> | : LOCAL   |
| <b>ACCOUNT OPENED</b>      | : Several years ago   |
| <b>CREDIT FACILITIES</b>   | : US\$25,000.00   |
| <b>TERMS</b>               | : Invoice at 30 days  |
| <b>OUTSTANDING BALANCE</b> | : US\$10,000.00   |
| <b>PRODUCTS SOLD</b>       | : Customs clearance   |
| <b>RATING</b>              | : PROMPT  |
| <b>COMMENTS</b>            | : Subject settles before deadline in order to get a discount. |
|                            |   |
| 2) <b>TYPE OF SUPPLIER</b> | : LOCAL   |
| <b>ACCOUNT OPENED</b>      | : In 1995   |
| <b>CREDIT FACILITIES</b>   | : US\$120,000.00  |
| <b>TERMS</b>               | : Invoice at 180 days   |
| <b>PRODUCTS SOLD</b>       | : Inputs  |
| <b>RATING</b>              | : PROMPT  |
|                            |   |
| 3) <b>TYPE OF SUPPLIER</b> | : LOCAL   |
| <b>ACCOUNT OPENED</b>      | : In 2002   |
| <b>CREDIT FACILITIES</b>   | : US\$35,000.00   |
| <b>TERMS</b>               | : Drafts at 30-60 days  |
| <b>PRODUCTS SOLD</b>       | : Inputs  |
| <b>RATING</b>              | : PROMPT  |
|                            |   |
| 4) <b>TYPE OF SUPPLIER</b> | : LOCAL   |
| <b>ACCOUNT OPENED</b>      | : 5 years ago   |
| <b>CREDIT FACILITIES</b>   | : S/.150,000.00   |
| <b>TERMS</b>               | : Invoice at 30 days  |
| <b>PRODUCTS SOLD</b>       | : Maintenance service   |
| <b>RATING</b>              | : PROMPT  |
|                            |   |
| 5) <b>TYPE OF SUPPLIER</b> | : LOCAL   |
| <b>ACCOUNT OPENED</b>      | : Several years ago   |
| <b>CREDIT FACILITIES</b>   | : US\$50,000.00   |
| <b>TERMS</b>               | : Drafts at 60-90 days  |
| <b>PRODUCTS SOLD</b>       | : Equipment and machinery                                     |
| <b>RATING</b>              | : PROMPT  |

**LOCAL SUPPLIERS**

Name	Contact Person	Tel./Fax
- Recomac SA		
- Agencia de Aduana Salima		
- Texaco		
- Dispercol SA		
- Metales y Piezas SA		

**FOREIGN SUPPLIERS**

Name	Contact Person	Tel./Fax	Country
- Metal Co.Supply Inc			U.S.A.

- Dieter Bauer GMBH  
- Garibotto Hnos.

GERMANY  
BRAZIL

**BANKS .-**

**BANK NAME** : BANCO DE CREDITO DEL PERU  
**ACCOUNT(S) NUMBER** : 191-014573159 FC  
**ACCOUNT MANAGER** : Ernesto Santos

**BANK NAME** : BANCO CONTINENTAL  
**ACCOUNT(S) NUMBER** : 00110335.72.0100001884 LC  
**ACCOUNT MANAGER** : Joel Villagran

**BANK NAME** : BANCO CONTINENTAL  
**ACCOUNT(S) NUMBER** : 001103335.72.0100002853  
**ACCOUNT MANAGER** : Joel Villagran

**BANK NAME** : BANCO DE CREDITO DEL PERU  
**ACCOUNT(S) NUMBER** : 191-01012960541 LC  
**ACCOUNT MANAGER** : Ernesto Santos

**BANK COMMENTS .-**

The subject is client of the above banks. One of them reported having subject as client holding current accounts in local and foreign currency, opened in December 1995. Average balances carried in low 6 figures in local and foreign currency. Banking rating: NORMAL client.

**SUPERINTENDENCY .-**

According to its latest official bulletin as of 31/12/2006, subject is rated as 100% NORMAL; based on the following debt:

- Advance in Current Account	S/.875,819.00	US\$
- Loans		1,000,000.00
- Outstanding Loans		188,810.00
- Foreign Trade Credit		514,212.00
-----		
TOTAL DEBT	S/.875,819.00	1,703,022.00
-----		
GUARANTEES		US\$2,000,000.00

**CREDIT OPINION .-**

OPINION ON CREDIT FIGURE OF: US\$300,000.00

COMMENTS : We consider subject is suitable for the proposed credit dealing.

===== < END OF REPORT > =====

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