GMP Securities
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EM TRADING DESK NOTE – *Not a Product of Research*

LATAM CORPORATES GUIDE

April 6, 2017

IN THIS ISSUE:

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INDEX

Ticker	Issue	Country	Sector	Rating	O/S, mm	Price	YTW	OAS	Prior View	Current View
AJECBV	6.5% '22	PE	Food & Beverage	B- / B-	450	75.00	13.43	1,161	Neutral	Neutral
ATENTO	7.375% '20	ES	Consumer Services	Ba3 / BB	300	102.88	5.67	441	Positive	Positive
BANTRB	9% '20	GT	Financial Services	Caa2 / B+	150	96.00	10.36	880	Positive	Positive
BEEFBZ	7.75% '23	BR	Food & Beverage	B1 / BB- / BB-	250	104.25	6.47	442	Neutral	Neutral
BEEFBZ	6.5% '26	BR	Food & Beverage	BB- / BB-	1,000	99.00	6.64	428	Swap In	Swap In
BEEFBZ	8.75% Perps	BR	Food & Beverage	BB- / BB-	300	105.25	5.96	n/a	Neutral	Neutral
CIMTUP	9.75% '18	BR	Construction Materials	D	185	23.50	Defaulted		Neutral	Neutral
CDRSM	6.75% '21	ES	Gaming	B2 / B	500	100.25	6.78	660	Negative	Negative
CDRSM	7.625% '21	ES	Gaming	B2 / B	300	96.75	8.50	675	Negative	Negative
COBREM	8.75% '21	MX	Metals & Mining	n/a	118	28.50	43.85	3,061	Negative	Negative
COZCAR	6.375% '22	PE	Food & Beverage	BB- / BB	243	101.25	5.95	401	Positive	Positive
CREAL	7.5% '19	MX	Financial Services	BB+	135	103.80	5.23	408	Positive	Positive
CREAL	7.25% '23	MX	Financial Services	BB+ / BB+	625	102.25	6.73	472	Swap out	Neutral
CSNABZ	6.875% '19	BR	Metals & Mining	Caa1 / CCC+ / B-	750	88.00	12.74	1,140	Swap Out	Swap Out
CSNABZ	6.5% '20	BR	Metals & Mining	Caa1 / CCC+ / B-	1,200	85.00	12.18	1,067	Swap Out	Swap Out
CSNABZ	7% Perps	BR	Metals & Mining	Caa1 / CCC+ / B-	1,000	70.00	10.12	764	Swap In	Swap In
CSOLNO	10.5% '21	PE	Food & Beverage	B- / B-	147	105.88	8.39	684	Positive	Neutral
DLLTD	8.25% '20	JM	Telecom	Caa1 / B-	2,000	86.50	13.22	1,169	Positive	Positive
DLLTD	6% '21	JM	Telecom	B1 / B	1,300	91.00	8.71	706	Positive	Positive
DLLTD	7.125% '22	JM	Telecom	Caa1 / B-	1,000	78.00	13.31	1,151	Positive	Positive
DLLTD	6.75% '23	JM	Telecom	B1 / B	925	90.00	8.97	703	Positive	Positive
ECELUP	8.625% '21	BR	Pulp & Paper	B+ / B+	350	81.00	14.88	1,323	Negative	Negative
FAMSA	7.25% '20	MX	Retail / Financial Services	B / B-	250	81.25	14.94	1,346	Positive	Positive
GOLLBZ	9.25% '20	BR	Transportation	CCC / CCC-	117	94.00	11.49	1,000	Neutral	Neutral
GOLLBZ	9.5% '21	BR	Transportation	CCC+	41	89.00	12.92	1,035	Neutral	Neutral
GOLLBZ	8.875% '22	BR	Transportation	CCC / CCC-	279	91.00	11.36	959	Neutral	Neutral
GOLLBZ	9.5% '28	BR	Transportation	CCC+	18	78.00	13.11	1,027	Neutral	Neutral
GOLLBZ	8.75% Perps	BR	Transportation	C / CCC-	186	77.00	11.52	906	Neutral	Neutral
GSHPBR	10% '26	BR	Real Estate	n/a	34	27.00	13.22	1,105	Positive	Neutral
GSHPBR	10% Perps	BR	Real Estate	Caa1 / CC	164	80.00	12.69	1,026	Positive	Neutral
GSHPBR	12% Perps	BR	Real Estate	Caa3 / CC	116	27.00	n/a	n/a	Neutral	Neutral
IDESA	7.875% '20	MX	Chemicals	B+ / B+	300	89.00	11.62	1,005	Positive	Positive
INTSPN	7.5% '19	MX	Oil & Gas	n/a	916	64.00	37.16	n/a	Neutral	Negative
JAVER	9.875% '21	MX	Homebuilders	B2 / BB- / BB-	159	103.78	3.24	254	Positive	Positive

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JBSSBZ	7.75% '20	BR	Food & Beverage	BB / BB+	1,000	104.88	5.63	408	Neutral	Neutral
JBSSBZ	6.25% '23	BR	Food & Beverage	BB / BB+	775	101.00	5.95	388	Neutral	Neutral
JBSSBZ	7.25% '24	BR	Food & Beverage	BB / BB+	750	104.00	6.30	413	Neutral	Neutral
JBSSBZ	5.875% '24	BR	Food & Beverage	Ba2 / BB	750	103.00	5.21	295	Neutral	Neutral
KIONET	8.25% '21	MX	IT Infastructure	B2 / B+	500	99.75	8.31	651	Positive	Neutral
LATOFF	8.875% '18	MX	Oil & Gas	n/a	306	60.50	57.94	5,808	Negative	Negative
MAGGBZ	7.875% '20	BR	Mining	B2 / BB	66	100.75	7.06	583	Positive	Neutral
MAGGBZ	8.625% Perps	BR	Mining	BB / BB	250	101.00	-4.66	-552	Positive	Neutral
MASHER	12.625% '21	AR	Food & Beverage	B-	200	112.75	6.64	556	Positive	Positive
MASISA	9.5% '19	CL	Basic Materials	B+ / B+	200	104.25	7.24	599	Neutral	Neutral
MAXTEL	7% '20	MX	Telecom	CCC+	138	59.50	27.40	2,592	Neutral	Neutral
METLSA	4.9% '23	MX	Manufacturing	BB+ / BBB-	300	98.25	5.24	325	Neutral	Neutral
MRFGBZ	8% '23	BR	Food & Beverage	B2 / B+ / BB-	1,000	104.00	6.87	493	Swap Out	Swap Out
MRFGBZ	7% '24	BR	Food & Beverage	B+ / BB-	750	99.50	7.09	494	Swap Out	Swap Out
ODHGPR	8.375% '20	MX	Oil & Gas	CCC / CCC	950	43.50	39.94	3,840	Neutral	Neutral
PESEXA	7.375% '20	PE	Food & Beverage	B3 / B-	170	84.00	14.51	1,308	Neutral	Neutral
PFAVHC	8.375% '20	CO	Transportation	B- / B-	550	99.50	8.56	706	Neutral	Negative
POSADA	7.875% '22	MX	Travel & Lodging	B2 / B+ / B+	400	104.50	6.63	481	Positive	Neutral
TGLS	8.2% '22	CO	Construction Materials	Ba3 / BB-	210	105.24	6.90	510	Positive	Neutral
TZA	7.5% '18	MX	Telecom	B+	258	99.75	7.72	669	Positive	Positive
TZA	7.625% '20	MX	Telecom	B+	500	97.75	8.39	684	Positive	Positive
UNIDAS	9% '23	MX	Manufacturing	n/a	219					
UNICMR	7.875% '24	SV	Retail	BB- / BB-	350	105.30	6.78	468	Positive	Neutral
UNIFIN	7.25% '23	MX	Financial Services	BB / BB	400	101.75	6.86	480	Swap In	Neutral
USJACU	9.875% '19	BR	Food & Beverage	CCC- / CCC	29	71.00	25.98	2,461	Positive	Positive
USJACU	9.875% '21	BR	Food & Beverage	CCC	208	81.00	17.22	1,219	Positive	Positive

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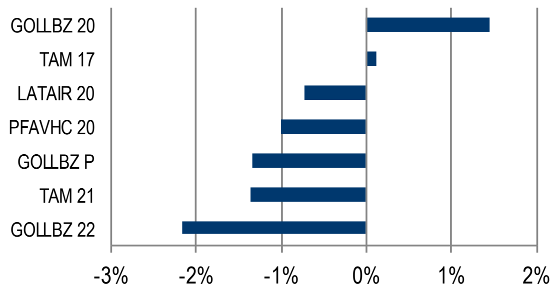
Sector Analysis

Airlines

One Month Price Change



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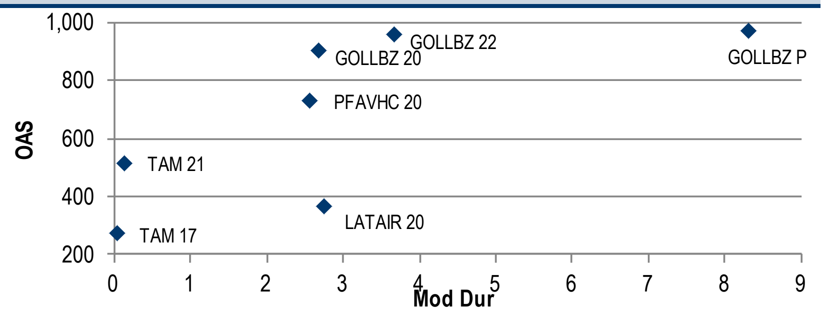
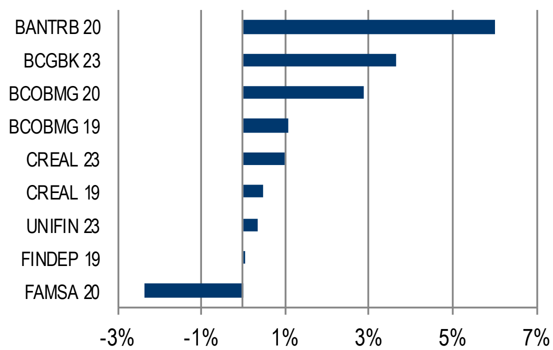


Financial Institutions

One Month Price Change



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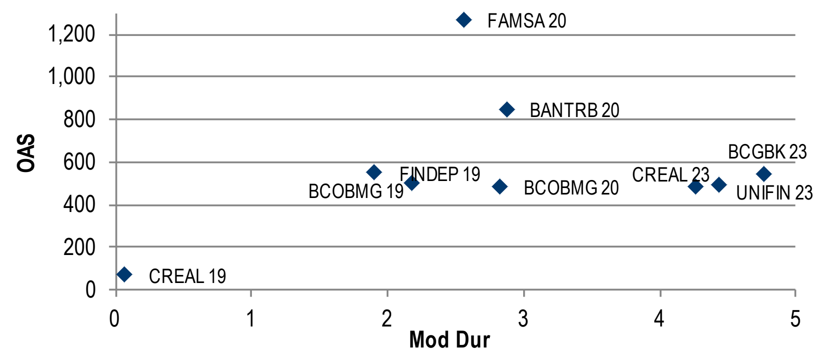
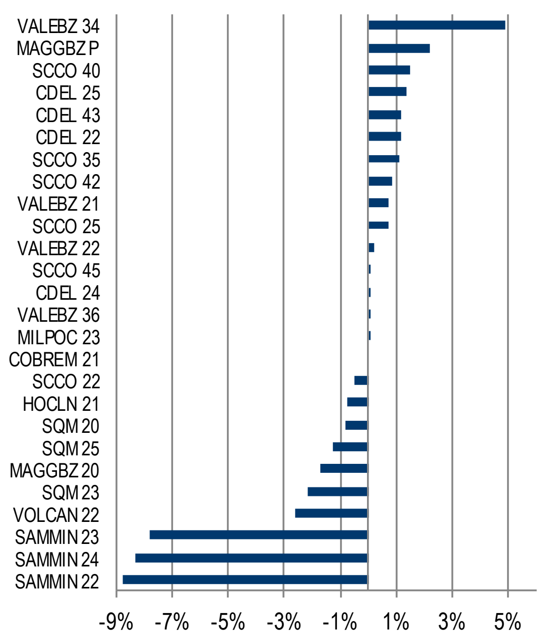


Mining

One Month Price Change



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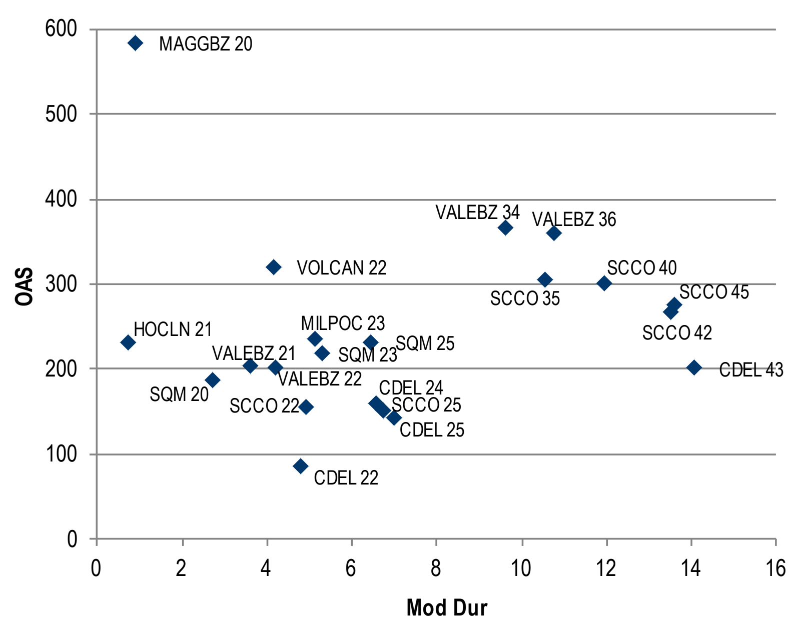

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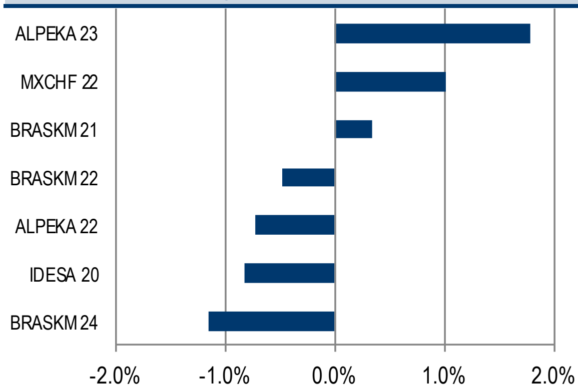
SECTOR ANALYSIS (CONTINUED)

Petrochemical

One Month Price Change



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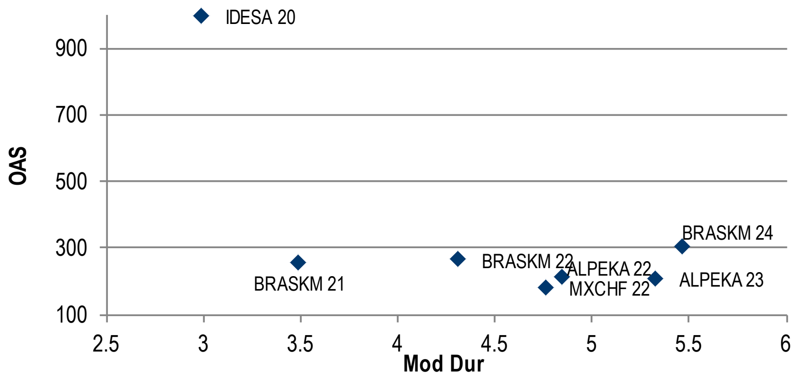
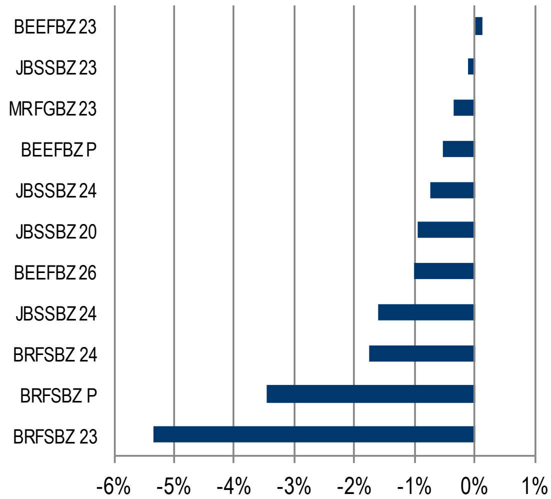


Proteins

One Month Price Change



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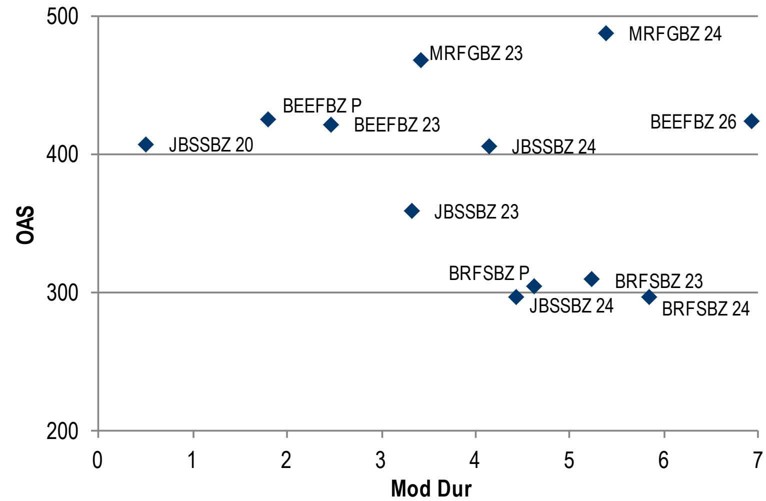
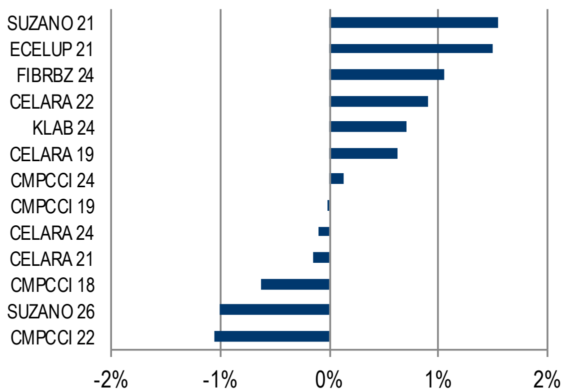


Pulp & Paper

One Month Price Change



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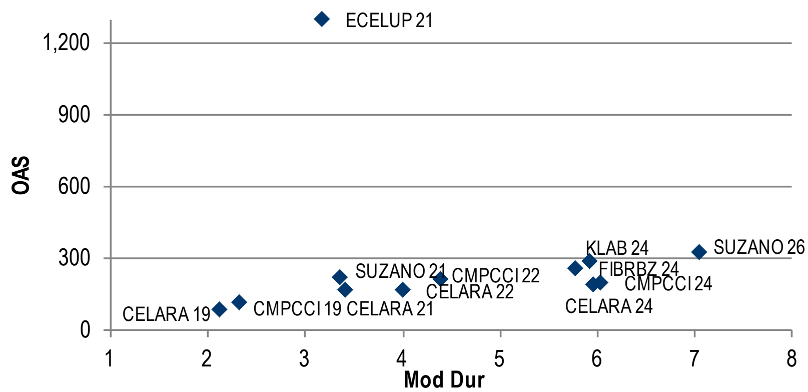

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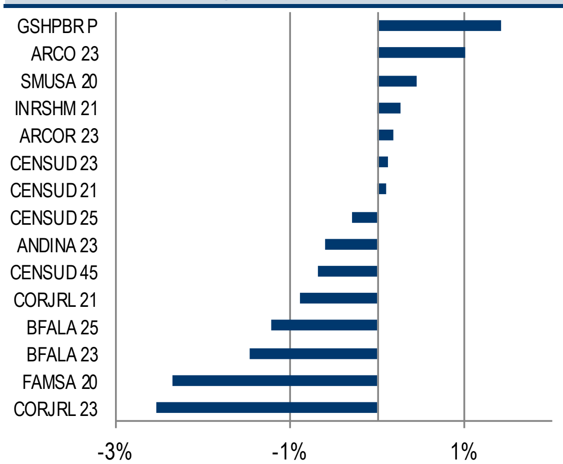
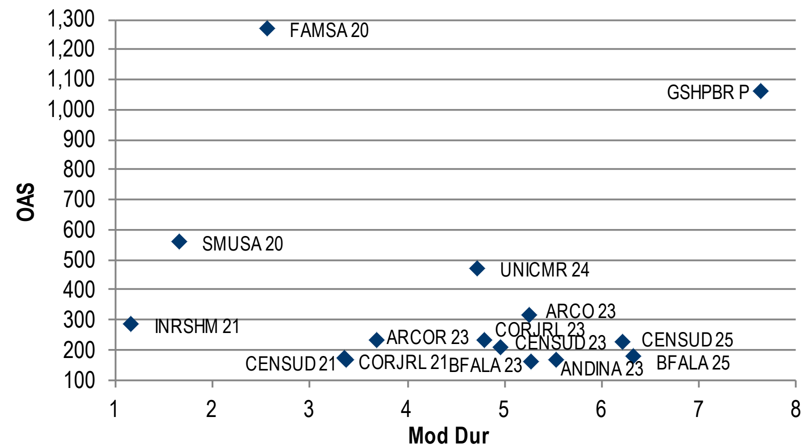
SECTOR ANALYSIS (CONTINUED)

Retail / Consumer

One Month Price Change

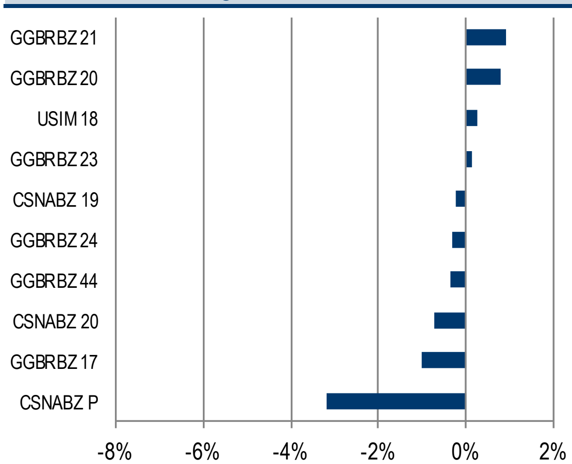


Relative Value

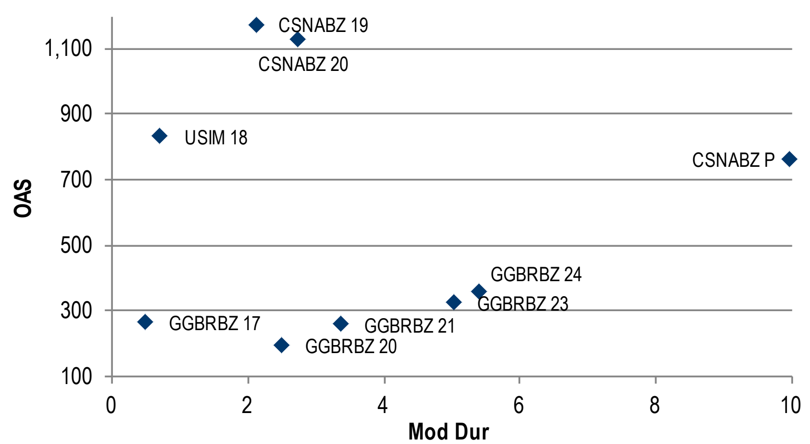


Steel

One Month Price Change

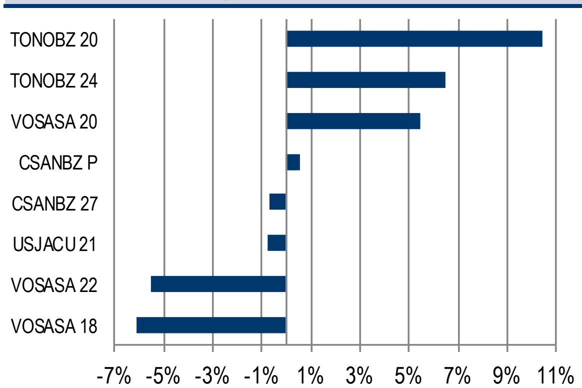


Relative Value



Sugar & Ethanol

One Month Price Change



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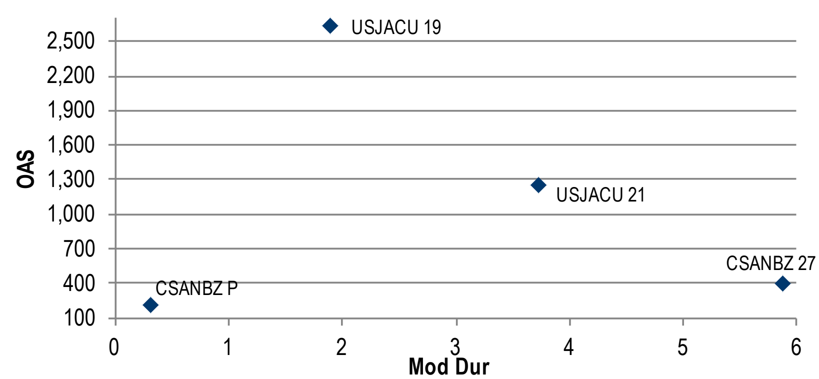

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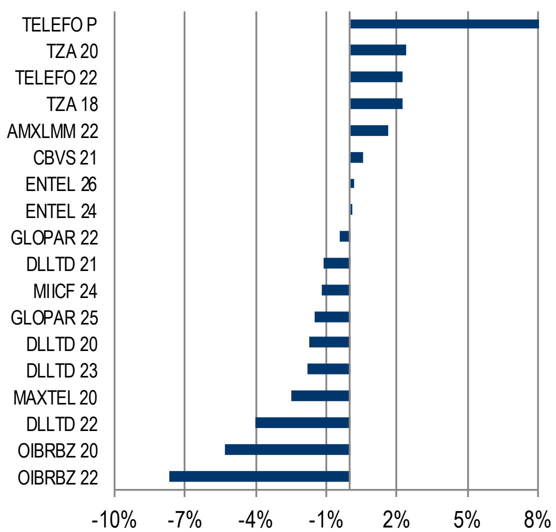
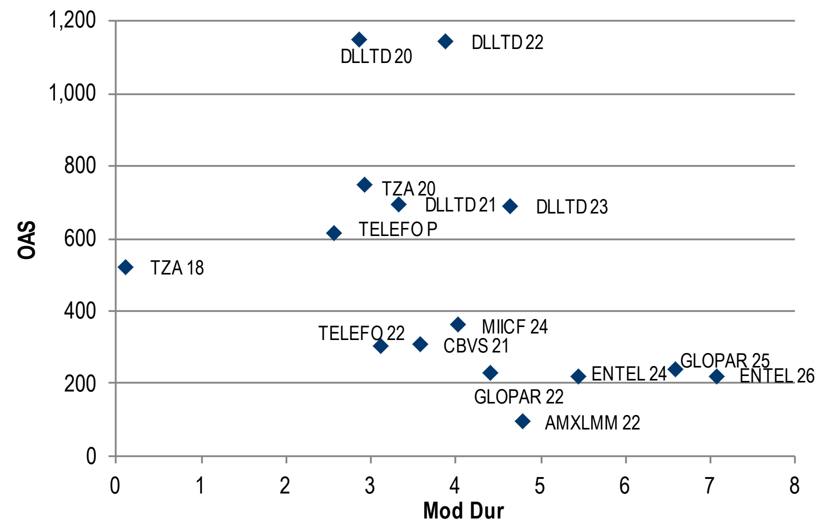
SECTOR ANALYSIS (CONTINUED)

Telecom

One Month Price Change

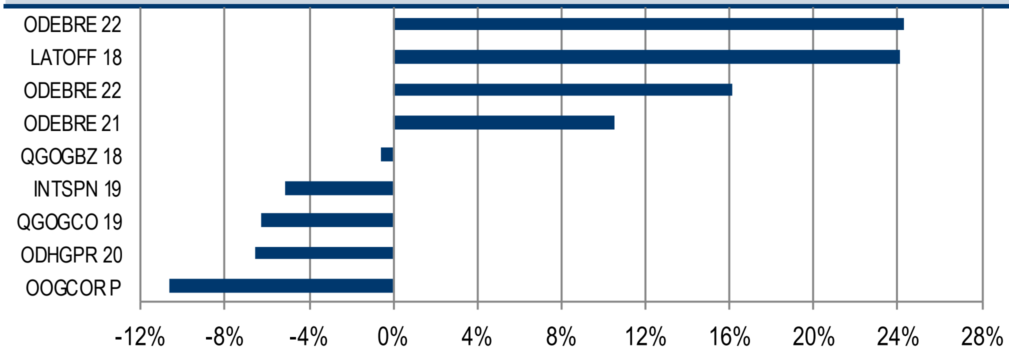


Relative Value



Oil & Gas - Services

One Month Price Change



Bloomberg Economic Forecasts

As of Apr - 17		1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	2017	2018	2019
Real GDP	Argentina	0.4	3.0	4.0	4.0	3.5	3.0	2.9	3.2	3.0
(Y/Y%)	Brazil	0.5	0.7	0.8	0.8	0.9	0.9	0.7	2.2	2.5
	Chile	1.9	2.0	2.1	2.4			1.8	2.5	
	Colombia	2.0	2.2	2.6	2.5	2.5	2.8	2.3	3.0	3.3
	Ecuador							-0.2	1.5	
	Mexico	0.4	0.3	0.5	0.5	0.7	0.7	1.6	2.1	
	Peru							3.8	4.0	
	Venezuela							-2.8	1.0	
Exchange Rates	Argentina	15.39	16.00	16.60	17.05	17.50		17.05	18.88	19.60
(LC/USD)	Brazil	3.12	3.20	3.25	3.30	3.31		3.30	3.35	3.54
	Chile	660.17	670.00	678.00	670.00	675.00		670.00	660.00	660.00
	Colombia	2,874	2,990	3,000	3,008	3,100		3,008	2,950	3,005
	Mexico	18.72	20.00	20.00	20.00	20.00		20.00	19.75	18.13
	Peru	3.25	3.30	3.35	3.35	3.38		3.35	3.40	3.55

Source: Bloomberg

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AJECORP BV (AJECBV)

Food & Beverage - Peru

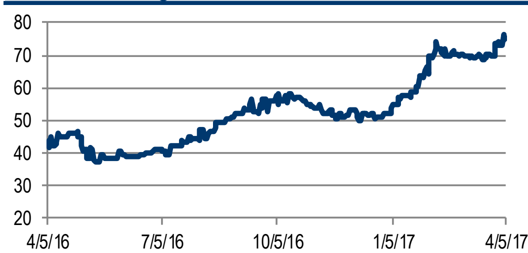
Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
AJECBV	6.5	5/14/2022	USD 450	B- / B-	Sr Unsecured	5/14/2017 @ 103.25	75.00	13.43	1,161	3.88

AJECBV Notes had a strong start of the year after the company released its 3Q16 results. Despite pressure in volumes and FX depreciation, profitability improved significantly, largely on the back of lower SG&A due to the company's cost reduction efforts, on top of a very low base for yoy comparison, which makes the company's growth look even better. More importantly, the company announced several significant updates which, as we expected, improved the market's perception of the name and pushed bond prices higher; still the devil is in the details.

As a reminder, the company had already closed a new senior secured credit agreement which substantially reduced its short term bank debt, thereby materially reducing the company's refinancing risk. On this front, the reduction in refinancing risk came at a subordination cost for bondholders, as the facility is secured by PP&E and intellectual property rights in its main regions (largely over-collateralized), and further subordinates the Notes to the new facility. No less important, the asset sales that the company had mentioned materialized faster than expected and AJE announced the disposal of its caps and preforms facilities in its "core markets" for USD 52.2 million. Once again, such action was likely going to improve bond prices, but most of those proceeds will likely be used to pay down the aforementioned credit facility (given the security package), thus the credit facility seemed to have partially worked as a temporary bridge loan for about a quarter while the company secured those asset sales. Curiously, the same factories that were considered one of their main competitive advantages (owning those assets) a couple of years ago have now become a stepping stone and the company expects to save USD 10 million through a long term supply agreement. Also, the company announced various executive changes, getting rid of the prior management which, according to the current management, failed to reach their goals, and the Ananos Family is taking the reins again. Once again, we would only mention that the prior management, from outside of the family, was actually brought in to change the negative perception of their poor corporate governance.

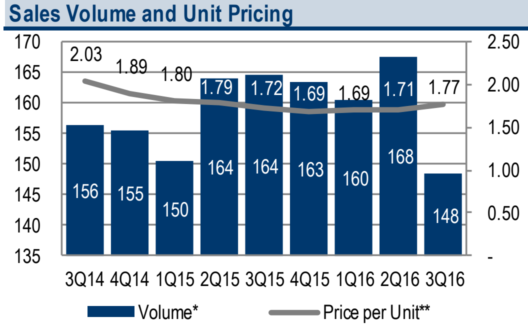
All in all, on the back of the aforementioned announcements, as well as potentially much better 4Q16 results given cost savings and the lowest yoy EBITDA comparable, on top of strong cash in hand, we expect that bond prices should likely be well supported.

Historical Pricing



Source: Bloomberg, GMP Securities

Sales Volume and Unit Pricing



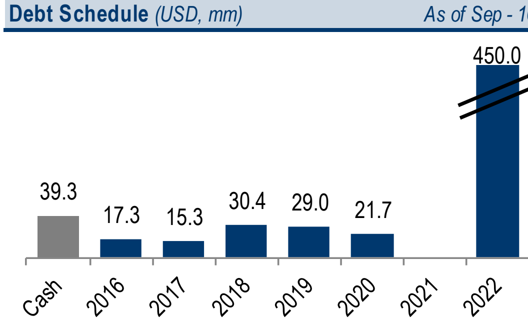
**Thousands of 24 x 8oz cases **Price per 24 x 8oz case (USD, m)*

Financial Summary

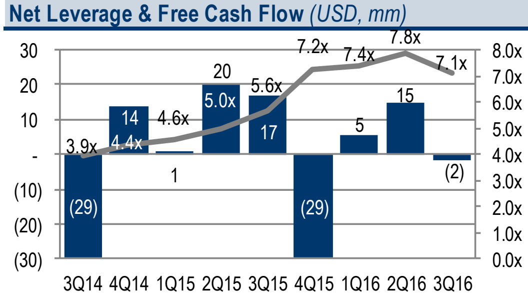
(USD, mm)	3Q16	3Q15	Y/Y %	2Q16	Q/Q %	LTM
Volume*	148.3	164.4	*-10%*	167.6	*-12%*	639.5
Price per Unit**	1.77	1.72	*3%*	1.71	*3%*	1.71
Revenue	**262**	**282**	***-7%***	**287**	***-9%***	**1,096**
Gross profit	82	95	*-13%*	91	*-10%*	341
Gross Margin %	*31.3%*	*33.5%*	*-2.2%*	*31.6%*	*-0.3%*	*31.1%*
EBITDA	**27**	**19**	***44%***	**22**	***24%***	**80**
EBITDA Margin %	*10.5%*	*6.7%*	*3.7%*	*7.7%*	*2.8%*	*7.3%*
Net Income	**1**	**(42)**	***nm***	**(10)**	***nm***	**(19)**
Cash & Equivalents	39	87	*-55%*	40	*-2%*	39
Total Assets	**947**	**1,010**	***-6%***	**967**	***-2%***	**947**
ST Debt	32	116	*-72%*	115	*-72%*	32
LT Debt	576	489	*18%*	490	*18%*	576
Total Debt	**608**	**605**	***0%***	**604**	***1%***	**608**
EBITDA / Int Exp	**1.8x**	**2.2x**	***-0.4x***	**1.6x**	***0.2x***	**1.8x**
Cash&Eq / ST Debt	1.2x	0.8x	*0.5x*	0.4x	*0.9x*	1.2x
ST Debt / Total Debt	5.3%	19.1%	*-13.9%*	19.0%	*-13.7%*	5.3%
Total Debt / EBITDA	7.6x	6.6x	*1.0x*	8.4x	*-0.8x*	7.6x
Net Debt / EBITDA	**7.1x**	**5.6x**	***1.4x***	**7.8x**	***-0.8x***	**7.1x**

**Thousands of 24 x 8oz cases **Price per 24 x 8oz case (USD, m)*
Source: Company Reports, GMP Securities

Debt Schedule *(USD, mm)* — *As of Sep - 16*



Net Leverage & Free Cash Flow *(USD, mm)*



Source: Company Reports, GMP Securities

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ATENTO (ATENTO)

Consumer Services - Brazil / Spain

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
ATENTO	7.375	1/29/2020	USD 300	Ba3 / BB	Secured	5/8/2017 @ 103.688	102.88	5.67	441	1.65

Atento reported 4Q16 revenue and EBITDA, in real terms, down 2.6% yoy and 8.1% yoy, respectively, which was par for the course in our view given the challenging environment, while the company improved its non-Telefonica client profile. More importantly, despite somewhat lower performance, the company was able to generate strong positive free cash flow generation, on the back of better WC management, and cash remained robust at USD 194 million, while net leverage stood at 1.6x.

More importantly, during 2016, the company was able to reach various important milestones, including the new contract agreement with Vivo in Brazil, the extension of the MSA agreement with Telefonica until 2023, the divesture of their Morocco operations, as well as the accelerated payment of their high-cost Brazilian debentures, which is expected to aid profitability in 2017 and onwards. Overall, the company has put great effort in profitability, cash generation, and balance sheet strengthening, which should allow Atento to grow in 2017, partially aided by Brazil and expectations of some growth coming back to the economy. In addition, we believe that growth in Brazil could accelerate rapidly, as Atento is strategically positioned to take advantage of the bill recently passed by congress, which allows any company activity to be outsourced. As uncertainties with the CRM/BPO dynamics are alleviated with this bill, we believe that more clients will likely outsource more of their activities to Atento, especially in the Financial Sector, which could lead to faster growth for Atento that initially anticipated.

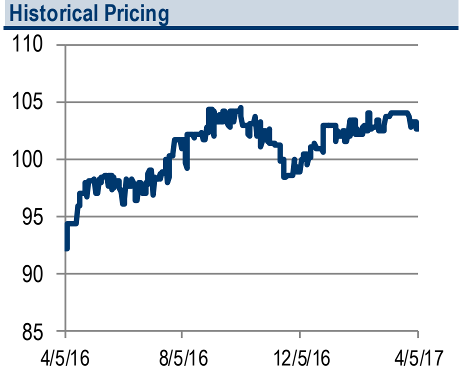
We remain constructive on ATENTO's prospects; as for the Notes, in line with our expectations, the Notes due 2020 have moved up to settle around its current call price of 103.688%. In addition, as a reminder, the company has decided to pay down its higher-cost Brazilian debt, thus we see an opportunity for Atento to attempt some additional liability management, which could not only include raising funds to fully pay Brazilian debt but also attempting to push maturities of the current Notes into a longer and larger structure which could further benefit from index inclusions. In the meantime, we expect the Notes to remain around its call price.

Financial Summary

	Consolidated								Restricted					
(USD, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q%	2016	2015	Y/Y %	R3Q16	R3Q15	Y/Y %	R2Q16	Q/Q%	RLTM
Revenue	**442.0**	**453.8**	***-2.6%***	**443.7**	***-0.4%***	**1,757.5**	**1,949.9**	***-9.9%***	**195.2**	**102.7**	***90.0%***	**217.0**	***-10.0%***	**858.3**
EBIT	55.5	26.8	*107.6%*	24.4	*127.5%*	116.3	121.8	*-4.5%*	7.0	16.3	*-56.9%*	9.7	*-27.6%*	36.1
Finance Costs	0.6	-17.5	*nm*	-22.0	*nm*	-59.2	-75.5	*nm*	-15.5	10.7	*-245.0%*	-15.3	*nm*	-61.1
Adjusted EBITDA	**58.7**	**63.8**	***-8.1%***	**60.5**	***-3.0%***	**221.9**	**249.7**	***-11.1%***	**17.5**	**27.3**	***-36.0%***	**21.6**	***-18.9%***	**81.8**
Adj. EBITDA Margin	*13.3%*	*14.1%*	*-0.8%*	*13.6%*	*-0.4%*	*12.6%*	*12.8%*	*-0.2%*	*9.0%*	*26.6%*	*-17.7%*	*9.9%*	*-1.0%*	*9.5%*
Net Income	16.7	5.4	*209.2%*	-3.7	*nm*	0.2	49.1	*-99.7%*	-14.3	-1.0	*nm*	-13.9	*nm*	-49.3
Cash & Equivalents	194.0	184.0	*5.4%*	177.9	*9.1%*	194.0	184.0	*5.4%*	113.8	97.3	*16.9%*	118.6	*-4.0%*	113.8
ST Debt	54.6	40.3	*35.5%*	52.8	*3.3%*	54.6	40.3	*35.5%*	9.0	7.8	*15.6%*	14.4	*-37.5%*	9.0
LT Debt	480.4	535.3	*-10.3%*	561.1	*-14.4%*	480.4	535.3	*-10.3%*	295.7	294.6	*0.4%*	295.3	*0.1%*	295.7
Total Debt	534.9	575.6	*-7.1%*	613.9	*-12.9%*	534.9	575.6	*-7.1%*	304.7	302.4	*0.7%*	309.7	*-1.6%*	304.7
EBITDA/Interest Expense	***3.6x***	***3.0x***	***0.7x***	***2.4x***	***1.2x***	***3.6x***	***3.0x***	***0.7x***	***1.3x***	***1.2x***	***0.2x***	***2.6x***	***-1.3x***	***1.3x***
(EBITDA-Capex) / Int. Exp.	***2.9x***	***1.9x***	***1.1x***	***1.5x***	***1.4x***	***2.9x***	***1.9x***	***1.1x***	***0.8x***	***1.1x***	***-0.3x***	***1.6x***	***-0.9x***	***0.8x***
ST Debt / Total Debt	***10.2%***	***7.0%***	***3.2%***	***8.6%***	***1.6%***	***10.2%***	***7.0%***	***3.2%***	***3.0%***	***2.6%***	***0.4%***	***4.6%***	***-1.7%***	***3.0%***
Total Debt / EBITDA	***2.5x***	***2.6x***	***-0.1x***	***3.3x***	***-0.8x***	***2.5x***	***2.6x***	***-0.1x***	***3.7x***	***4.1x***	***-0.4x***	***3.4x***	***0.3x***	***3.7x***
Net Debt / EBITDA	***1.6x***	***1.8x***	***-0.2x***	***2.4x***	***-0.8x***	***1.6x***	***1.8x***	***-0.2x***	***2.3x***	***2.8x***	***-0.5x***	***2.1x***	***0.2x***	***2.3x***

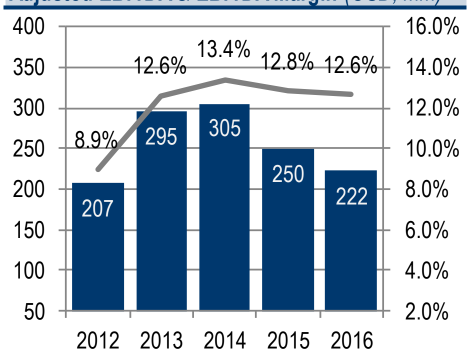
Source: Company Reports, GMP Securities

Historical Pricing



Source: Bloomberg, GMP Securities

Adjusted EBITDA & EBITDA Margin *(USD, mm)*



Source: Company Reports, GMP Securities

2017 Guidance

Consolidated Revenue Growth	1% - 5%
Adj. EBITDA Margin Range	11% - 12%
Non-recurring Exp. - Adj. to EBITDA	~$13mm
Net Interest Exp. Range	$60mm - $65mm
Cash Capex (% of Revenue)	~3% - 4%
Effective Tax Rate	~34%
Diluted Share Count	~73.9mm shares
Cash Conversion as % of Adj. EBITDA	~40%

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BANCO DE LOS TRABAJADORES (BANTRB)

Financial Services - Guatemala

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
BANTRB	9	11/14/2020	USD 150	Caa2 / B+	Sr Unsecured	No	96.00	10.36	880	2.88

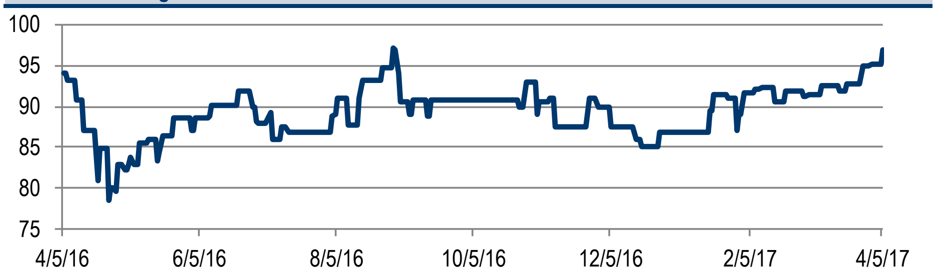
While 2016 has been a year of dramatic headlines for BANTRB, per our prior commentaries on the name, the market's bearish fears have largely not materialized. As a brief background, BANTRB Notes plummeted early last year on the back of the suspicion that certain funds to capitalize the bank could have come from doubtful origins and, thus, the Judge in charge of forfeitures temporarily seized the preferred shares and took precautionary measures against three bank executives who were in charge of the deal. Since then, various important cases of corruption have arisen, along with dramatic headlines, including the ex-minister committing suicide before being arrested for possible money laundering at BANTRB (but not without shooting a police officer and a district attorney first, you can't make this up).

In response to these developments, BANTRB's management and the Bank Regulator (Superintendencia de Bancos) have focused on isolating the individuals involved, and emphasizing the distinction that the resulting legal actions have been taken at an individual level vs. company level. The Regulator has even gone as far as highlighting the national importance of the bank, originally founded with the aims of aiding the economic development and wellbeing of workers.

Importantly, management has also emphasized that none of the investigations have affected the operations, liquidity, or solvency of Bantrab, a view which we have reiterated in prior notes, and is ultimately reflected in the company's positive 2016 performance. Despite concerns regarding reputational risk impacting consumer confidence in the company, deposits in 2016 were up 9% yoy to USD 1.9 billion, and management grew the total portfolio by 26% yoy to USD 1.4 billion. Ultimately, despite negative news developments, thus far we have not seen material negative impacts to the company's operating performance.

In our view, the aforementioned scandals have clouded the company's largely positive performance and in many instances have creating unfounded concerns with investors; the overly conservative stance taken by rating agencies has further exacerbated the situation. While we do not minimize or dismiss the current proceedings, given the isolated nature of these events, we expect that BANTRB will continue to honor its debt obligations. In fact, the bank even paid the trustee the November coupon for the 2023 Notes about 3 weeks in advance. Furthermore, the proposed reforms regarding banking regulation would allow early, preventive intervention, which should ultimately benefit creditors. All in all, given that we do not anticipate that the headlines and reputational risk will permeate to the company's performance or ability/willingness to service their obligations, we remain bullish on the Notes, which continue to trade significantly cheaper than other financial institutions in the region.

Historical Pricing



Source: Company Records, GMP Securities

Financial Summary

(GTQ, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q %	2016	2015	Y/Y %	LTM USD
Interest Income	640	578	*10.7%*	645	*-0.7%*	2,472	2,214	*11.7%*	329
Interest Expense	-346	-280	*nm*	-311	*nm*	-1,247	-1,058	*nm*	-166
Financial Margin	294	298	*-1.5%*	334	*-12.0%*	1,225	1,156	*6.0%*	163
Consolidated Net Income	105	103	*2.2%*	120	*-12.3%*	435	420	*3.6%*	58
Cash & Equivalents	1,386	1,368	*1.4%*	2,089	*-33.6%*	1,386	1,368	*1.4%*	184
Net Portfolio	10,474	8,330	*25.7%*	9,779	*7.1%*	10,474	8,330	*25.7%*	1,392
Total Portfolio	10,876	8,644	*25.8%*	10,168	*7.0%*	10,876	8,644	*25.8%*	1,446
Total Short Term Debt	-	39	*-100.0%*	-	*n/a*	-	39	*-100.0%*	-
Total Long Term Debt	1,128	1,145	*-1.4%*	1,128	*0.0%*	1,128	1,145	*-1.4%*	150
Total Debt	1,128	1,183	*-4.7%*	1,128	*0.0%*	1,128	1,183	*-4.7%*	150
Net Interest Margin	**7.0%**	**7.5%**	***-0.5%***	**7.2%**	***-0.2%***	**7.0%**	**7.5%**	***-0.5%***	**7.0%**
ROAA	**2.5%**	**2.7%**	***-0.2%***	**2.5%**	***0.0%***	**2.5%**	**2.7%**	***-0.2%***	**2.5%**
ROE	**25.1%**	**29.0%**	***-3.8%***	**26.0%**	***-0.8%***	**25.1%**	**29.0%**	***-3.8%***	**25.1%**
Efficiency Ratio	**59.8%**	**61.5%**	***-1.7%***	**60.2%**	***-0.4%***	**59.8%**	**61.5%**	***-1.7%***	**59.8%**
Equity / Total Assets	**10.1%**	**9.6%**	***0.6%***	**10.0%**	***0.2%***	**10.1%**	**9.6%**	***0.6%***	**10.1%**
Total Loans / Capital	**5.7x**	**5.2x**	***0.5x***	**5.4x**	***0.2x***	**5.7x**	**5.2x**	***0.5x***	**5.7x**
Capital Ratio	**14.7%**	**0.0%**	***14.7%***	**15.2%**	***-0.5%***	**14.7%**	**15.3%**	***-0.6%***	**14.7%**
NPL / Total loans	**2.6%**	**2.3%**	***0.3%***	**2.6%**	***0.0%***	**2.6%**	**2.3%**	***0.3%***	**2.6%**
Provisions / Total loans	**3.7%**	**3.6%**	***0.1%***	**3.8%**	***-0.1%***	**3.7%**	**3.6%**	***0.1%***	**3.7%**
Provisions / NPL	**1.4x**	**1.6x**	***-0.1x***	**1.5x**	***-0.1x***	**1.4x**	**1.6x**	***-0.1x***	**1.4x**

Source: Company Records, GMP Securities *GTQ/USD 7.52*

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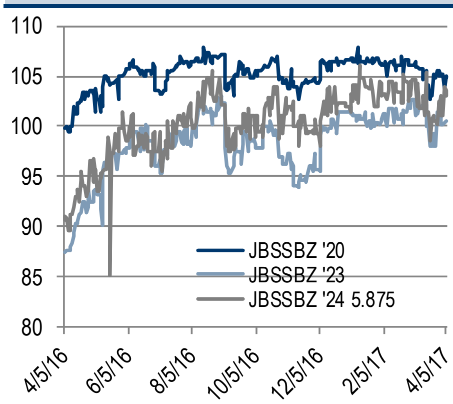
BRAZILIAN PROTEIN (JBSSBZ, MRFGBZ, BEEFBZ)

Food & Beverage - Brazil

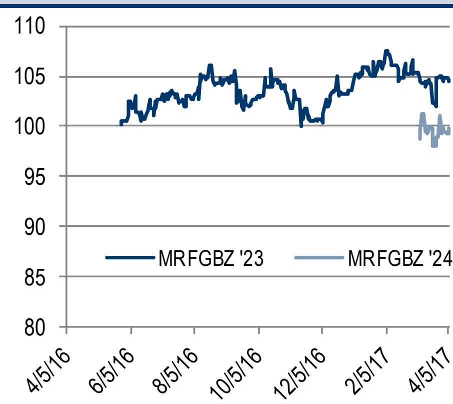
Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
JBSSBZ	7.75	10/28/2020	USD 1000	BB / BB+	Sr Unsecured	10/28/2017 @ 103.875	104.88	5.63	409	0.52
JBSSBZ	6.25	2/5/2023	USD 775	BB / BB+	Sr Unsecured	2/5/2018 @ 103.125	101.00	5.95	391	3.32
JBSSBZ	7.25	4/3/2024	USD 750	BB / BB+	Sr Unsecured	4/3/2019 @ 103.625	104.00	6.30	414	4.15
JBSSBZ	5.875	7/15/2024	USD 750	Ba2 / BB+	Sr Unsecured	7/15/2019 @ 102.938	103.00	5.21	297	4.44
MRFGBZ	8	6/8/2023	USD 1000	B2 / B+ / BB-	Sr Unsecured	6/8/2019 @ 104	104.00	6.87	495	3.43
MRFGBZ	7	3/15/2024	USD 750	B+ / BB-	Sr Unsecured	3/15/2020 @ 103.5	99.20	7.15	502	5.39
BEEFBZ	7.75	1/31/2023	USD 250	B1 / BB- / BB-	Sr Unsecured	1/31/2018 @ 103.875	104.25	6.47	442	3.23
BEEFBZ	6.5	9/20/2026	USD 1000	BB- / BB-	Sr Unsecured	9/20/2021 @ 103.25	99.00	6.64	429	6.93
BEEFBZ	8.75	Perps	USD 300	BB- / BB-	Sr Unsecured	4/3/2019 @ 100	105.25	5.96	n/a	1.81

Historical Pricing

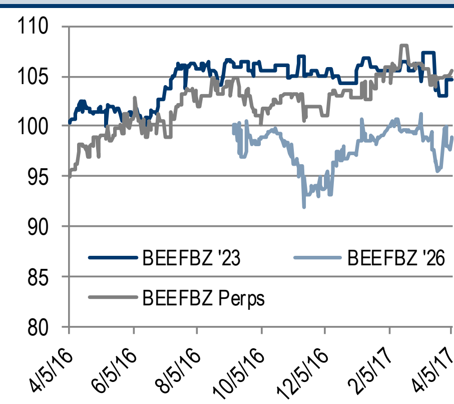
JBSSBZ



MRFGBZ



BEEFBZ



Source: Bloomberg, GMP Securities

A new layer of uncertainty has come into play with the recent "Carne Fraca" investigation in a sector that, in general, had outperformed the market in 2016. Unsurprisingly, bond prices felt the impact of the announcement, but prices have, for the most part, recovered from the initial decline. As per the investigation, there is still a lot of uncertainty and likely more information to come, but in a nutshell, the investigation claims that companies were, among other transgressions, engaged in bribes in order to obtain approvals and licenses, as well as approvals where production processes were illegal. Various wrong doings were mentioned, including acquiring cattle from restricted areas, exports and domestic sales of past-due products and/or contaminated products, as well as mixing chemicals and other products into meat. About 40 companies were highlighted, including BRF and JBS. Such a situation in turn led to import bans from various countries. Meanwhile, developments continue to be ongoing.

In general, we believe that it is prudent to differentiate between companies that have been implicated, including BRF and JBS, vs. names such as Minerva and Marfrig, which were not included in such allegations (Seara, which was formerly part of Marfrig and is now part of JBS, was included). That said, while reputation risk could affect certain names more than others, various risks such as bans, contagion risk and an overall negative umbrella or stigma against Brazilian meat should affect all the companies at the operational level. On this front, it is also important to analyze the potential impact of the individual companies' operations given their respective exposure to Brazil, as certain companies such as JBS and Marfrig are more diversified and less dependent on exports from Brazil compared to Minerva.

As we just mentioned, we would highlight that Minerva exports constitute about 56% of the company's sales (though it also includes other regions such as Uruguay, Paraguay, etc.). While we played with stress tests that incorporate the idea of a complete ban from Brazil, there are various variables that importantly offset the revenue decline. For starters, companies can shift exports from one plant to another across country borders depending on the ban, while Brazilian production can be pushed domestically, partially offsetting the ban. Similarly, lower exports should directly impact cattle demand, reducing their raw material costs, aiding the decline in margins. As per Marfrig, we calculate their exposure to Brazilian exports to be about 15%, as the company has focused on Keystone and domestic Brazilian consumption, lowering their exposure vs. Minerva. At the same time, we consider Minerva to be a better operator, while we have had concerns especially regarding Marfrig's ability to generate meaningful positive free cash flow. Similar to Marfrig, we calculate that about 12% of JBS' revenue is linked to

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Brazilian exports, while the company tends to maintain the largest FCF to EBITDA ratio among the three protein players. That said, lately JBS has been caught in the middle of various negative headlines, mainly related to their main shareholder J&F, so there seems to be further recurring issues with JBS; we'll have to see whether "where there's smoke, there's fire".

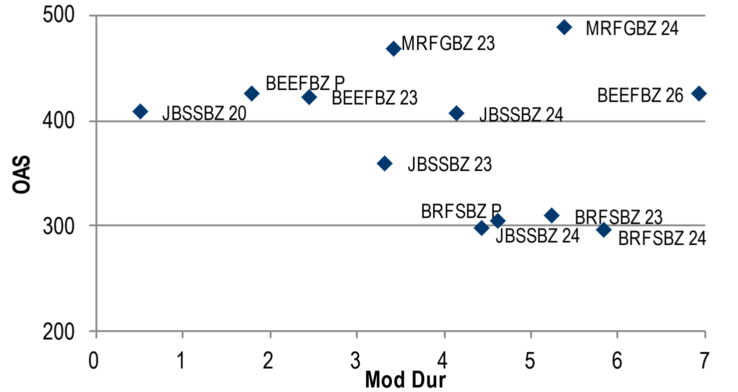
As for the Notes, as we just mentioned, the price retraction following the announcement of the investigation has for the most part recovered. Overall, we prefer the risk profile of BEEFBZ 26 vs. MRFGBZ 23, where investors could cash in about 7 points from the swap for a similar yield and better operations, in our view. However, we are not particularly eager to jump back into the protein companies and, despite that Minerva seems to be the most attractive at this point, it also has the largest exposure to Brazilian exports. As per JBSSBZ, we believe that the Notes are trading for the most part in line with most BB names in the region. That said, we believe that there are other BB names in LatAm that could offer better yields, such as TGLS, UNICMR, UNIFIN, CREAL, etc. We recognize that these names imply different sector exposures and lower liquidity; however, these names are not overshadowed by a cloud of uncertainty and potential further legal proceedings.

2016 Comparative Financial Summary

(BRL, mm)	JBS	MRFGBZ	BEEFBZ
Net Revenue	170,381	19,334	9,649
Adj. EBITDA	11,287	1,593	989
Adj. EBITDA Margin	*6.6%*	*8.2%*	*10.3%*
Interest Expense	3,836	1,956	832
Net Income	376	-726	195
Cash and Equivalent	9,356	5,279	3,398
ST Debt	18,149	1,467	1,397
LT Debt	38,112	9,722	5,431
Total Debt	56,260	11,189	7,410
Interest Coverage (x)	***2.9x***	***0.6x***	***1.2x***
C&E/ST Debt	***0.5x***	***3.6x***	***2.4x***
Total Debt/Adj. EBITDA	***5.0x***	***7.0x***	***7.5x***
Net Debt/Adj. EBITDA	***4.2x***	***3.7x***	***4.1x***

Source: Company Reports, GMP Securities

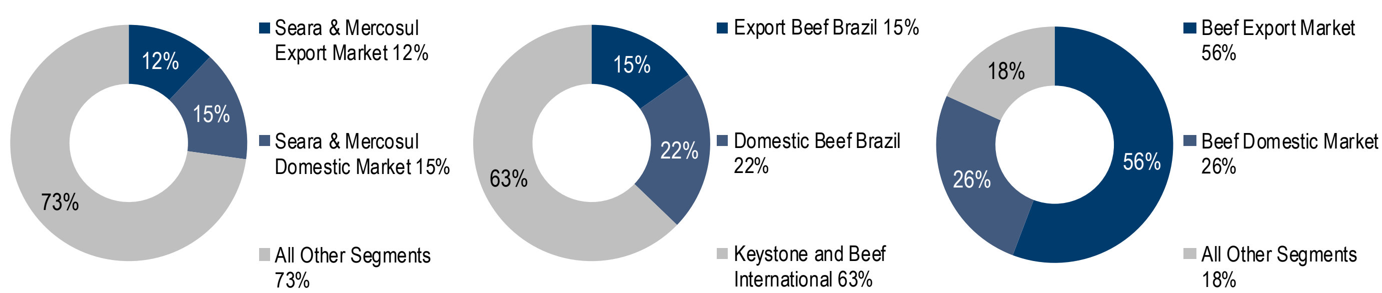
Relative Value



Source: Bloomberg, GMP Securities

2016 Consolidated Sales Breakdown

JBSSBZ **MRFGBZ** **BEEFBZ**



Source: Company Reports, GMP Securities

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CODERE (CDRSM)

Gaming - Spain

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
CDRSM	6.75	11/1/2021	EUR 500	B2 / B	1st lien	10/31/2018 @ 103.375	100.25	6.78	660	3.03
CDRSM	7.625	11/1/2021	USD 300	B2 / B	1st lien	10/31/2018 @ 103.813	96.75	8.50	675	3.64

As we had mentioned before, 2016 was a relatively successful year for Codere after having successfully restructured their debt, which they were further able to refinance into two new tranches, extending maturities and reducing their financing costs. That said, just when everything seemed to be going in the right direction, the Argentine Government passed by the end of the year new/additional grueling tax laws on the gambling industry, including i) a 6.5% increase in the corporate income tax for gambling companies from 35% to 41.5%, and ii) a new tax on gambling machines of 0.75% on each bet, which could potentially have the largest impact to the company's EBITDA. But if those measures were not harsh enough, the Province of Buenos Aires also decided to get their cut with iii) a 3 percentage point increase in taxes of "ingresos brutos" (revenue after certain royalties), from 12% to 15%, and iv) instate an additional "cover" tax of ARS 20 per person engaging in gambling.

The final impact of all these aforementioned taxes is still uncertain, given that the Argentine revenue agency is still working on the details, especially on the tax on gambling machines, and there continues to be discussions not only with the gambling companies but also with the unions in the industry, among other uncertainties. There have been various discussions regarding the concept of a "bet", specifically whether the proposed tax will apply to the total amount of each bet, or the total amount inserted in the machine (the former being materially higher). There have been various headlines that there is an inclination towards a cash-in or deal-in tax, but to compensate for the lower taxation, the 0.75% would potentially be raised to 0.95%; but then again, nothing has been written in stone yet. In any case, once a decision has been made, appeals and injunctions to delay the process will follow. In addition, if taxation news were not bad enough, there have been new headlines on CDRSM, as apparently the police have raided the company facilities in an attempt uncover links to an organization that used forfeited bills to evade taxes; but, so far, it is not clear from the news how Codere could be involved and what was their role, if any.

All in all, as we had previously mentioned, we believe that the company's Notes are not reflecting this new juncture, as we believe that the new taxation law could have significant impact on the company and we expect CDRSM's Notes to adjust accordingly once the market reassesses the risks to Codere; thus, we remain negative on the name.

Financial Summary

(EUR, mm)	4Q16	4Q15	Y/Y%	3Q16	Q/Q%	2016	2015	Y/Y%	LTM USD
Operating revenue	387.1	418.8	*-8%*	377.7	*2%*	1,499.1	1,639.5	*-9%*	1,576.6
Operating profit	69.0	21.5	*221%*	37.1	*86%*	98.3	124.4	*-21%*	103.4
Interest expense	(52.2)	(36.3)	*nm*	(22.9)	*nm*	(132.5)	(135.3)	*nm*	(139.4)
Net income	7.6	(39.4)	*nm*	3.9	*95%*	(1,125.8)	(113.1)	*nm*	(1,184.0)
EBITDA	43.4	58.4	*-26%*	61.6	*-30%*	180.4	254.6	*-29%*	189.7
EBITDA Margin	*11.2%*	*13.9%*	*-2.7%*	*16.3%*	*-5.1%*	*12.0%*	*15.5%*	*-3.5%*	*12.0%*
Adjusted EBITDA	63.5	80.5	*-21%*	65.7	*-3%*	252.2	294.6	*-14%*	265.2
Adjusted EBITDA Margin	*16.4%*	*19.2%*	*-2.8%*	*17.4%*	*-1.0%*	*16.8%*	*18.0%*	*-1.1%*	*16.8%*
Cash & Equivalents	142.1	110.3	*29%*	330.7	*-57%*	142.1	110.3	*29%*	149.4
Total Assets	1,479.4	1,441.0	*3%*	1,533.8	*-4%*	1,479.4	1,441.0	*3%*	1,555.9
Short Term Financial Debt	40.0	1,425.2	*-97%*	34.3	*17%*	40.0	1,425.2	*-97%*	42.1
Long Term Financial Debt	840.1	77.4	*985%*	919.9	*-9%*	840.1	77.4	*985%*	883.5
Total Financial Debt	880.1	1,502.6	*-41%*	954.2	*-8%*	880.1	1,502.6	*-41%*	925.6
Interest Coverage	1.4x	1.9x	*-0.5x*	1.7x	*-0.3x*	1.4x	1.9x	*-0.5x*	1.4x
Total Leverage	4.9x	5.9x	*-1.0x*	4.9x	*0.0x*	4.9x	5.9x	*-1.0x*	4.9x
Net Leverage	4.1x	5.5x	*-1.4x*	3.2x	*0.9x*	4.1x	5.5x	*-1.4x*	4.1x
Net Adjusted Leverage	2.9x	4.7x	*-1.8x*	2.3x	*0.6x*	2.9x	4.7x	*-1.8x*	2.9x
Cash & Equiv. / ST Debt	3.6x	0.1x	*3.5x*	9.6x	*-6.1x*	3.6x	0.1x	*3.5x*	3.6x

Source: Company Reports, GMP Securities *USD / EUR 1.05*

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COBRE DEL MAYO (COBREM)

Metals & Mining - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
COBREM	8.75	11/15/2021	USD 118	n/a	Secured	5/8/2017 @ 100	28.50	43.85	3,062	3.78

COBREM has yet to released its 4Q16 results, however, they did release the production preview; at first glance, it seems that numbers are better, with 54.8 ktpd of ore mined (the largest volume of the year) and with the strip ratio also declining significantly to 2.17x from 3.03x in 3Q16. Similarly, total cathode production was better than in the previous three quarters at 5,237t. Furthermore, as a reminder, copper prices started to improve significantly by mid 4Q16, so we expect better results for the company. Still, we are unsure that prices have improved to a level where they are above their high cash costs, which in 3Q16 were about USD/lb 2.71, but the company guided overall cash costs for the year at USD/lb 2.25-2.45, excluding capex.

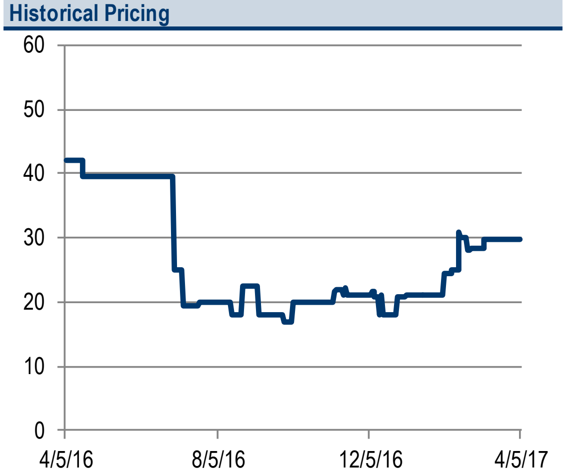
As we had mentioned before, while Kupari's credit line is necessary for COBREM's current survival, the loan is secured by ore stocks, basically adding a layer of debt on top of the Notes, further subordinating the Notes to the company's assets. In addition, despite the increase in copper prices, in our view it will likely still not be enough to cover the company's costs when including capex, thus we expect COBREM to continue to burn cash in the near term. Then again, even if copper prices reach the company's break-even levels, management still needs to start paying part of the coupon, which further increases its break-even point; thus copper prices would likely need to move above USD/lb 3 before the business model starts to makes sense.

Financial Summary

(USD, mm)	3Q16	3Q15	*Y/Y %*	2Q16	*Q/Q %*	LTM
Sales of Copper	25.0	31.7	*-21.0%*	27.3	*-8.5%*	105.7
Gross Profit	-7.1	-4.4	*nm*	-5.3	*nm*	-46.4
EBITDA	-4.8	-1.9	*nm*	-3.0	*nm*	-34.8
EBITDA Margin %	*-19.2%*	*-5.9%*	*-13.3%*	*-10.8%*	*-8.3%*	*-32.9%*
Cash & Equivalents	1.3	5.5	*-76.7%*	1.5	*-15.7%*	1.3
ST Debt	10.9	14.7	*-26.0%*	5.1	*113.4%*	10.9
LT Debt	159.0	232.1	*-31.5%*	163.4	*-2.7%*	159.0
Total Debt	169.8	246.7	*-31.2%*	168.5	*0.8%*	169.8
Free Cash Flow	-100.9	-10.7	*nm*	80.2	*nm*	-25.6
EBITDA / Int Exp	***n/a***	***2.3x***	***nm***	***n/a***	***nm***	***-2.7x***
Cash&Eq / ST Debt	***0.1x***	***0.4x***	***-0.3x***	***0.3x***	***-0.2x***	***0.1x***
Total Debt / EBITDA	***n/a***	***6.9x***	***nm***	***n/a***	***nm***	***n/a***
Net Debt / EBITDA	***n/a***	***6.8x***	***nm***	***n/a***	***nm***	***n/a***

Source: Company Reports, GMP Securities

Historical Pricing



Source: Bloomberg, GMP Securities

Operating Data Summary

	4Q16	4Q15	*Y/Y %*	3Q16	*Q/Q %*	LTM
Ore mined (kt)	4,986	4,044	*23.3%*	4,387	*13.7%*	18,339
Waste mined (kt)	10,838	10,286	*5.4%*	13,296	*-18.5%*	46,729
Total material mined (kt)	15,824	14,330	*10.4%*	17,683	*-10.5%*	65,068
Strip ratio	2.17x	2.54x	*-0.37x*	3.03x	*-0.86x*	2.55x
Copper grade (%)	0.31%	0.36%	*-0.05%*	0.32%	*-0.01%*	0.32%
Copper cathode production (t)	5,237	5,199	*0.7%*	4,676	*12.0%*	20,284
Copper cathode production (tpd)	56.9	56.5	*0.7%*	50.8	*12.0%*	55.6
Copper cathode sales (t)	4,951	5,100	*-2.9%*	4,698	*5.4%*	20,042
Copper cathode sales (tpd)	53.8	55.4	*-2.9%*	51.1	*5.3%*	54.9
Ore for concentrate sold (kt)	534	431	*23.7%*	472	*13.1%*	1,910
Ore for concentrate grade (%)	0.54%	0.94%	*-0.40%*	0.58%	*-0.04%*	0.63%

Source: Company Reports, GMP Securities

2016 Company Guidance

As of Sep - 16

Avg. annual copper price *2.36 USD/lbs*

Copper cathod production *Upper range of 50 to 60 tons/day*

C1 cash costs (ex. Kupari, incl. capex) *USD/lb 2.55 to 2.75*

EBITDA (ex. Kupari) *Neg. USD 13MM to neg. USD 9MM*

EBITDA (incl. Kupari) *Neg. USD 9MM to neg. USD 5MM*

Capex *USD 9MM to USD 14MM*

FCF *Neg. USD 30MM to neg. USD 20MM*

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CORP AZUCARERA DEL PERU (COZCAR)

Food & Beverage - Peru

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
COZCAR	6.375	8/2/2022	USD 243	BB- / BB	Sr Unsecured	8/2/2017 @ 103.188	101.25	5.95	401	2.92

Despite somewhat lower productivity with their harvest, COZCAR released positive quarterly results, rounding out an overall strong year for the company. Revenue for the quarter was up 28% yoy on the back of better volumes, up 14% yoy, as well as better sugar prices, up 12% yoy. Meanwhile, EBITDA was up 35% yoy on the back of better sales and better operating performance in Peru and Argentina, partially offsetting Ecuador's lower EBITDA due to higher unit costs. Meanwhile, as expected, given that international sugar prices have skyrocketed at a faster pace than local prices, which tend to be stickier (advantageous in a downside cycle), the premium spread decreased about 44% from USD/lb 8.7 cents to USD/lb 4.8 cents. As a reminder, earlier this year the company issued local bonds with 8 and 15 years maturities, largely used to fund the bridge loan used to buy back bonds; thus COZCAR's maturity profile looks very lenient for the next 5 years. Reported leverage also declined to 3.3x, on the back of better EBITDA.

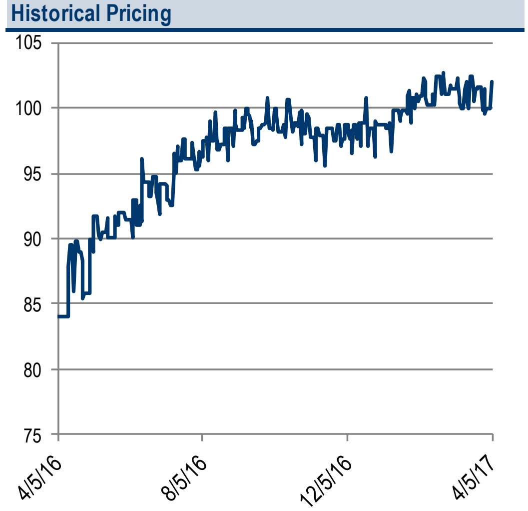
More importantly, during the conference call, the company addressed the impact that the heavy rains have had on their operations; in general, the company confirmed that the impact in their planted areas overall was less than 1%, but there were some logistical issues in March moving inventory, thus volumes are expected to slide in 1Q17 (although management expects such volumes to be recovered in 2Q17). Meanwhile, we should expect to see also volumes coming from the Agrolmos Project, which was expected to produce about 125 thousand tons of sugar, about a 20%-25% increase in Peruvian production (similar to Ecuador's production) and an approximately 15% yoy increase in the company's consolidated sugar production, which should contribute to faster deleveraging starting 2017. Overall, we remain constructive on the name, despite that we would highlight their low transparency with disclosures; as per the Notes, their spread has continued to tighten in line with our previously noted expectations, and at this point we expect prices to remain lingering at about these level in the short term. Still, we believe that spread could tighten further, closer to their call price of 103.188% (starting August 2017) depending on how 2017 develops.

Financial Summary

(PEN, mm)	4Q16	4Q15	Y/Y%	2016	2015	Y/Y%	USD LTM
Revenue	**544**	**426**	***27.9%***	**1,905**	**1,532**	***24.4%***	**568**
Gross profit	182	187	*-2.8%*	508	384	*32.2%*	151
EBIT	123	126	*-2.5%*	326	199	*64.4%*	97
EBITDA	**159**	**118**	***34.9%***	**483**	**363**	***33.1%***	**144**
EBITDA Margin %	*29.3%*	*27.8%*	*1.5%*	*25.3%*	*23.7%*	*1.7%*	*25.3%*
Net Income	**33**	**(60)**	*nm*	**113**	**(89)**	*nm*	**34**
Cash & Equivalents	**56**	**90**	***-38.2%***	**56**	**90**	***-38.2%***	**17**
Total Current Assets	1,222	1,158	*5.6%*	1,222	1,158	*5.6%*	364
Total Assets	**5,515**	**5,155**	***7.0%***	**5,515**	**5,155**	***7.0%***	**1,643**
ST Adjusted Debt	199	118	*68.3%*	199	118	*68.3%*	59
LT Adjusted Debt	1,375	1,340	*2.6%*	1,375	1,340	*2.6%*	410
Total Adjusted Debt	**1,574**	**1,458**	***7.9%***	**1,574**	**1,458**	***7.9%***	**469**
EBITDA / Int Exp	*3.3x*	*2.6x*	*0.7x*	*3.3x*	*2.6x*	*0.7x*	*3.3x*
(EBITDA-Capex) / Int Exp	*2.1x*	*1.4x*	*0.7x*	*2.1x*	*1.4x*	*0.7x*	*2.1x*
Total Debt / EBITDA	*3.3x*	*4.0x*	*-0.8x*	*3.3x*	*4.0x*	*-0.8x*	*3.3x*
Net Debt / EBITDA	***3.1x***	***3.8x***	***-0.6x***	***3.1x***	***3.8x***	***-0.6x***	***3.1x***

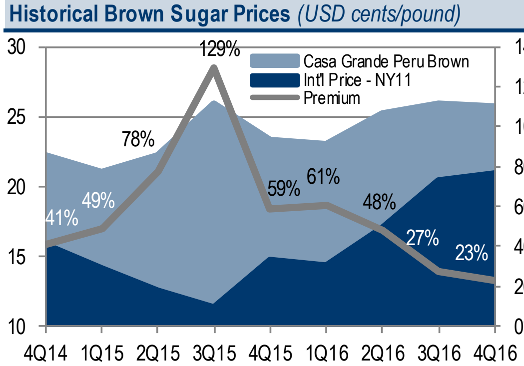
Source: Company Reports, GMP Securities *PEN / USD 3.36*

Historical Pricing

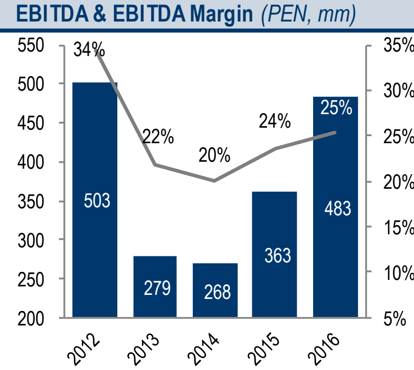


Source: Bloomberg, GMP Securities

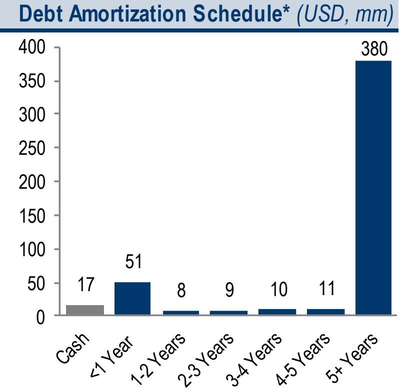
Historical Brown Sugar Prices *(USD cents/pound)*



EBITDA & EBITDA Margin *(PEN, mm)*



Debt Amortization Schedule* *(USD, mm)*



**As of Dec - 16, Source: Company Reports, GMP Securities*

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CREDITO REAL (CREAL)

Financial Services - Mexico

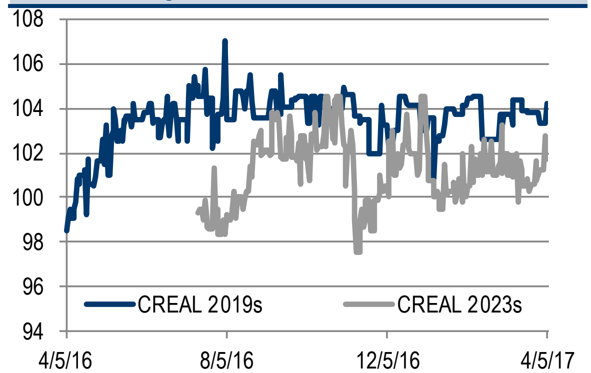
Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
CREAL	7.5	3/13/2019	USD 135	BB+	Sr Unsecured	5/8/2017 @ 103.75	103.80	5.23	409	0.07
CREAL	7.25	7/20/2023	USD 625	BB+ / BB+	Sr Unsecured	7/20/2020 @ 103.625	102.25	6.73	473	4.27

CREAL reported mixed 4Q16 results, with interest income largely driven by inorganic growth from the Instacredit acquisition. Significantly, interest expenses more than doubled for the quarter, reflecting the company's acquisitions, higher interest rates, and changes to their debt mix (increasing international debt vs. local debt). As a result, financial margins fell to 67%, its lowest level in years. Provisioning and non-interest expenses continue to remain high, which adversely impacted the company's net interest margin (down 220 bps yoy to 21.2%, as reported by management), as well as the company's bottom line (down 7% yoy). Similarly, the efficiency ratio continued to deteriorate (up 16.6 pps yoy to 57.6%, as reported by management). Still, CREAL grew their portfolio 11% yoy (excluding Instacredit acquisition), with organic growth coming from the payroll and used car segments. Furthermore, CREAL's NPL ratio improved 20 bps to 2.2%, largely due to improvements in the payroll and SME businesses.

Looking forward to 2017 performance, CREAL relayed guidance for portfolio growth of 5-10%, with a 5% increase in earnings. While we will continue to monitor the impact of Instacredit's acquisition (whose riskier asset base and high expenses continue to weight on returns), we believe CREAL's guidance to be achievable, with management factoring in 20% volume growth in Instacredit and the US, but leaving Mexico basically flat for the year, given macro volatility and future anticipated interest rate hikes. That said, given that 75% of funding for Mexican operations is done on a variable rate basis, management has already passed on to consumers a net increase in interest rates that is 30% more than what rates have gone up by in Mexico, although we will not see the impact in performance metrics until mid-2017.

As per the bonds, with regards to the 2019 Notes, they are currently trading around their call price of 103.75, with upside capped at this level. Furthermore, as for the Notes 2023, we see those as being mostly fully priced in the short to medium term given the general macro conditions in Mexico, so expect price movement to be largely market related for the time being.

Historical Pricing



Source: Bloomberg, GMP Securities

Financial Summary

(MXN, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q %	2016	2015	Y/Y %	LTM USD
Interest Income	1,839	1,245	*47.7%*	2,125	*-13.4%*	6,958	4,264	*63.2%*	336
Interest Expense	(600)	(252)	*nm*	(571)	*nm*	(1,916)	(952)	*nm*	(92)
Financial Margin Adjusted for Credit Risks	949	883	*7.5%*	1,268	*-25.1%*	4,210	2,966	*41.9%*	203
Net Interest Income Margin (after LLP)	*51.6%*	*70.9%*	*-27.2%*	*59.7%*	*-13.5%*	*60.5%*	*69.6%*	*-13.0%*	*60.5%*
Cash & Equivalents	316	121	*161.4%*	524	*-39.8%*	316	121	*161.4%*	15
Total Portfolio	23,927	17,610	*35.9%*	22,788	*5.0%*	23,927	17,610	*35.9%*	1,154
Non-Performing Portfolio	517	416	*24.2%*	565	*-8.4%*	517	416	*24.2%*	25
Net Portfolio	23,160	17,124	*35.2%*	21,986	*5.3%*	23,160	17,124	*35.2%*	1,117
Loans Payable	24,589	17,444	*41.0%*	25,014	*-1.7%*	24,589	17,444	*41.0%*	1,186
Notes Payable (Certificados Bursatiles)	2,759	3,610	*-23.6%*	4,407	*-37.4%*	2,759	3,610	*-23.6%*	133
Senior Notes Payable	14,129	7,335	*92.6%*	13,514	*4.6%*	14,129	7,335	*92.6%*	682
Bank Loans & Borrowings	7,700	6,499	*18.5%*	7,093	*8.6%*	7,700	6,499	*18.5%*	371
Net Interest Margin	**13.6%**	**12.9%**	***0.7%***	**13.9%**	***-0.3%***	**13.6%**	**12.9%**	***0.7%***	**13.6%**
ROAA	**5.5%**	**6.0%**	***-0.4%***	**5.8%**	***-0.3%***	**5.5%**	**6.0%**	***-0.4%***	**5.5%**
ROAE	**21.4%**	**22.7%**	***-1.3%***	**22.8%**	***-1.3%***	**21.4%**	**22.7%**	***-1.3%***	**21.4%**
Efficiency Ratio	**69.4%**	**38.4%**	***31.0%***	**60.6%**	***8.8%***	**69.4%**	**38.4%**	***31.0%***	**69.4%**
Equity / Total Assets	**25.8%**	**25.8%**	***0.0%***	**24.7%**	***1.2%***	**25.8%**	**25.8%**	***0.0%***	**25.8%**
Net Portfolio / Capital	**2.5x**	**2.6x**	***-0.1x***	**2.5x**	***0.0x***	**2.5x**	**2.6x**	***-0.1x***	**2.5x**
Capitalization Ratio	**38.8%**	**38.1%**	***0.7%***	**39.3%**	***-0.5%***	**38.8%**	**38.1%**	***0.7%***	**38.8%**
NPL / Total Loans	**2.2%**	**2.4%**	***-0.2%***	**2.5%**	***-0.3%***	**2.2%**	**2.4%**	***-0.2%***	**2.2%**
Provisions / Total Loans	**3.2%**	**2.8%**	***0.5%***	**3.5%**	***-0.3%***	**3.2%**	**2.8%**	***0.5%***	**3.2%**
Provisions / NPL	**1.5x**	**1.2x**	***0.3x***	**1.4x**	***0.1x***	**1.5x**	**1.2x**	***0.3x***	**1.5x**

Source: Company Records, GMP Securities *MXN/USD 20.73*

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Companhia Siderugica Nacional (CSNABZ)

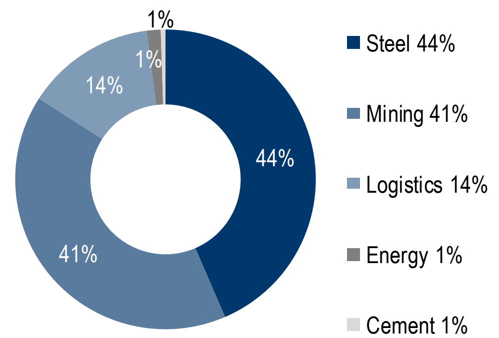
Metals & Mining - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
CSNABZ	6.875	9/21/2019	USD 750	Caa1 /CCC+ /B-	Sr Unsecured	No	87.40	13.06	1,172	2.13
CSNABZ	6.5	7/21/2020	USD 1200	Caa1 /CCC+ /B-	Sr Unsecured	No	83.61	12.77	1,127	2.75
CSNABZ	7	Perps	USD 1000	Caa1 /CCC+ /B-	Sr Unsecured	6/23/2017 @ 100	70.20	10.10	762	9.98

CSN announced that it was going to delay the release of its audited financials, as the auditors were still working on the restatement of 2015 results due to the business combinations of CSN and Namisa in 2015, without providing a timeline. Still, the company reported a few key figures related to their 4Q16 results. In any case, despite that results were overall higher yoy, they came somewhat on the soft side and below market expectations, mostly due to lower than anticipated mining results. While there were no price specifics, volumes remain robust thus flat qoq EBITDA was likely impacted by higher costs and/or lower prices. Still, despite relatively flat numbers qoq, 4Q16 EBITDA was up 82% yoy, which aided net leverage to continue to move lower to 6.3x from over 8x a year ago.

While we recognize that CSN has so far demonstrated its intention and efforts to shift the business in the right direction, 2017 seems to be shaping up to be not as bullish as management had guided in their last call for 3Q16 (the company has yet to hold its 4Q16 call) and their target to reduce debt by about BRL 8 billion seems too optimistic in our view, unless meaningful asset sales actually materialize (and we don't see a rampant Brazilian market for that to happen, especially at the price the company likely wants). On the contrary, we expect Brazil's flat steel market to remain weak and we have seen an important reversal in iron ore prices, with market consensus targeting even lower prices for 2H17. While, at this point, we continue to believe that the company's liquidity should be enough for 2017, we expect that CSN should potentially and proactively look into a better debt re-profiling, which could include some type of exchange offering, especially for the short end Notes (2019s, 2020s). Not surprisingly, the Notes have retracted in price, reflecting the new commodities environment. In our view, we continue with our thesis to swap out of the short end (2019s, 2020s Notes) into the long end of the curve (Perps) and take out capital gains and, as a defensive stance, the Perps are pari-passu to the rest of the bonds, reducing the downside vs. the short end of the curve.

2016 EBITDA Breakdown



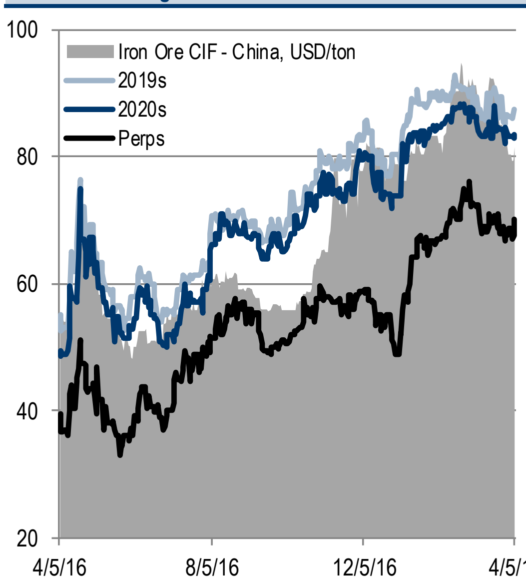
Source: Company Reports, GMP Securities

Preliminary Financial Summary

(BRL, mm)	4Q16	3Q16	Q/Q	2016	2015	Y/Y
Steel Sales (000s t)	**1,187**	**1,172**	***1%***	**4,857**	**4,990**	***-3%***
Domestic Market	736	727	*1%*	2,768	2,944	*-6%*
Overseas Subsidiaries	404	398	*1%*	1,797	1,846	*-3%*
Exports	47	47	*1%*	291	200	*46%*
Average Net Revenue per Ton (BRL/t)	2,495	2,446	*2%*	2,370	2,245	*6%*
Iron Ore Sales (000s t)	**9,191**	**10,230**	***-10%***	**36,983**	**25,669**	***44%***
Domestic Market	1,287	1,125	*14%*	4,068	513	*692%*
Exports	7,904	9,105	*-13%*	32,915	25,156	*31%*
Average Net Revenue per Ton (USD/t)	45	39	*15%*	36	38	*-5%*
Net Revenue	**4,519**	**4,469**	***1%***	**17,149**	**15,262**	***12%***
Adjusted EBITDA	**1,249**	**1,239**	***1%***	**4,075**	**3,251**	***25%***
Adjusted EBITDA Margin	*28%*	*28%*	*-0.1%*	*24%*	*21%*	*2.5%*
Proportional Financial Result	711	780	*-9%*	2,684	2,265	*18%*
Result with Exchange Rate Variation	14	74	*-81%*	89	416	*-79%*
Adjusted Net Debt	**25,831**	**25,842**	***0%***	**25,831**	**26,499**	***-3%***
Adjusted Cash Position	5,762	5,663	*2%*	5,762	8,862	*-35%*
CAPEX	452	383	*18%*	1,632	2,182	*-25%*
Net Debt / Adjusted EBITDA	**6.3x**	**7.4x**	***-1.1x***	**6.3x**	**8.2x**	***-1.9x***

Source: Company Reports, GMP Securities

Historical Pricing



Source: Bloomberg, GMP Securities

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CAMPOSOL (CSOLNO)

Food & Beverage - Peru

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
CSOLNO	10.5	7/15/2021	USD 147	B- / B-	1st lien	7/15/2018 @ 105.25	105.88	8.39	684	2.69

As we have mentioned before, Camposol's very strong results are a reflection of the company's latest investments (especially blueberries) which are paying off, in line with the company's expectations. 4Q16 sales increased 18% yoy on the back of higher volumes in blueberries, as well as better shrimp volumes and prices; recurring sales, excluding discontinued operations such as asparagus, grew by 32% yoy. Meanwhile, EBITDA of continuing operations moved up 113% yoy with 33.7% EBITDA margin, up 12.8 pps, on the back of relatively flat costs yoy. More importantly, net leverage was cut by more than half yoy to 2.4x from 5.2x in 2015, on the back of EBITDA growth and considerable positive FCF generation, at a ratio of 71% FCF to EBITDA. Meanwhile, in line with our expectations, the company paid down the USD 52 million balance of the Notes due 2017 in February without any issues, further reducing the company's refinancing risk.

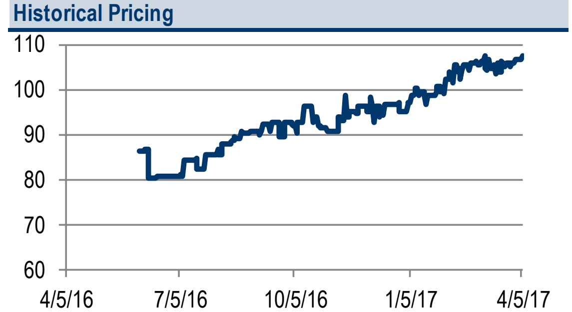
In line with our expectations, bond prices have continued to rally on the back of strong performance. At this point, however, our view that the company was going to be able to successfully refinance its 2017 Notes leading to rally of the refinanced Notes, has already played out. Currently, Camposol is not a distress play anymore and we would expect that certain investors would potentially be interested in taking profits at these levels and moving on to the next distress play. Meanwhile, given the company's prospects, sizeable coupon and still relatively attractive yields, we believe that it remains a positive proposition for certain investors looking for carry in a constructive story, which we believe could lead to further upgrades by one to two notches by the end of the year (as we believe that certain downgrades were over-blown). Otherwise, we are taking a more neutral stance on the name.

Financial Summary

(USD, mm)	4Q16	4Q15	Y/Y%	3Q16	Q/Q%	2016	2015	Y/Y%
Vol. Produced (net MT)	22,731	12,970	*75%*	15,193	*50%*	70,666	65,621	*8%*
Vol. Sold (net MT)	21,048	20,186	*4%*	23,209	*-9%*	75,625	84,044	*-10%*
Avg. Price (USD/kg)	4.85	3.83	*27%*	3.11	*56%*	3.66	2.82	*30%*
Revenue	**102.1**	**77.4**	***32%***	**72.1**	***42%***	**276.7**	**236.6**	***17%***
Operating Profit	86.1	45.7	*88%*	16.0	*439%*	135.1	60.9	*122%*
Finance Cost	-6.1	-6.0	*nm*	-6.5	*nm*	-24.7	-25.0	*nm*
EBITDA	**35.8**	**19.3**	***85%***	**24.2**	***48%***	**72.5**	**42.8**	***69%***
EBITDA Margin %	*35.1%*	*25.0%*	*10.1%*	*33.6%*	*1.5%*	*26.2%*	*18.1%*	*8.1%*
Cash & eqv.	**84.7**	**26.6**	***218%***	**31.5**	***169%***	**84.7**	**26.6**	***218%***
Current Assets	253.8	160.1	*59%*	161.6	*57%*	253.8	160.1	*59%*
Short Term Debt	103.6	46.0	*125%*	81.2	*28%*	103.6	46.0	*125%*
Long Term Debt	155.4	204.9	*-24%*	145.2	*7%*	155.4	204.9	*-24%*
Total Debt	**259.0**	**250.9**	***3%***	**226.5**	***14%***	**259.0**	**250.9**	***3%***
Free Cash Flow	**25.6**	**3.0**	***753%***	**3.0**	***747%***	**40.1**	**8.8**	***356%***
EBITDA/(Int. Exp.)	**2.9x**	**1.7x**	***1.2x***	**2.3x**	***0.6x***	**2.9x**	**1.7x**	***1.2x***
Total Debt/EBITDA	**3.6x**	**5.9x**	***-2.3x***	**3.9x**	***-0.4x***	**3.6x**	**5.9x**	***-2.3x***
Net Debt/EBITDA	**2.4x**	**5.2x**	***-2.8x***	**3.4x**	***-1.0x***	**2.4x**	**5.2x**	***-2.8x***
Cash&Eq/ST Debt	**0.8x**	**0.6x**	***0.2x***	**0.4x**	***0.4x***	**0.8x**	**0.6x**	***0.2x***

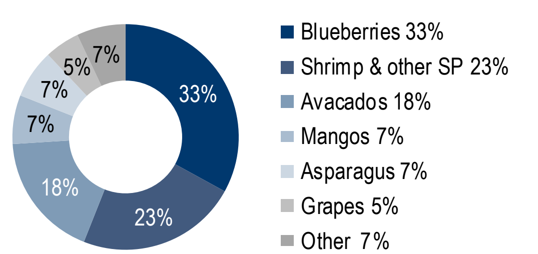
Source: Company Reports, GMP Securities

Historical Pricing

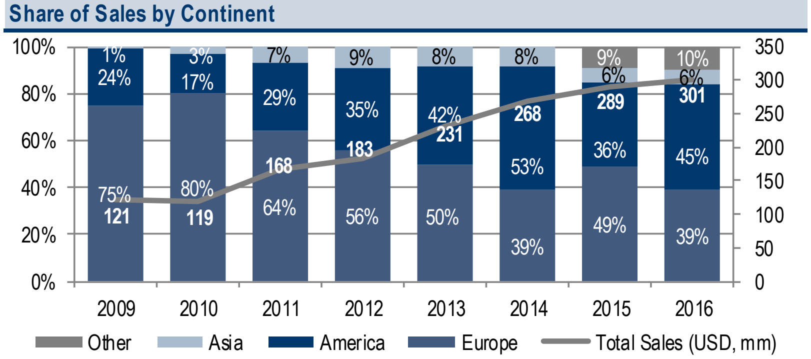


Source: Bloomberg, GMP Securities

2016 Sales Breakdown by Product Line

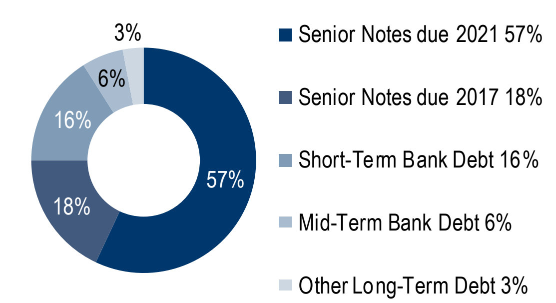


Share of Sales by Continent



Source: Company Reports, GMP Securities

Debt Breakdown* *As of Dec-16*



**Total debt of USD 259 million*

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ELDORADO BRASIL CELULOSE (ECELUP)

Pulp & Paper - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
ECELUP	8.625	6/16/2021	USD 350	B+ / B+	Sr Unsecured	6/16/2019 @ 104.313	81.00	14.88	1,323	3.18

3Q16 was a weak quarter for Eldorado with 41% yoy decline in EBITDA due to the challenging environment with weak pulp prices. On this note, despite that we recognize management's efforts in their operational efficiencies to reduce costs, given the lower prices and appreciation of the BRL, we expect 4Q16 EBITDA to continue to show a double digit decline, which should push net leverage above 6x. That said, it seems that prices bottomed out and have recovered in 1Q17 given the lower inventory in China and overall market expectation for better prices, thus there could be recovery in the company's performance by 1Q17 (but prices still remain lower than those of 1Q16, and we still have questions regarding their EBITDA calculations). More importantly, headlines of alleged corruption remain. As a reminder, there are investigations that certain Brazilian Pension Funds (Funcef and Petros) overpaid for equity stakes in Brazilian companies, including Eldorado, causing a delay in the release of the company's 2016 financials. As per the police investigations, we have yet to hear additional news, but J&F Investimentos is in discussion with the pension funds for them to sell their 17% interest in Eldorado. It is still uncertain whether there could be potential fines related to this investigation, but we certainly wonder about the timing and motives to acquire the pension funds' stake, in the middle of the investigation, and just prior to when the famous "Vanguarda 2.0" is expected to get funded, given that the pension funds are a potential major source for funding. In addition, if Vanguarda 2.0 will actually more than double the company's capacity and improve their profitability, why would the pension funds want to sell their stake before that and give J&F their upside? While not directly related, we would also highlight that J&F is also the parent company of JBS, which is now being accused in other corruption allegations in what is now known as the "Weak Meat" investigation. While the investigation process continues and we cannot quantify the impact yet, it can't be the best sign.

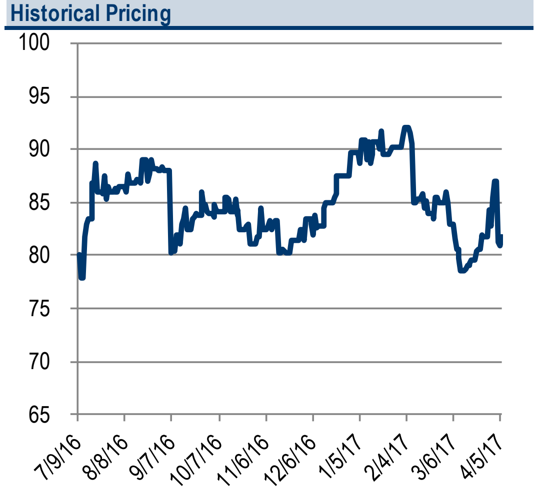
In summary, Eldorado does have attractive features in terms of their operations, including their vertical integration, high margins, high forest productivity and strong capacity utilization, among others. However, we have concerns regarding i) the company's aggressive capex plan, with their need to raise another BRL 10 billion to fund their expansion, ii) their refinancing risk, as they heavily rely on maturities being rolled over, iii) the subordination of the Notes to the rest of the secured debt and export prepayment facilities, iv) the company's assets, the majority of which are currently pledged and given that their forestry base is not owned by Eldorado but leased to it (remember the sugar companies?), in addition to v) their corruption allegations, among others; ultimately, these factors leave us still bearish on the name.

Financial Summary

(BRL, mm)	3Q16	3Q15	Y/Y %	2Q16	Q/Q %	LTM	LTM USD
Net Revenue	652	911	*-28.5%*	812	*-19.8%*	3,025	927
EBITDA	193	450	*-57.0%*	336	*-42.5%*	1,419	435
EBITDA Margin	*29.7%*	*49.4%*	*-19.7%*	*41.4%*	*-11.7%*	*46.9%*	*46.9%*
Reported EBITDA	324	548	*-40.9%*	469	*-30.9%*	1,894	581
Reported EBITDA Margin	*49.7%*	*60.2%*	*-10.4%*	*57.7%*	*-8.0%*	*62.6%*	*62.6%*
Interest Expense	(215)	(222)	*nm*	(237)	*nm*	(952)	(292)
Net Income	11	334	*-96.8%*	414	*-97.4%*	256	78
Cash and Equivalent (C&E)	1,411	1,395	*1.2%*	1,393	*1.3%*	1,411	433
ST Debt	2,371	2,715	*-12.7%*	2,256	*5.1%*	2,371	727
LT Debt	6,841	6,847	*-0.1%*	6,969	*-1.8%*	6,841	2,097
Total Debt	9,213	9,562	*-3.7%*	9,225	*-0.1%*	9,213	2,824
Interest Coverage (x)	***1.5x***	***1.5x***	***0.0x***	***1.7x***	***-0.3x***	***1.5x***	***1.5x***
C&E/ST Debt	***0.6x***	***0.5x***	***0.1x***	***0.6x***	***0.0x***	***0.6x***	***0.6x***
Total Debt/LTM EBITDA	***6.5x***	***7.4x***	***-0.9x***	***5.5x***	***1.0x***	***6.5x***	***6.5x***
Net Debt/LTM EBITDA	***5.5x***	***6.3x***	***-0.8x***	***4.7x***	***0.8x***	***5.5x***	***5.5x***

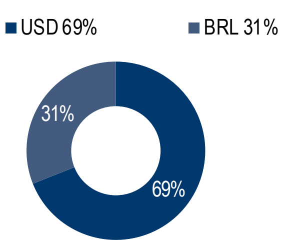
Source: Company Reports, GMP Securities BRL/USD 3.26

Historical Pricing

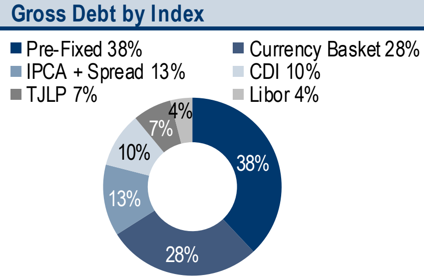


Source: Bloomingdales, GMP Securities

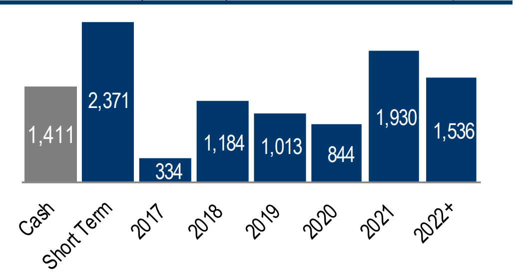
Gross Debt by Currency



Gross Debt by Index



Debt Schedule *(BRL, mm)* *As of Sep - 16*



Source: Company Reports, GMP Securities

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GRUPO FAMSA (FAMSA)

Retail / Financial Services - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
FAMSA	7.25	6/1/2020	USD 250	B / B-	Sr Unsecured	6/1/2017 @ 103.625	81.25	14.94	1,347	2.56

4Q16 results were overall positive and in line with management's previous guidance. Mexico continued to be the main driver for said growth, with significant expansion seen in their personal loan segment. Meanwhile, US operations were affected by the political uncertainty, with a sharp decline in sales and EBITDA moving into negative territory. As per management guidance for 2017, the company is targeting sales growth between 4.8% and 5.3% with growth basically coming from Mexico, partially offsetting another challenging year in their US operations; meanwhile, EBITDA is expected to grow at 8.7%-12.8%, driven by the aforementioned growth and their cost cutting initiatives, which include cost reductions of about MXN 240 million, among others.

More importantly, however, continues to be the monetization of the real estate assets given in guarantee. On this front, despite the substandard communication of their efforts, it seems that the monetization of such assets, at least a part of them, seems to be working at a good pace, with the company in the works of monetizing close to MXN 1.4 billion. However, questions remain surrounding the details of these properties; according to the company, about 45-50 properties were included in such a trust with an appraised value of MXN 5 billion. Meanwhile, rent expense for such assets was mentioned to be about MXN 150 million per year, which would put capitalization rates below 3% which, in our view, seems unusually low. This could potentially suggest that rent expenses could spike, which in turn could partially offset their cost reduction efforts. We expect to hear more details from the company in the near future. In the meantime, the monetization of such assets to reduce their short term liabilities is still paramount and the cash inflows should materially reduce the company's refinancing risk, especially when Famsa had about MXN 700 million in payments to their cebures by April of this year, on top of other material bank debt that we assume the company should be able to roll over. Overall, at this point in time, we will remain very vigilant with the company's performance over the coming months, especially the expected monetization of the aforementioned real estate, which should continue to support the price increase seen and continue to be the main driver of Famsa's Notes.

Financial Summary

(MXN, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q %	2016	2015	Y/Y %	LTM USD
Revenue	**5,391**	**4,755**	***13%***	**4,254**	***27%***	**18,039**	**16,377**	***10%***	**870**
Gross Profit	2,303	1,532	*50%*	1,965	*17%*	8,152	7,055	*16%*	393
EBITDA	**475**	**354**	***34%***	**389**	***22%***	**1,702**	**1,670**	***2%***	**82**
EBITDA Margin %	*8.8%*	*7.4%*	*1.4%*	*9.1%*	*-0.3%*	*9.4%*	*10.2%*	*-0.8%*	*9.4%*
EBITDAR	**726**	**582**	***25%***	**643**	***13%***	**2,700**	**2,576**	***5%***	**130**
Net Income	43	-103	*nm*	125	*-65%*	488	149	*227%*	24
Cash & Equivalents	1,503	2,194	*-32%*	1,786	*-16%*	1,503	2,194	*-32%*	72
Inventories	2,554	2,453	*4%*	2,733	*-7%*	2,554	2,453	*4%*	123
Total Current Assets	34,913	28,336	*23%*	34,489	*1%*	34,913	28,336	*23%*	1,684
PP&E	1,881	2,065	*-9%*	1,926	*-2%*	1,881	2,065	*-9%*	91
Total Assets	45,326	40,222	*13%*	44,430	*2%*	45,326	40,222	*13%*	2,187
ST Debt	4,026	4,190	*-4%*	4,205	*-4%*	4,026	4,190	*-4%*	194
LT Debt	5,975	4,911	*22%*	5,457	*9%*	5,975	4,911	*22%*	288
Total Debt	**10,001**	**9,101**	***10%***	**9,663**	***3%***	**10,001**	**9,101**	***10%***	**482**
Total Adjusted Debt	16,985	15,442	*10%*	16,491	*3%*	16,985	15,442	*10%*	819
EBITDA / Interest Expense	***1.8x***	***2.2x***	***-0.4x***	***1.8x***	***0.0x***	***1.8x***	***2.2x***	***-0.4x***	***1.8x***
Cash&Eq / ST Debt	***0.4x***	***0.5x***	***-0.2x***	***0.4x***	***-0.1x***	***0.4x***	***0.5x***	***-0.2x***	***0.4x***
Total Debt / EBITDA	***5.9x***	***5.4x***	***0.4x***	***6.1x***	***-0.2x***	***5.9x***	***5.4x***	***0.4x***	***5.9x***
Net Debt / EBITDA	***4.8x***	***3.9x***	***0.9x***	***4.8x***	***0.0x***	***4.8x***	***3.9x***	***0.9x***	***4.8x***
Net Adj. Debt / EBITDAR	***5.6x***	***5.0x***	***0.6x***	***5.6x***	***0.0x***	***5.6x***	***5.0x***	***0.6x***	***5.6x***

Source: Company Reports, GMP Securities　*MXN / USD 20.73*

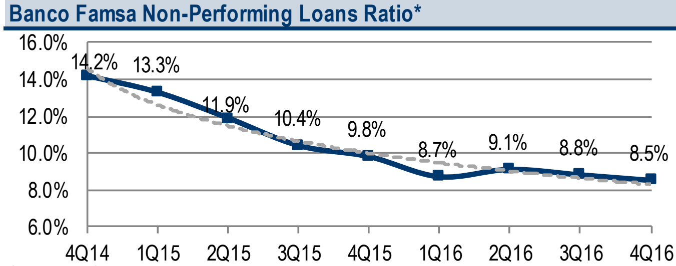
Historical Pricing

Source: Bloomberg, GMP Securities

Capital Structure *(MXN, mm)*　*As of Dec - 16*

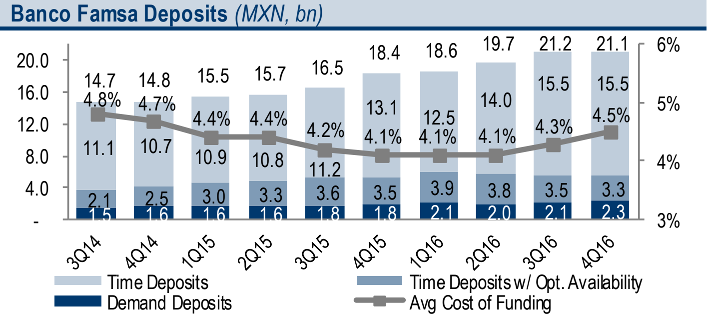
	Next 12 Months	Next 4+ Years	Total
Bank Debt	2,060	874	**2,934**
Local Bonds	1,966		**1,966**
2020 Notes		5,101	**5,101**
Total	**4,026**	**5,975**	**10,001**

Banco Famsa Non-Performing Loans Ratio*



**Including Collection Rights*
Source: CNBV, Company Reports, GMP Securities

Banco Famsa Deposits *(MXN, bn)*



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GOL LINHAS AEREAS INTELIGENTES (GOLLBZ)

Transportation - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
GOLLBZ	9.25	7/20/2020	USD 117	CCC / CCC-	Sr Unsecured	5/8/2017 @ 103.083	94.00	11.49	1,000	2.68
GOLLBZ	9.5	7/20/2021	USD 41	CCC+	1st lien	5/8/2017 @ 100	89.00	12.92	1,035	3.34
GOLLBZ	8.875	1/24/2022	USD 279	CCC / CCC-	Sr Unsecured	1/24/2019 @ 104.438	91.00	11.36	959	3.67
GOLLBZ	9.5	12/20/2028	USD 18	CCC+	1st lien	5/8/2017 @ 100	78.00	13.11	1,027	6.43
GOLLBZ	8.75	Perps	USD 186	C / CCC-	Sr Unsecured	7/5/2017 @ 100	77.00	11.52	906	8.56

Overall, Gol's 4Q16 results again came better than expected due to their strict cost controls and rationalization capacity efforts, which reduced CASK by 10.1% yoy, improving their EBIT margin to 7.4%. Despite the aforementioned capacity reduction, net revenue was relatively flat yoy, while EBITDAR was up 10% yoy. Reported Net Debt to EBITDA was down to 5.7x from 6.7x in 3Q16 and from 11x a year ago. Meanwhile, the company further readjusted guidance for 2017, reducing ASK (supply), total seats available and departures to negative (0%-2%), (3%-5%) and (3%-5%), respectively. Meanwhile, the company increased operating margin guidance to 6%-8% and EBITDA margin at 11%-13%. In fact, the company released a preview for 1Q17, showing very strong momentum, with EBIT and EBITDA margins bordering 12-12.5% and 16.5-17%, respectively, and confirming the repayment of the 7.5% Notes due 2017. We would not be surprised to see 2017 guidance adjusted.

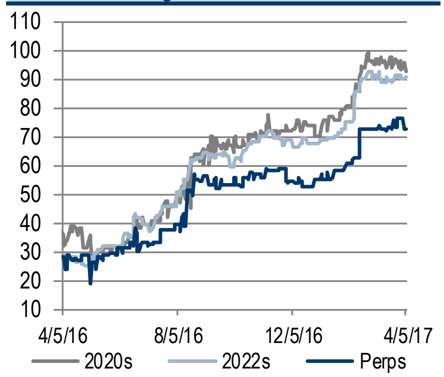
All in all, bond prices have been relatively well supported by the positive results, and sales have come, in our view, in small part from investors that have partially capitalized some of their gains but are not desperate to reduce their positions, given the good momentum. In addition, management has continued their efforts to improve its capital structure and announced during 1Q17 various initiatives including a USD 60 million promissory Note, an additional USD 50 million loan agreement with Delta, in addition to another USD 550 million sale lease back transaction for next year. All in all, these initiatives should allow the company to maintain enough liquidity for the near term, assuming healthier demand for 2017, in addition to the capacity reductions translating into better margins. Also, while we believe that industry consolidation is the next step and would be a positive catalyst, but it seems that the initial Delta-Gol potential M&A activity is somewhat fading away, at least for the short term. Still, in our view, most of the upside has already happened and we still fail to jump on board with Gol given that management's character was depicted in their subpar exchange offer to creditors, which makes us worry about future strategies to reduce debt at the expense of bondholders. Otherwise, we believe that the worst seems to have passed.

Financial Summary

(BRL, mm)	4Q16	4Q15	*Y/Y%*	2016	2015	*Y/Y%*	LTM USD
Passenger Revenue	2,342.3	2,326.2	*0.7%*	8,671.4	8,583.4	*1.0%*	2,663.9
Cargo and Other Revenue	321.7	325.9	*-1.3%*	1,195.9	1,194.6	*0.1%*	367.4
Net Operating Revenues	**2,664.0**	**2,652.1**	***0.4%***	**9,867.3**	**9,778.0**	***0.9%***	**3,031.2**
Total Operating Costs and Exp.	-2,469.2	-2,746.7	*nm*	-9,169.6	-9,957.8	*nm*	-2,816.8
Operating Result (EBIT)	198.2	-95.2	*nm*	696.4	-183.7	*nm*	214.0
Net income (loss)	**-30.2**	**-1,129.8**	***nm***	**1,102.1**	**-4,291.1**	***nm***	**338.6**
EBITDA	320.1	21.8	*nm*	1,144.1	236.0	*384.8%*	351.5
EBITDA Margin %	*12.0%*	*0.8%*	*11.2%*	*11.6%*	*2.4%*	*9.2%*	*11.6%*
EBITDAR	**440.5**	**399.0**	***10.4%***	**2,141.0**	**1,336.1**	***60.2%***	**657.7**
EBITDAR Margin %	*16.5%*	*15.0%*	*1.5%*	*21.7%*	*13.7%*	*8.0%*	*21.7%*
Cash and cash equivalents	**562.2**	**1,072.3**	***-47.6%***	**562.2**	**1,072.3**	***-47.6%***	**172.7**
Current Assets	2,080.7	2,461.6	*-15.5%*	2,080.7	2,461.6	*-15.5%*	639.2
Non-Current Assets	6,323.6	7,906.8	*-20.0%*	6,323.6	7,906.8	*-20.0%*	1,942.6
Total Assets	8,404.4	10,368.4	*-18.9%*	8,404.4	10,368.4	*-18.9%*	2,581.8
Short-term Borrowings	835.3	1,396.6	*-40.2%*	835.3	1,396.6	*-40.2%*	256.6
Long-term Debt	5,543.9	7,908.3	*-29.9%*	5,543.9	7,908.3	*-29.9%*	1,703.1
Total Debt	**6,379.2**	**9,304.9**	***-31.4%***	**6,379.2**	**9,304.9**	***-31.4%***	**1,959.7**
Total Adjusted Debt	**12,625.9**	**17,054.0**	***-26.0%***	**12,625.9**	**17,054.0**	***-26.0%***	**3,878.7**
Free Cash Flow	**-9.2**	**-838.0**	***nm***	**-669.2**	**-1,575.3**	***nm***	**-205.6**
EBITDAR/(Int. Exp. & Lease Exp.)	***1.2x***	***0.7x***	***0.5x***	***1.2x***	***0.7x***	***0.5x***	***1.2x***
Total Adjusted Debt/EBITDAR	***5.9x***	***12.8x***	***-6.9x***	***5.9x***	***12.8x***	***-6.9x***	***5.9x***
Net Adjusted Debt/EBITDAR	***5.4x***	***11.5x***	***-6.1x***	***5.4x***	***11.5x***	***-6.1x***	***5.4x***
Cash&Eq/ST Debt	***0.7x***	***0.8x***	***-0.1x***	***0.7x***	***0.8x***	***-0.1x***	***0.7x***

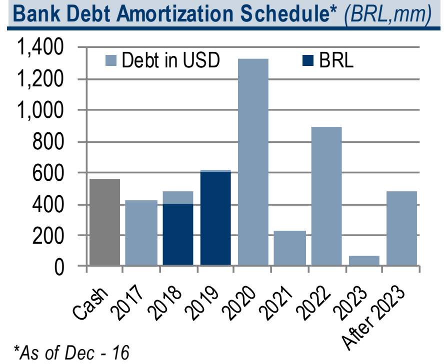
Source: Company Reports, GMP Securities *BRL / USD 3.26*

Historical Pricing



Source: Bloomberg, GMP Securities

Bank Debt Amortization Schedule* *(BRL,mm)*



**As of Dec - 16*

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GENERAL SHOPPING (GSHPBR)

Real Estate - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
GSHPBR	10	8/10/2026	USD 34	n/a	2nd lien	11/09/15 @ 100	83.00	13.22	1,106	5.35
GSHPBR	10	Perps	USD 164	Caa1 / CC	Sr Unsecured	11/09/15 @ 100	80.00	12.69	1,026	7.74
GSHPBR	12	Perps	USD 116	Caa3 / CC	Subordinated	11/09/15 @ 100	27.00	n/a	n/a	n/a

Once again, General Shopping results came in relatively weak given the challenging macroeconomic environment, with revenue down 1.6% yoy to BRL 76 million, on the back of lower and lower services revenue per square meter, only partially offset by an increase in rent revenue per square meter on rent adjustments. NOI decreased 8% yoy to BRL 60 million, while adjusted EBITDA reached BRL 47 million, down 10% yoy. Occupancy rates also slightly declined to 94.7%. Meanwhile, total debt stood slightly lower at BRL 1.9 billion, while leverage stood at 10x. Still cash continued to decline to BRL 60 million.

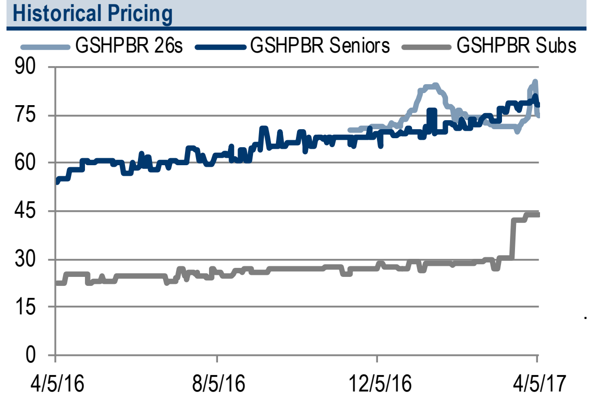
As for the Notes, in line with our expectations, the Senior Perps have continued their rally from the mid-forties to now just south of eighty. All the same, we believe that the company's recovery as well as the overall Brazilian economy has yet to show real signs of a turnaround in the short term. Meanwhile, we are becoming more concerned about the company's cash flow situation, which at its current cash burn rate, it could likely run out of cash before year end. At this point, we believe that it is again necessary for the company to look into assets sales and/or, once again, another potential exchange offer. We remain somewhat at ease with the quality of the assets in terms of asset coverage for the Senior Perps. However, the latest rally (even seen in the company's equity) does not seem to be commensurate with the company's fundamentals, thus from a positive stance in the name, we are becoming more neutral. As for the Subordinated Notes, we remain skeptical and on the sidelines given the lack of material recoveries.

Financial Summary

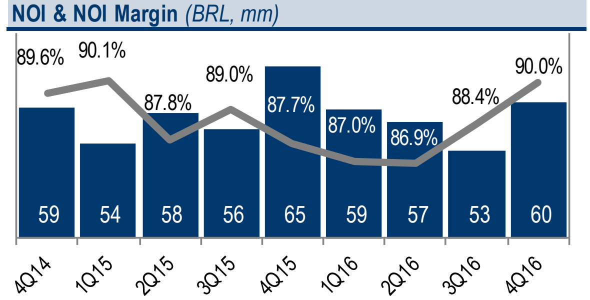
(BRL, mm)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Revenue from Rents	55.3	56.2	*-1.6%*	206.7	200.9	*2.9%*	63.5
Revenue from Services	21.0	27.3	*-22.9%*	90.1	91.4	*-1.5%*	27.7
Total Revenue	**76.3**	**83.5**	***-8.6%***	**296.8**	**292.3**	***1.5%***	**91.2**
Gross Profit	58.3	63.5	*-8.2%*	222.2	226.5	*-1.9%*	68.3
EBITDA	**46.7**	**51.7**	***-9.7%***	**180.3**	**183.6**	***-1.8%***	**55.4**
EBITDA Margin %	*70.3%*	*69.7%*	*0.6%*	*69.6%*	*69.9%*	*-0.3%*	*69.6%*
NOI	**59.8**	**65.0**	***-8.0%***	**228.3**	**232.8**	***-1.9%***	**70.1**
FFO	**22.5**	**69.1**	***-67.3%***	**225.2**	**-470.8**	***nm***	**69.2**
Cash & Equivalents	59.8	111.2	*-46.3%*	59.8	111.2	*-46.3%*	18.4
ST Debt	148.7	190.3	*-21.8%*	148.7	190.3	*-21.8%*	45.7
LT Debt	1,726.1	2,021.9	*-14.6%*	1,726.1	2,021.9	*-14.6%*	530.3
Total Debt	**1,874.9**	**2,212.2**	***-15.2%***	**1,874.9**	**2,212.2**	***-15.2%***	**576.0**
EBITDA / Int Exp	***0.8x***	***0.8x***	***0.0x***	***0.8x***	***0.8x***	***0.0x***	***0.8x***
Cash&Eq / ST Debt	***0.4x***	***0.6x***	***-0.2x***	***0.4x***	***0.6x***	***-0.2x***	***0.4x***
Total Debt / EBITDA	***10.4x***	***12.0x***	***-1.6x***	***10.4x***	***12.0x***	***-1.6x***	***10.4x***
Net Debt / EBITDA	***10.0x***	***11.4x***	***-1.4x***	***10.0x***	***11.4x***	***-1.4x***	***10.0x***

Source: Company Reports, GMP Securities *BRL / USD 3.26*

Historical Pricing



NOI & NOI Margin *(BRL, mm)*

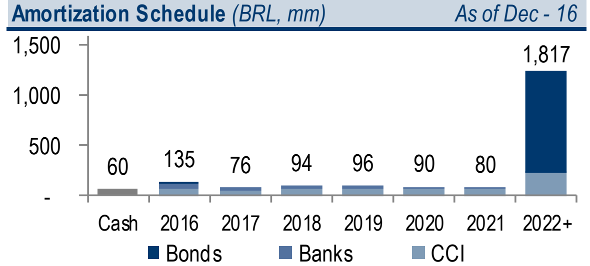


Indicators

(BRL)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Occupancy Rate	*94.7%*	*94.8%*	*-0.1%*	*94%*	*96%*	*-2%*	*94.5%*
Own GLA m2 (000s) avg	244.5	262.7	*-6.9%*	250	258	*-3%*	249.7
Revenue per m2	312.2	317.8	*-1.8%*	1,188	1,131	*5%*	365.1
EBITDA per m2	190.9	196.8	*-3.0%*	722	711	*2%*	221.8
NOI per m2	244.6	247.5	*-1.2%*	914	901	*1%*	280.9
FFO per m2	92.2	262.8	*nm*	901	-1,822	*nm*	277.0

Source: Company Reports, GMP Securities *BRL / USD 3.26*

Amortization Schedule *(BRL, mm)* *As of Dec - 16*



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GRUPO IDESA (IDESA)

Chemicals - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
IDESA	7.875	12/18/2020	USD 300	B+ / B+	Sr Unsecured	11/09/15 @ 100	89.00	11.62	1,005	2.98

As expected, IDESA had another weak quarter on the back of the low oil price environment, in addition to some shortage in their supply of feedstock which affected the company's production capacity. Revenue was down 1% yoy, driven by a 9% yoy decline in their petrochemical segment (5% yoy decline in volume, 6% yoy decline in price), partially offset by a 6% yoy increase in both the distribution and logistics segments. Meanwhile, EBITDA declined about 50% yoy on the back of USD appreciation and additional imported volumes to offset the shortage. On this front, lower EBITDA pushed leverage to new highs. As for 4Q16, the company has yet to release its full year results, but, we are not expecting numbers to come in particularly better.

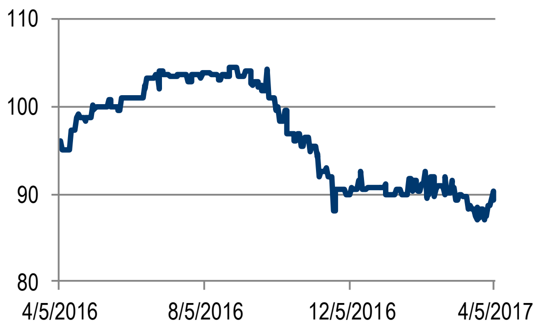
Still, while the current environment and the company's level of indebtedness is a real concern which has driven bond prices down since 2H16, we believe that IDESA is a long term bet. As we have mentioned before, we expect 2017 to be somewhat uneventful, probably slightly better in terms of EBITDA vs. 2016 depending on oil prices and the feedstock shortage from Pemex, which could continue to put pressure on margins; however, we expect that the end of 2017 and start of 2018 is the beginning of their turn around, as their investments will start paying off. Moreover, for 2017, we expect that the cash-flow bleed will stop, as their most significant investments have already been fully funded and capex for 2017 should be practically maintenance and minor investments to Tonalli. Furthermore, as reported, CyPlus Idesa already started operations and management expects to reach full capacity in 2017 thus, it should start upstreaming funds to the company. In addition, management announced in early December the sale of a non-strategic piece of land for about USD 15 million which was expected to close in 1Q17, on top of a capital injection of USD 25-30 million coming at the end of this year, which reflects shareholders' commitment. While we calculated that Idesa should be able to be FCF neutral without the capital injection and assets sales, these events should further improve the company's financial position. In any case, the game changer continues to be Braskem Idesa, with material funds expected to be up streamed in 2018; thus, IDESA has basically secured having enough funds for the interim while they wait to start receiving cash flows from their major investments. Therefore, we believe that investors should position themselves during this interim, especially if bonds move lower. Still, there is some headline risk floating around Braskem and their link to Odebrecht, which could affect Etileno XXI, though the speculation is faint at this point.

Financial Summary

(MXN, mm)	3Q16	3Q15	*Y/Y%*	2Q16	*Q/Q%*	LTM	LTM USD
Petrochemical	1,180	1,293	*-9%*	1,295	*-9%*	4,775	246
Distribution	1,115	1,032	*8%*	1,031	*8%*	4,006	207
Logistics	35	33	*6%*	33	*6%*	125	6
Total Revenue	**2,328**	**2,356**	***-1%***	**2,360**	***-1%***	**8,906**	**459**
Gross Profit	251	400	*-37%*	327	*-23%*	1,030	53
Gross Profit Margin	*10.8%*	*17.0%*	*-6.2%*	*13.8%*	*-3.1%*	*11.6%*	*11.6%*
Operating Profit	151	336	*-55%*	228	*-34%*	627	32
Interest Expense	-180	-198	*nm*	-175	*nm*	-702	-36
EBITDA	**175**	**365**	***-52%***	**252**	***-31%***	**714**	**37**
EBITDA Margin %	*7.5%*	*15.5%*	*-8.0%*	*10.7%*	*-3.2%*	*8.0%*	*8.0%*
Cash & eqv.	**360**	**786**	***-54%***	**528**	***-32%***	**360**	**19**
Current Assets	3,479	3,685	*-6%*	3,356	*4%*	3,479	179
Short Term Debt	719	131	*nm*	615	*17%*	719	37
Long Term Debt	8,263	5,130	*61%*	7,658	*8%*	8,263	426
Total Debt	**8,981**	**5,261**	***71%***	**8,273**	***9%***	**8,981**	**463**
Free Cash Flow	**-329**	**-169**	***nm***	**-840**	***nm***	**-3,221**	**-166**
EBITDA/(Int. Exp.)	**1.0x**	**1.9x**	***-0.9x***	**1.3x**	***-0.2x***	**1.0x**	**1.0x**
Total Debt/EBITDA	**12.6x**	**4.5x**	***8.0x***	**9.2x**	***3.4x***	**12.6x**	**12.6x**
Net Debt/EBITDA	**12.1x**	**3.9x**	***8.2x***	**8.6x**	***3.5x***	**12.1x**	**12.1x**
Cash&Eq/ST Debt	**0.5x**	**6.0x**	***-5.5x***	**0.9x**	***-0.4x***	**0.5x**	**0.5x**

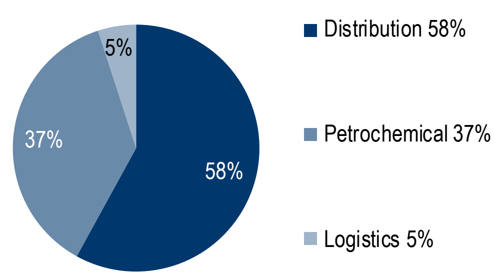
Source: Company Reports, GMP Securities *MXN / USD 19.39*

Historical Pricing



Source: Bloomberg, GMP Securities

3Q16 EBITDA Breakdown



Source: Company Reports, GMP Securities

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SERVICIOS CORP. JAVER (JAVER)

Homebuilders - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
JAVER	9.875	4/6/2021	USD 159	B2 / BB- / BB-	Sr Unsecured	5/8/2017 @ 103.2917	103.88	2.02	128	0.07

Javer's results were par for the course with the somewhat sloppy subsidy system. Overall, the company benefited from higher average sales prices, as well as a higher proportion of middle income units, which more than offset the decline in units titled, which were down 1.5% yoy in general given the choppy subsidies aforementioned. We would highlight that the company continues to do relatively well shifting their sales mix accordingly. Revenue grew by 3% yoy to MXN 1.9 billion (USD 93 million). Meanwhile, EBITDA fell short on the back of lower commercial lot sales, decreasing 26% yoy to MXN 271 million (USD 13 million). More importantly, the company continues to generate positive FCF, more than doubling it to MXN 528 million for 2016. As per 2017, we believe that the first half of the year will again be somewhat uncertain and choppy given the changes in the subsidies' size, now more focused on the lower end of the population, while Infonavit tries to modify its underwriting standards to allow lower income workers to access the higher upfront loans, offsetting the smaller subsidy.

Meanwhile, as per the calling of the Notes, it seems that Javer is more like the boy who cried wolf. It has been over a year now since we first heard about the company attempting to refinance the remaining USD 160 million of their Notes 2021 and, a year later, they continue to try and juggle the "operating flexibility of the covenant and security package." As we had previously mentioned, management has actively been looking at refinancing options. We give management credit that the "idea" of calling the Notes was probably the right one and had they actually done it, they would have significantly saved on costs due to the depreciation of the MXN to the USD. Of course, by now it is clear that calling the Notes 2021 could take even longer. As a reminder, Javer Notes' call price declines once again in April 2017 to 103.292%, thus as we expected, bond prices have moved slightly lower to reflect the new call price, at which point we expect prices to remain at these levels. In the meantime, investors can continue to collect an attractive coupon.

Financial Statement

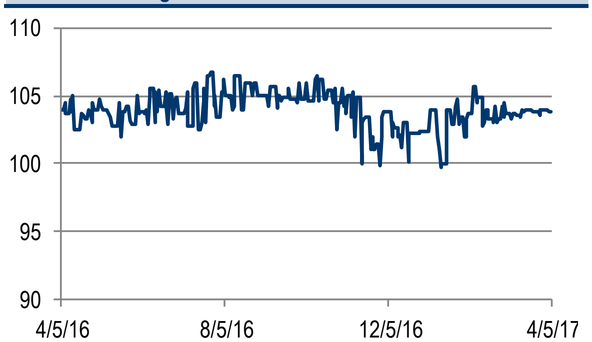
(MXN, mm)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Homes Titled (units)	4,801	4,874	*-1%*	18,352	18,565	*-1%*	18,352
Net Revenue	1,932	1,872	*3%*	7,052	6,459	*9%*	340
Interest Expense	102	168	*-39%*	795	685	*16%*	38
EBITDA	271	368	*-26%*	920	938	*-2%*	44
EBITDA Margin (%)	*14.0%*	*19.6%*	*-5.6%*	*13.0%*	*14.5%*	*-1.5%*	*13.0%*
Cash & Equiv.	674	1,136	*-41%*	674	1,136	*-41%*	33
ST Debt	27	26	*6%*	27	26	*6%*	1
LT Debt	3,076	4,770	*-36%*	3,076	4,770	*-36%*	148
Total Debt	3,103	4,795	*-35%*	3,103	4,795	*-35%*	150
Adjusted Total Debt	3,359	5,128	*-34%*	3,359	5,128	*-34%*	162
Interest Coverage (x)	***1.2x***	***1.4x***	***-0.2x***	***1.2x***	***1.4x***	***-0.2x***	***1.2x***
Total Debt/LTM EBITDA	***3.7x***	***5.5x***	***-1.8x***	***3.7x***	***5.5x***	***-1.8x***	***3.7x***
Net Debt/LTM EBITDA	***2.9x***	***4.3x***	***-1.3x***	***2.9x***	***4.3x***	***-1.3x***	***2.9x***

Sales

	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Homes Titled *(units)*							
Low Income	1,139	1,319	*-14%*	4,470	5,630	*-21%*	4,470
Middle Income	3,095	2,899	*7%*	11,714	11,508	*2%*	11,714
Residential	567	656	*-14%*	2,168	1,427	*52%*	2,168
Total	*4,801*	*4,874*	*-1%*	*18,352*	*18,565*	*-1%*	*18,352*
Average selling price per unit *(MXN, m)*							
Low Income	232	234	*-1%*	239	231	*3%*	12
Middle Income	324	320	*1%*	327	313	*5%*	16
Residential	988	816	*21%*	906	938	*-3%*	44
Total	*381*	*364*	*5%*	*374*	*336*	*11%*	*18*
Revenue *(MXN, mm)*							
Low Income	264	309	*-14%*	1,067	1,301	*-18%*	51
Middle Income	1,003	928	*8%*	3,835	3,602	*6%*	185
Residential	560	535	*5%*	1,965	1,338	*47%*	95
Commerical Lot Sales	105	100	*4%*	186	218	*-15%*	9
Total	*1,932*	*1,872*	*3%*	*7,052*	*6,459*	*9%*	*340*

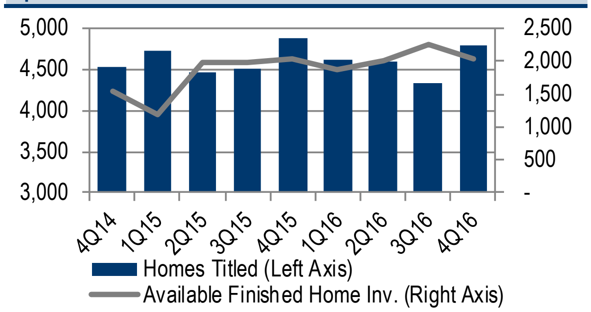
Source: Company Reports, GMP Securities *MXN / USD 20.73*

Historical Pricing

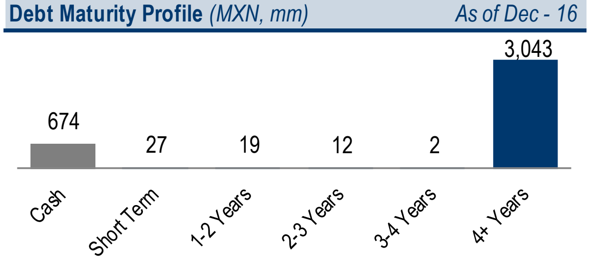


Source: Bloomberg, GMP Securities

Operational Performance



Debt Maturity Profile *(MXN, mm)* *As of Dec - 16*



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SIXSIGMA NETWORKS MEXICO (KIONET)

IT Infrastructure - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
KIONET	8.25	11/7/2021	USD 500	B2 / B+	Sr Unsecured	11/7/2017 @ 106.188	99.75	8.31	653	3.62

KIONET has yet to release its 4Q16 results and we don't expect them to be released before the end of April; however, 3Q16 revenue growth remained robust, followed by decent EBITDA growth but at a lower pace than revenues due to higher ramp-up expenses, especially with regards to PITA. Meanwhile, the company's liquidity situation reflected a less convincing performance; however, management attempted to explain during the last call back in 2016 that their cash and obligations looked somewhat worse than they actually were. On the collection's side, third quarter is seasonally one of their worse collection quarters, but the company stated that Government collections improved materially during the fourth quarter as the governmental entities fully use their assigned budgets. As of December 1, cash had basically tripled since the end of the third quarter, and totaled MXN 300 million (still at somewhat worrisome levels). Meanwhile, on the liability front, MXN 865 million of the MXN 2.1 billion corresponded to the Santander credit facility (which the company rolled over another year), and another MXN 800 million corresponded to financial leases. As for the PITA project, the company mentioned that it expected to receive a sizable amount of funds in 1Q17 which should improve their liquidity situation; we hope to hear some updates on this front during the 4Q16 call. On the operating side, management expects that EBITDA margins will progressively return to their earlier levels, bordering 35% by 2Q17, as the ramp-up in expenses from the PITA project wind down.

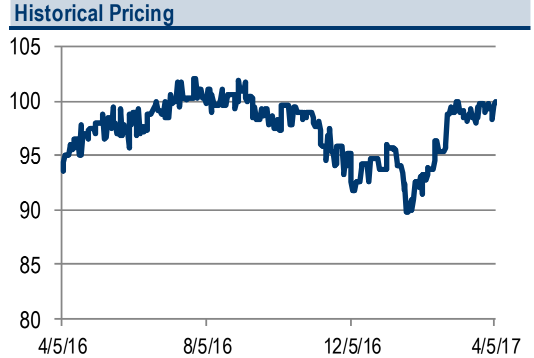
Meanwhile, the shareholders funded USD 35 million during the third quarter, funding which will likely continue to be provided by the shareholders as needed to support ongoing growth (reflecting the shareholders' commitment to the company). In addition, there have been various comments that the company is looking to divest certain assets though there are no details about those potential sales, yet. All in all, the bonds have recovered after another pull back late last year/earlier this year and on the back of their liquidity conditions, but they have mostly fully recovered close to par levels. We are eager to see whether the company's 4Q16 results do in fact show an improved liquidity, but otherwise it seems that the market is betting that there will be continuous support from the part of their main shareholder to fund the company's growth. Meanwhile, investors can expect to continue collecting its attractive carry.

Financial Summary

(MXN, mm)	3Q16	3Q15	*Y/Y %*	2Q16	*Q/Q%*	LTM	LTM USD
Net Operating Revenues	**1,735**	**1,350**	***29%***	**1,572**	***10%***	**6,457**	**333**
Gross Profit	610	368	*66%*	531	*15%*	1,944	100
Adjusted EBITDA	**538**	**486**	***11%***	**532**	***1%***	**2,160**	**111**
Adjusted EBITDA Margin	***31.0%***	***36.0%***	***-5.0%***	***33.9%***	***-2.9%***	***33.5%***	***33.5%***
Interest Expense	(263)	(229)	*nm*	(269)	*nm*	(1,058)	(55)
Net Income	(131)	(603)	*nm*	(599)	*nm*	(1,136)	(59)
Cash & Equivalents	121	406	*-70%*	249	*-51%*	121	6
Current Assets	4,623	3,915	*18%*	3,846	*20%*	4,623	238
PP&E	6,334	4,497	*41%*	4,089	*55%*	6,334	327
Total Assets	**20,524**	**16,261**	***26%***	**16,836**	***22%***	**20,524**	**1,059**
Short - term debt	2,062	533	*287%*	1,892	*9%*	2,062	106
Long - term debt	11,094	10,967	*1%*	10,657	*4%*	11,094	572
Total Adjusted Debt	**13,156**	**11,499**	***14%***	**12,549**	***5%***	**13,156**	**679**
Total Adjusted Net Debt	**13,035**	**11,093**	***18%***	**12,300**	***6%***	**13,035**	**672**
Capex	(645)	(105)	*nm*	(54)	*nm*	(1,163)	(60)
Free Cash Flow	(263)	66	*-498%*	(286)	*nm*	(739)	(38)
Adj. EBITDA/Int Expense	***2.0x***	***2.7x***	***-0.6x***	***2.1x***	***0.0x***	***2.0x***	***1.4x***
Total Debt/Adj. EBITDA	***6.1x***	***6.2x***	***-0.1x***	***6.0x***	***0.1x***	***6.1x***	***6.1x***
Net Debt/Adj. EBITDA	***6.0x***	***5.9x***	***0.1x***	***5.8x***	***0.2x***	***6.0x***	***6.0x***
Cash&Eq/ST Debt	***0.1x***	***0.8x***	***-0.7x***	***0.1x***	***-0.1x***	***0.1x***	***0.1x***

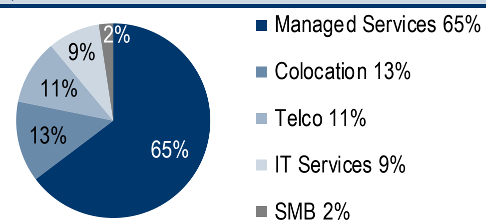
Source: Company Reports, GMP Securities *MXN / USD 19.39*

Historical Pricing



Source: Bloomberg, GMP Securities

3Q16 Net Revenue Breakdown

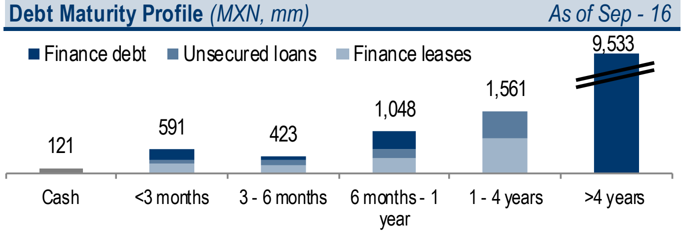


Source: Company Reports, GMP Securities

Operating Summary

Operating Summary	3Q16	3Q15	*Y/Y %*	2Q16	*Q/Q%*
Data Centers	32	32	*0%*	32	*0%*
Tech Campuses	13	13	*0%*	13	*0%*
Installed Capacity (m2)	18,532	18,532	*0%*	18,532	*0%*
Fiber Optic Network (km)	2,421	1,990	*22%*	2,384	*2%*

Debt Maturity Profile *(MXN, mm)* *As of Sep - 16*



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MAGNESITA REFRATARIOS (MAGGBZ)

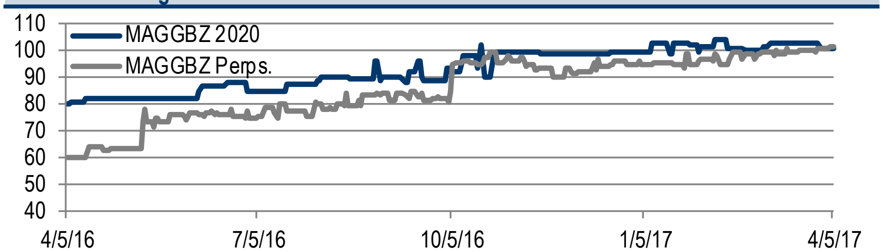
Mining - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
MAGGBZ	7.875	3/30/2020	USD 66	B2 / BB	Sr Unsecured	5/8/2017 @ 101.313	100.75	7.06	584	0.92
MAGGBZ	8.625	Perps	USD 250	BB / BB	Sr Unsecured	5/8/2017 @ 100	101.00	-4.66	-551	0.08

Magnesita's 4Q16 results have continued to reflect the relatively depressed environment, although in Brazil we finally saw a turnaround in steel production, finally moving into positive territory (as a point of comparison, steel production has declined 4% yoy in Brazil, while North America, Western Europe and China showed production up 2%, 4% and 4% yoy, respectively). All in all, the company was able to pick up their service revenue which led to positive growth of almost 9% yoy, and, most importantly, the company's productivity initiatives led to EBITDA growth of over 80% yoy (though better growth is also explained by a low 4Q15). The company continues its working capital management efforts seen in the last quarter, which aided in part the company's positive FCF generation for the year, in turn allowing Mangesita to improve its leverage to 2.9x from 3.6x a year ago. All in all, we expected 2016 to be somewhat uneventful and numbers to remain relatively stable yoy, with continuing depressed demand from Brazil (though we expected US demand to pick up somewhat), thus EBITDA and FCF for the year came somewhat better than we expected. That said, the biggest price driver for the Notes was Magnesita's agreement with RHI to combine their operations, which would significantly improve its footprint, heighten its economies of scale, increase its proximity to customers and improve raw material integration, among others. As a reminder, management estimated that the combined entity will translate into a reduction of cash costs of EUR 50-90 million, working capital synergies of EUR 40 million and capex synergies of EUR 2-7 million until 2020.

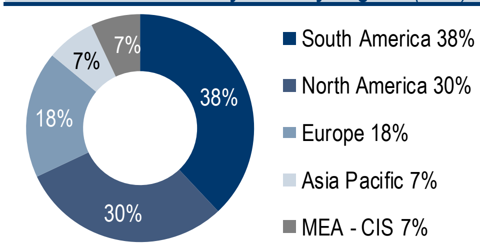
As for the Notes, while we remain constructive on the company's prospects, after the RHI merger, the Notes have basically fully recovered to their call prices levels (101.313% for the 2020 Notes and par for the Perps) thus their upside is capped at this point, even if there is a turnaround in the economy. Otherwise, carry remains relatively attractive.

Historical Pricing



Source: Bloomberg, GMP Securities

Consolidated Refractory Sales by Region* *(USD)*



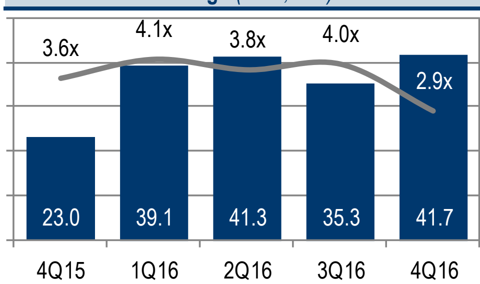
*As of 2016

Financial Summary

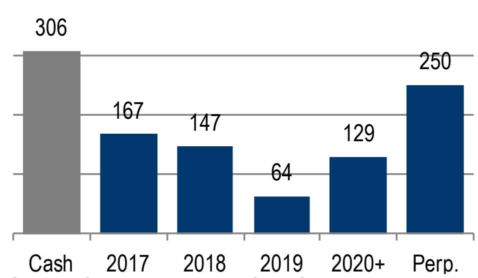
(USD, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q %	2016	2015	Y/Y %
Refractory Solutions - Volume*	221.3	228.9	*-3.3%*	218.4	*1.3%*	891.1	954.0	*-6.6%*
Refractory Solutions - Revenue	214.1	196.1	*9.2%*	208.2	*2.8%*	852.3	883.0	*-3.5%*
Industrial Minerals - Revenue	14.9	16.0	*-7.0%*	14.4	*3.5%*	56.6	66.6	*-15.1%*
Services - Revenue	19.9	16.8	*18.3%*	16.4	*21.3%*	65.5	63.1	*3.7%*
Net Operating Revenues	**248.9**	**228.9**	***8.7%***	**238.8**	***4.2%***	**974.5**	**1,012.6**	***-3.8%***
Gross Profit	86.5	59.5	*45.4%*	80.9	*6.9%*	333.6	311.3	*7.2%*
Adjusted EBITDA	**41.7**	**23.0**	***81.4%***	**35.3**	***18.0%***	**157.6**	**145.0**	***8.7%***
Adjusted EBITDA Margin (%)	*16.8%*	*10.0%*	*6.7%*	*14.8%*	*2.0%*	*16.2%*	*14.3%*	*1.9%*
Net Income	93.1	-34.8	*nm*	-5.2	*nm*	133.2	-297.7	*nm*
Cash & Equivalents	**306.4**	**206.0**	***48.7%***	**219.0**	***39.9%***	**306.4**	**206.0**	***48.7%***
Current Assets	752.1	640.9	*17.4%*	681.1	*10.4%*	752.1	640.9	*17.4%*
Total Assets	1,886.9	1,667.4	*13.2%*	1,857.2	*1.6%*	1,886.9	1,667.4	*13.2%*
Short Term Debt	179.3	113.9	*57.4%*	149.6	*19.9%*	179.3	113.9	*57.4%*
Long Term Debt	585.1	619.4	*-5.5%*	617.7	*-5.3%*	585.1	619.4	*-5.5%*
Total Debt	**764.4**	**733.3**	***4.2%***	**767.3**	***-0.4%***	**764.4**	**733.3**	***4.2%***
Total Liabilities	1,280.5	1,187.6	*7.8%*	1,280.9	*0.0%*	1,280.5	1,187.6	*7.8%*
Adj. EBITDA / Int. Exp.	***3.1x***	***2.3x***	***0.9x***	***2.7x***	***0.5x***	***3.1x***	***2.3x***	***0.9x***
Cash & Eq / ST Debt	***1.7x***	***1.8x***	***-0.1x***	***1.5x***	***0.2x***	***1.7x***	***1.8x***	***-0.1x***
ST Debt / Total Debt	***0.2x***	***0.2x***	***0.1x***	***0.2x***	***0.0x***	***0.2x***	***0.2x***	***0.1x***
Total Debt / Adj. EBITDA	***4.9x***	***5.1x***	***-0.2x***	***5.5x***	***-0.7x***	***4.9x***	***5.1x***	***-0.2x***
Net Debt / Adj. EBITDA	***2.9x***	***3.6x***	***-0.7x***	***4.0x***	***-1.1x***	***2.9x***	***3.6x***	***-0.7x***

**Volume in thousands of tons, Source: Company Reports, GMP Securities*

EBITDA & Net Leverage *(USD, mm)*



Amoritization Schedule *(USD, mm)* *As of Dec-16*



Source: Company Reports, GMP Securities

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MASTELLONE HERMANOS (MASHER)

Food & Beverage - Argentina

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
MASHER	12.625	7/3/2021	USD 200	B-	Sr Unsecured	7/3/2018 @ 106.313	112.75	6.64	557	1.11

Overall, MASHER outperformed our expectations, given that 2016 was a challenging year with particularly low international prices in USD and lower domestic volumes, especially during the first half of the year. Nevertheless, the company focused on prioritizing profitability through better prices, its cost cutting efforts, as well as the ARS depreciation, which offset the weaker environment. All in all, 2016 sales were up 26% yoy to ARS 14 billion (USD 1.1 billion) and EBITDA up about 47% yoy to ARS 722 million (USD 71 million), with net leverage only somewhat improving to 2.8x from 3.1x a year ago, as MASHER was not able to translate such growth into cash flow generation.

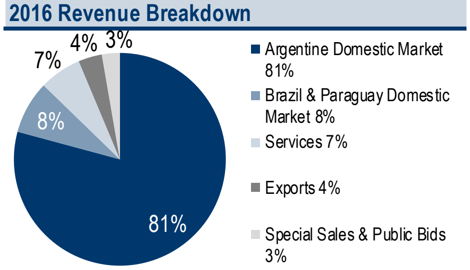
As for the Notes, as a reminder, MASHER's Notes started rallying last year on the back of better performance and, more importantly, following the partial acquisition of Mastellone by the JV; additionally, the Notes benefited from the overall surge in Argentina and the eagerness from investors to invest in the country. Since then, the Notes have somewhat stabilized and, for the last several months, the Notes have been basically trading for the most part in a 5 point band between 111% and 116%. In our view, such levels reflect the expectation that the company should potentially be able to refinance its Notes, which in our view, could also be beneficial for MASHER as it could materially reduce its oversized coupon and potentially extend maturities. At the same time, we don't expect prices to move materially higher either given that the Notes are callable at 106.313% starting July 2018, thus any potential bond refinancing should balance the potential coupon reduction with the premium paid to do the tender. More importantly, a news outlet (REDD Intelligence) reported the company's intention to actually call the Notes in 2018. At these levels, as we had mentioned before, we believe that the Notes could be relatively attractive for investors looking for a high yield, shorter maturity paper (1.5 years).

Financial Summary

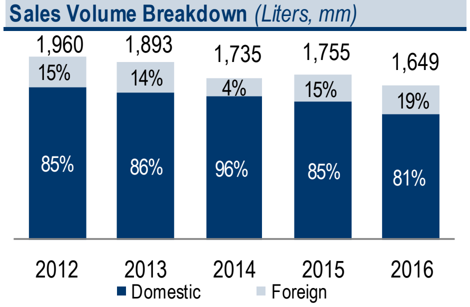
(ARS, mm)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	USD LTM
Revenue	**4,706**	**3,657**	***28.7%***	**17,723**	**14,080**	***25.9%***	**1,116**
Gross Profit	1,548	1,340	*15.5%*	6,128	4,427	*38.4%*	386
EBIT	(70)	276	*-125.6%*	597	354	*68.8%*	38
EBITDA	**47**	**377**	***-87.6%***	**1,057**	**722**	***46.5%***	**67**
EBITDA Margin	*1.0%*	*10.3%*	*-9.3%*	*6.0%*	*5.1%*	*0.8%*	*6.0%*
EBITDA Reported	**62**	**454**	***-86.4%***	**1,129**	**832**	***35.7%***	**71**
Net Income	(192)	(351)	*nm*	(95)	(617)	*nm*	(6)
Cash & Equivalents	214	480	*-55.4%*	214	480	*-55.4%*	13
ST Debt	94	168	*-44.2%*	94	168	*-44.2%*	6
LT Debt	3,102	2,532	*22.5%*	3,102	2,532	*22.5%*	195
Total Adjusted Debt	**3,196**	**2,700**	***18.4%***	**3,196**	**2,700**	***18.4%***	**201**
Total Liabilities	6,788	5,874	*15.6%*	6,788	5,874	*15.6%*	427
EBITDA / Int Expense	***2.8x***	***1.9x***	***0.9x***	***2.8x***	***1.9x***	***0.9x***	***2.8x***
(EBITDA-Capex) / Int Exp	***1.8x***	***1.4x***	***0.4x***	***1.8x***	***1.4x***	***0.4x***	***1.8x***
Cash&Eq / ST Debt	***2.3x***	***2.9x***	***-0.6x***	***2.3x***	***2.9x***	***-0.6x***	***2.3x***
Total Debt / EBITDA	***3.0x***	***3.7x***	***-0.7x***	***3.0x***	***3.7x***	***-0.7x***	***3.0x***
Net Debt / EBITDA	***2.8x***	***3.1x***	***-0.3x***	***2.8x***	***3.1x***	***-0.3x***	***2.8x***

Sources: Company Reports, GMP Securities *ARS/USD 15.88*

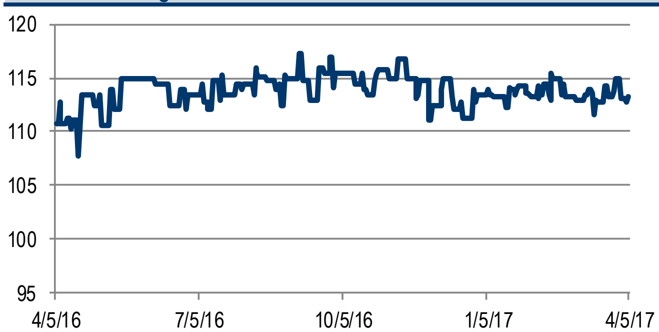
2016 Revenue Breakdown



Sales Volume Breakdown *(Liters, mm)*

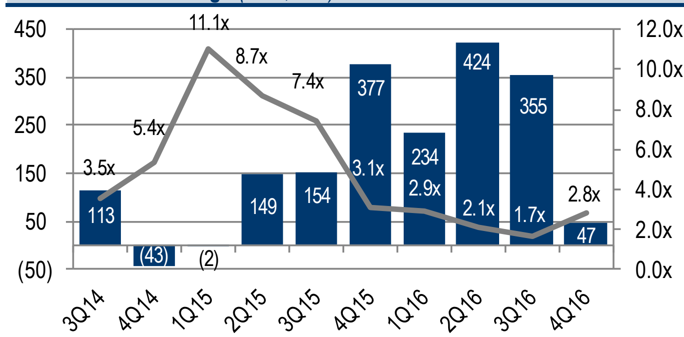


Historical Pricing



Sources: Bloomberg, Company Reports, GMP Securities

EBITDA & Net Leverage *(ARS, mm)*



Sources: Company Reports, GMP Securities

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MASISA (MASISA)

Basical Materials - Chile

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
MASISA	9.5	5/5/2019	USD 200	B+ / B+	Sr Unsecured	5/8/2017 @ 104.75	104.25	7.24	599	1.79

4Q16 came softer that we expected, especially when during the prior quarter management emphasized their confidence that it was an inflection point. That said, results were partially impacted by currency depreciations across the board and have partially hindered the company's efforts to turn around the business operationally. Overall, Mexico continues its accelerated growth (though still somewhat marginal) as it continues to ramp-up operations in the country. Meanwhile, the Andean region pulled back again from a better 3Q16 on the back of higher SG&A and FX, partially offset by higher volumes. The Brazilian macro environment as well as Argentina's FX depreciation and economic adjustments continued to be a drag on the company's performance, not to mentioned Venezuela, whose EBITDA was down 66% yoy. All in all, EBITDA was down 25% yoy, lower than we expected; however, FCF remained positive for the quarter and, overall, in 2016, the company has been able to stop the cash bleed and generated positive FCF. Meanwhile, net leverage remained high at 5.0x.

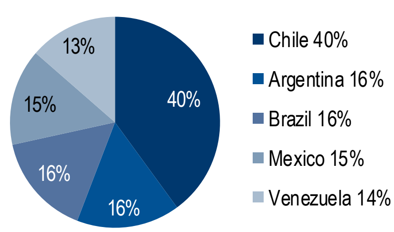
Most importantly, as we had mentioned various times, the company's liability management efforts during 2016 surpassed our expectations in handling the tight liquidity seen by the end of 2015, from assets sales to partially tendering the bonds, as well as securing a USD 100 million, 5 year syndicated loan which improved its maturity schedule. In addition, the company reiterated its intentions to bring along a new partner to further strengthen their financial position (though such a situation seems to be in the early stages). All in all, Masisa's efforts have contributed to bonds moving above par, but at these levels we believe their upside to be capped given the Notes' call schedule (callable at 104.75% starting May 2017). Still, investors could continue to clip an attractive coupon.

Financial Summary

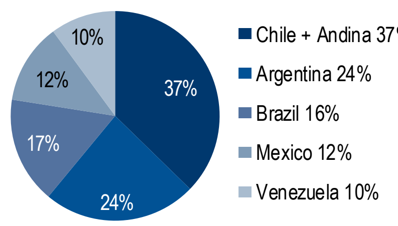
(USD, mm)	4Q16	4Q15	*Y/Y %*	3Q16	*Q/Q %*	2016	2015	*Y/Y %*
Revenue	**259**	**301**	***-14%***	**264**	***-2%***	**960**	**1,053**	***-9%***
Gross Profit	56	66	*-15%*	57	*-2%*	199	227	*-12%*
EBITDA	**34**	**46**	***-25%***	**37**	***-7%***	**133**	**157**	***-15%***
EBITDA Margin %	*13.3%*	*15.3%*	*-2.0%*	*14.1%*	*-0.7%*	*13.9%*	*14.9%*	*-1.0%*
Net Income	0	34	*-100%*	-8	*nm*	0	46	*-100%*
Cash & Equivalents	**64**	**110**	***-41%***	**92**	***-30%***	64	110	***-41%***
Inventories	154	170	*-9%*	163	*-5%*	154	170	*-9%*
Total Current Assets	454	515	*-12%*	491	*-8%*	454	515	*-12%*
PP&E	936	932	*0%*	913	*3%*	936	932	*0%*
Total Assets	1,799	1,836	*-2%*	1,887	*-5%*	1,799	1,836	*-2%*
ST Debt	178	171	*4%*	246	*-27%*	178	171	*4%*
LT Debt	553	646	*-14%*	532	*4%*	553	646	*-14%*
Total Debt	**731**	**817**	***-10%***	**778**	***-6%***	**731**	**817**	***-10%***
Free Cash Flow	**10**	**12**	***-17%***	**15**	***-32%***	**29**	**-46**	***nm***
EBITDA / Interest Expense	***2.2x***	***2.7x***	***-0.6x***	***2.4x***	***-0.3x***	***2.2x***	***2.7x***	***0.6x***
Cash&Eq / ST Debt	***0.4x***	***0.6x***	***-0.3x***	***0.4x***	***0.0x***	***0.4x***	***0.6x***	***0.3x***
Total Debt / EBITDA	***5.5x***	***5.2x***	***0.3x***	***5.4x***	***0.1x***	***5.5x***	***5.2x***	***-0.3x***
Net Debt / EBITDA	***5.0x***	***4.5x***	***0.5x***	***4.7x***	***0.3x***	***5.0x***	***4.5x***	***-0.5x***

Source: Company Reports, GMP Securities

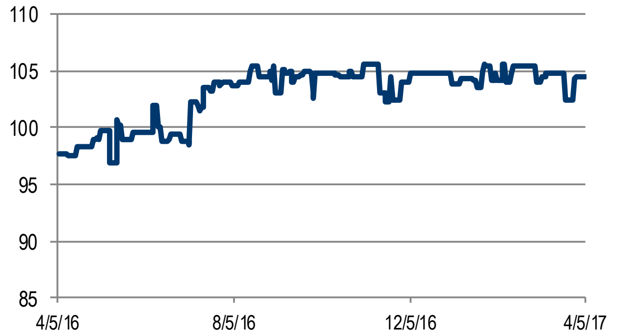
2016 Sales by Market of Origin



2016 EBITDA

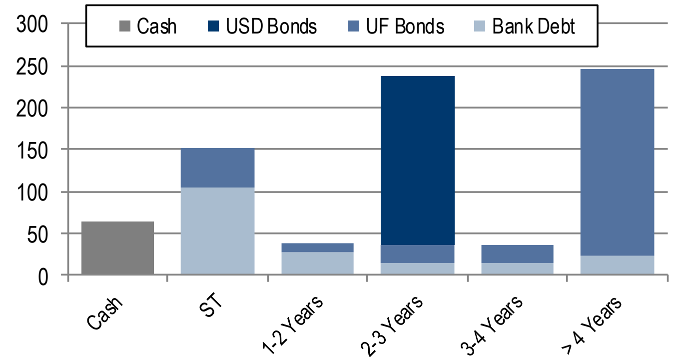


Historical Pricing



Source: Bloomberg, Company Reports, GMP Securities

Debt Repayment Schedule *(USD, mm)* *As of Dec - 16*



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MAXCOM (MAXTEL)

Telecom - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
MAXTEL	7	6/15/2020	USD 138	CCC+	1st lien	6/15/2017 @ 103	59.50	27.40	2,593	2.37

As a reminder, Maxcom decided to no longer provide residential services (voice, data and video) to their main cities, divesting such segment to Megacable, thus yoy comparison is less useful. Still, 4Q16 revenue was up 26% yoy to MXN 712 million (flat qoq), basically driven by the wholesale segment, while EBITDA decreased 29% yoy not only due to the elimination of the residential segment but also because of the change in revenue mix, as the wholesale business carries very low EBITDA margins, below 10%. As for their new strategy of focusing on the enterprise segment, we have yet to see a material increase in their customer base or RGUs, but probably such focus would be seen in 2017 results. But then again, as mentioned before, we don't really see a clear path as to how this strategy is going to play out in a very competitive environment, given the fight against competitors with much deeper pockets and larger infrastructure. So far, MAXTEL has already tried many strategies and none of them have reached fruition, and at this point, we wonder whether good intentions will translate into results or if economies of scale will dominate.

As for the Notes, we believe that the bonds have basically flat-lined at these levels; bond market repurchases will likely continue to be their modus operandi whenever and if they can scrape together enough cash to buy back bonds at distressed levels. At this point, carry remains very attractive and we do not foresee an immediate liquidity problem. Also, we recognize that the downside is "theoretically" limited due to the security package; however, we fail to see an acquirer for such assets to monetize the value of the company and we ultimately fail to see a concrete strategy for the company's success.

Financial Summary

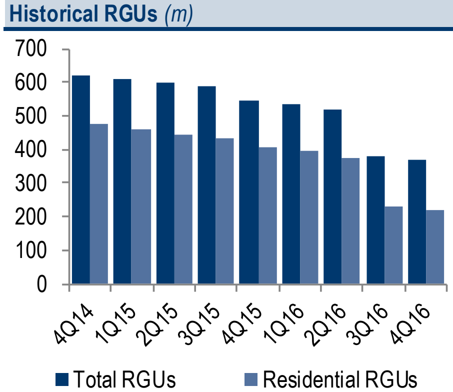
(MXN, mm)	4Q16	4Q15	Y/Y %	3Q16	Q/Q %	LTM	LTM USD
Revenue	712.3	566.0	*25.9%*	711.5	*0.1%*	2,552.3	123.1
Gross Profit	189.3	253.4	*-25.3%*	240.1	*-21.1%*	909.1	43.9
EBITDA	71.9	101.2	*-28.9%*	97.1	*-25.9%*	345.5	16.7
EBITDA Margin %	*10.1%*	*17.9%*	*-7.8%*	*13.6%*	*-3.5%*	*13.5%*	*13.5%*
Cash & Equivalents	847.5	795.3	*6.6%*	672.2	*26.1%*	847.5	40.9
ST Debt	38.0	36.3	*4.5%*	82.6	*-54.1%*	38.0	1.8
LT Debt	2,670.0	2,491.6	*7.2%*	2,526.4	*5.7%*	2,670.0	128.8
Total Debt	2,708.0	2,527.9	*7.1%*	2,609.0	*3.8%*	2,708.0	130.6
Free Cash Flow	183.8	-208.4	*nm*	-212.3	*nm*	-18.6	-0.9
EBITDA / Int Expense	**2.1x**	**2.9x**	***-0.8x***	**2.6x**	***-0.6x***	***2.1x***	**2.1x**
Total Debt/ EBITDA	**7.8x**	**6.7x**	***1.1x***	**7.0x**	***0.9x***	***7.8x***	**7.8x**
Net Debt/ EBITDA	**5.4x**	**4.6x**	***0.8x***	**5.2x**	***0.2x***	***5.4x***	**5.4x**

Source: Company Reports, GMP Securities *MXN/USD 20.73*

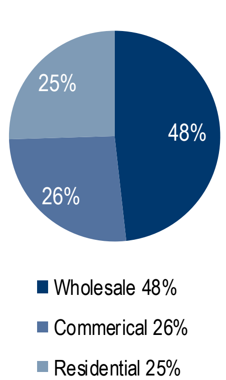
Historical Pricing

Source: Bloomberg, GMP Securities

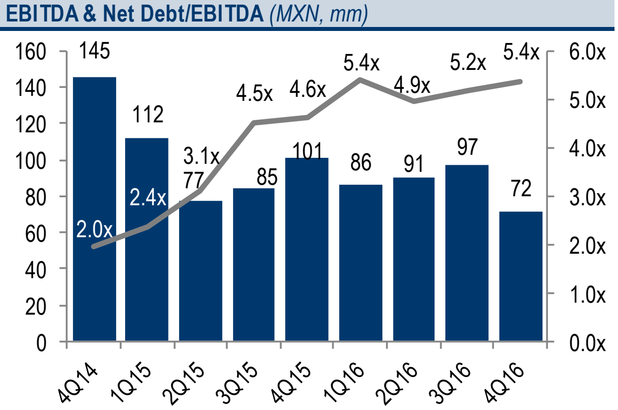
Historical RGUs *(m)*



2016 Revenue Breakdown



EBITDA & Net Debt/EBITDA *(MXN, mm)*



Source: Bloomberg, Company Reports, GMP Securities

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METALSA (METLSA)

Manufacturing - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
METLSA	4.9	4/24/2023	USD 300	BB+ / BBB-	Sr Unsecured	No	98.25	5.24	326	5.03

Overall, Metalsa's strong momentum earlier in 2016 hit the brakes in 4Q16, with basically lower production in chassis and body structures, as well as side rails. For a change however, there was a turnaround in South America, with a 76% yoy increase in volumes (though the bar for comparison was very low); meanwhile there was a pullback in North America chassis frame and side rails sales, a trend also seen in Europe, which was partially offset by better volume in other regions such as China. In line with this performance, EBITDA decline 4% yoy on the back of the aforementioned lower sales, yet Metalsa was able to maintain margins yoy. Most importantly, we calculate positive free cash flow for the year at over 140 million, which "of course" will be largely distributed in dividends of about USD 80 million next year. Meanwhile, net leverage by the end of the quarter improved to 0.5x.

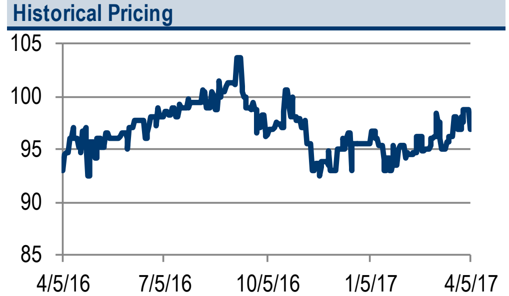
As for 2017, we suggest closely monitoring the company's sales in North America, as Ford announced revised guidance on the downside and overall car sales have been sluggish; however for 1Q17, F-150 sales have continued to grow and remain robust, thus we do not expect major surprises in 1Q17 for Metalsa. Still, uncertainty remains with the current US administration and their potentially negative stance towards NAFTA. The next big bill expected to pass is likely tax reform, which could have effects on BAT, while we would expect to hear some news about NAFTA towards the end of the year, thus an impact could probably be seen in 2018. In any case, the retraction seen in Metalsa's bonds in late 2016 (in line with the rest of the market) has for the most part reversed. At this point, we remain cautious but neutral on the name given the aforementioned uncertainties, as a negative trade agreement could put significant pressure on the company's exports and margins. Even if the company is able to shift certain products to their US operations as management has stated, we believe that such actions will carry an adjustment period, on top of reductions in margins and other additional expenses, which at this point is somewhat unfeasible to quantify.

Financial Summary

(USD, mm)	4Q16	4Q15	Y/Y %	3Q16	Y/Y %	2016	2015	Y/Y %
Revenues	604	633	*-5%*	599	*1%*	2,508	2,437	*3%*
Gross Profit	83	55	*52%*	95	*-13%*	384	235	*63%*
EBITDA	**75**	**78**	***-4%***	**88**	***-14%***	**371**	**251**	***48%***
EBITDA Margin	***12.5%***	***12.4%***	***0.1%***	***14.7%***	***-2.2%***	***14.8%***	***10.3%***	***4.5%***
Net Finance Costs	(2)	(10)	*nm*	(9)	*nm*	(22)	(21)	*nm*
Net Income	34	(37)	*nm*	34	*0%*	156	10	*nm*
Cash & Equivalents	185	67	*177%*	196	*-6%*	185	67	*177%*
Current Assets	688	620	*11%*	746	*-8%*	688	620	*11%*
PPE	674	666	*1%*	656	*3%*	674	666	*1%*
Total Assets	**1,401**	**1,338**	***5%***	**1,438**	***-3%***	**1,401**	**1,338**	***5%***
ST Debt	23	26	*-12%*	15	*51%*	23	26	*-12%*
LT Debt	304	308	*-1%*	306	*0%*	304	308	*-1%*
LT Debt to Related Parties	54	100	*-46%*	96	*-44%*	54	100	*-46%*
Total Adjusted Debt	**380**	**433**	***-12%***	**416**	***-9%***	**380**	**433**	***-12%***
Total Adjusted Net Debt	**195**	**366**	***-47%***	**220**	***-11%***	**195**	**366**	***-47%***
Capex	(54)	(26)	*nm*	(39)	*nm*	(138)	(109)	*nm*
Free Cash Flow	**8**	**22**	***-65%***	**102**	***-92%***	**143**	**66**	***116%***
EBITDA/(Net. Int. Exp.)	***16.7x***	***12.2x***	***4.4x***	***12.7x***	***4.0x***	***16.7x***	***12.2x***	***4.4x***
Total Adjusted Debt/EBITDA	***1.0x***	***1.7x***	***-0.7x***	***1.1x***	***-0.1x***	***1.0x***	***1.7x***	***-0.7x***
Net Adjusted Debt/EBITDA	***0.5x***	***1.5x***	***-0.9x***	***0.6x***	***-0.1x***	***0.5x***	***1.5x***	***-0.9x***
Cash&Eq/ST Debt	***8.2x***	***2.6x***	***5.6x***	***13.1x***	***-4.9x***	***8.2x***	***2.6x***	***5.6x***

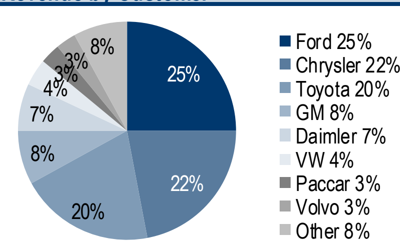
Source: Company Reports, GMP Securities

Historical Pricing



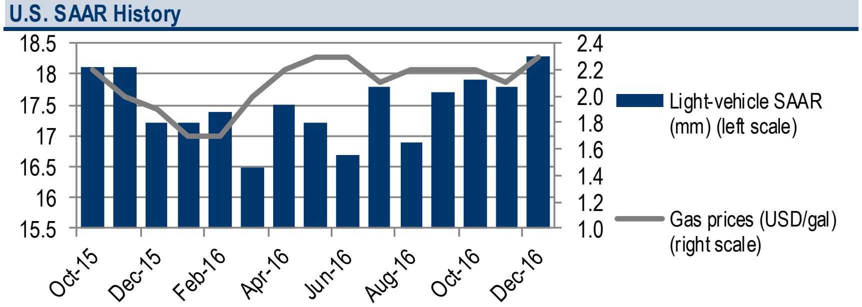
Source: Bloomberg, GMP Securities

4Q16 Revenue by Customer

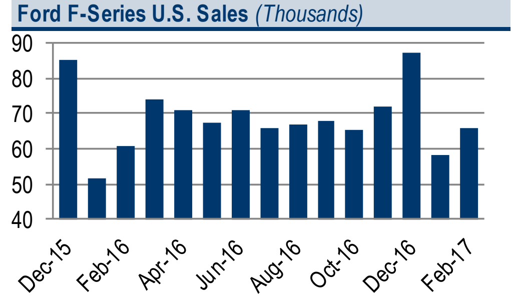


Source: Company Reports, GMP Securities

U.S. SAAR History



Ford F-Series U.S. Sales *(Thousands)*



Source: Ward's AutoInfoBank, Energy Info. Admin., Standard & Poor's, Ford, GMP Securities

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MEXICAN DRILLERS (ODHGPR, INTSPN, LATOFF)

Oil & Gas - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
ODHGPR	8.375	9/20/2020	USD 950	CCC / CCC	Secured	9/20/2017 @ 104.188	43.50	39.94	3,841	2.32
INTSPN	7.5	1/24/2019	USD 916	n/a	Secured	5/26/2017 @ 103	64.00	37.16	n/a	1.16
LATOFF	8.875	7/3/2018	USD 306	n/a	Secured	5/8/2017 @ 103	60.50	57.94	5,808	0.74

These last two years have been disastrous, to say the least, for Pemex' service providers, and so far 2017 is not shaping up to be any better. Since oil prices plunged, Pemex has taken various measures to tackle their deficit, as congress has basically put ultimatums on the company as to how much of their budget the Government was willing to fund, while production has continued to plunge year over year, especially at Cantarell (in part to due to a lack of proper service and maintenance – remember OCEANO?). As it is common knowledge, Pemex continues to be an essential part of the Government's revenues and foreign currency, making it basically "too big to fail." However, Pemex service providers do not have such a luxury and they have been left with the short stick. In the end, this situation has proved once again that Pemex continues to be the one in the driver's seat with all the leverage, as they basically can unilaterally extend, suspend or cancel contracts, as well as dictate when to pay their servicers, squeezing the contractors' liquidity to the point that they basically kneel to Pemex's demands. This would not be the first time we've seen a company (for instance, ARBARS) that has been, in our view, squeezed through contract suspensions and "extensions," in addition to delays in payment to the point that the company could have to fold.

At this point, basically all the Mexican drillers other than ODHGPR have technically defaulted and have looked for amendments. All in all, being left without any other choice, bondholders have collaborated and will likely continue to play ball with ODHGPR, LATOFF and INTSPN and will likely "amend and extend", hoping that i) oil prices somewhat improve, ii) PEMEX will finally do some farm outs in the region which should increase demand for rigs, and iii) PEMEX will actually start paying its due bills.

That said, in our view, INTSPN and especially LATOFF Notes have rallied during the first quarter of this year, which in our view seems unjustified given that we have not seen significant improvement in their collections or material changes in relation to their contracts, suspensions or day rates. Thus, we are becoming wary about said rally and we would not be surprised to see a price pullback, if there are no positive updates in the near term. If anything, ODHGPR has been the only one keeping up with payments.

LTM Financial Summary *As of Dec - 16*

	Grupo R*	Oro Negro	Latina Offshore
(USD, mm)	Holding (8.375% Notes due 2020)	Integradora Servicios (7.5% Notes due 2019)	Latina Offshore (8.75% Notes due 2018)
Revenue	284.70	175.15	23.60
Operating Profit	129.30	47.22	(24.09)
EBITDA	218.00	89.35	16.61
EBITDA Margin	76.57%	51.01%	70.38%
Financial Costs	(105.60)	(83.83)	(30.58)
Cash & Equivalents	19.30	29.55	11.89
Short Term Debt	324.10	78.59	-
Long Term Debt	1,200.20	879.86	351.33
Total Debt	1,524.30	958.45	351.33
Net Debt	1,505.00	928.90	339.44
Interest Coverage	**2.1x**	**1.1x**	**0.5x**
Gross Leverage	**7.0x**	**10.7x**	**21.2x**
Net Leverage	**6.9x**	**10.4x**	**20.4x**
Cash / ST Debt	**0.1x**	**0.4x**	**n/a**

**Results as of Sep - 16, Source: Company Reports, GMP Securities*

Vessels Securing the Notes

Company	Name	Ownership	Type	Water Depth	Built / Upgraded	4Q16 Uptime	Avg. Daily Rate	Contract Expiration	Expiration / Maturity	Securing Bond
ODHGPR	Centenario GR	100%	Semi-sub	Ultra deepwater	2010	99.7%	308	Dec-19	0.8x	8.375% due 2020
ODHGPR	Bicentenario	100%	Semi-sub	Ultra deepwater	2011		*Currently under suspension*			8.375% due 2020
ODHGPR	La Muralla	100%	Semi-sub	Ultra deepwater	2013	99.5%	308	Apr-20		
ODHGPR	Cantarell I	100%	Jack-Up	Shallow	2016	92.7%	116.5	Jul-23		
ODHGPR	Cantarell II	100%	Jack-Up	Shallow	2016	99.1%	116.5	Jul-23		
INTSPN	Primus	100%	Jack-Up	Shallow	2012		*Currently under suspension*			7.5% due 2019
INTSPN	Laurus	100%	Jack-Up	Shallow	2013		*Currently under suspension*			7.5% due 2019
INTSPN	Fortius	100%	Jack-Up	Shallow	2013	100.0%	116.3	Jan-21	2.1x	7.5% due 2019
INTSPN	Decus	100%	Jack-Up	Shallow	2014	98.8%	116.3	Feb-21	2.1x	7.5% due 2019
INTSPN	Impetus	100%	Jack-Up	Shallow	2015	100.0%	116.3	May-22	2.8x	7.5% due 2019
LATOFF	La Santa Maria	100%	Jack-Up	Shallow	2013	100.0%	70	Feb-23	4.7x	8.875% due 2018
LATOFF	La Covadonga	100%	Jack-Up	Shallow	2013	100.0%	111.3	Mar-23	4.8x	8.875% due 2018

Source: Company Reports, GMP Securities

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PESQUERA EXALMAR (PESEXA)

Food & Beverage - Peru

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
PESEXA	7.375	1/31/2020	USD 170	B3 / B-	Sr Unsecured	5/8/2017 @ 103.688	84.00	14.51	1,309	2.35

Overall, as expected, 4Q16 was another weak quarter; however, the silver-lining is that the second fishing season, with a total catch of 2 million tons, is a more normalized second season in terms of total quota and basically twice as much as last year's second season. Most importantly, Exalmar announced that it has already caught 100% of such quota with robust inventory; thus we would expect that coming results, especially 1Q17 and 2Q17, will look better in a year over year comparison. For reference, the local press reported that management expects that in the event the first fishing season quota is set at 2 million tons, that they would already have achieved double the sales from full year 2016 (yet depressed 2016 performance skews yoy comparisons). Nevertheless, EBITDA for the fourth quarter turned out negative, pushing net leverage to a whopping almost 13x. Cash stood at USD 7 million (basically flat qoq) vs. USD 79 million in short term debt, which in our view highlights their liquidity situation (though cashing inventory in 1Q17 should ease some concern).

As per the Notes due 2020, in our view, bond prices are supported by the market, which remains comfortable with potential recovery values due to the company's assets, specifically the value assigned to the fixed percentage quota that PESEXA has, which even at distressed prices theoretically implies full recovery for the Notes. Clearly, theoretical recovery numbers from their fixed quota could materially differ from reality's nuances but the company's assets remain valuable; still, we would highlight that, after the tender offer, the Notes are now somewhat less liquid and subordinated to the new secure term loan that was used to tender the Notes. Meanwhile, operationally, as we had previously mentioned, the commodity risk due to the nature of the business has proven to be particularly high, in our view. For this reason, in our opinion, such a business needs to maintain a larger than usual liquidity cushion (which they clearly don't have) to support any material change in their quota and to manage their working capital.

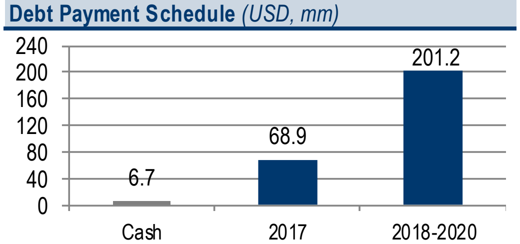
Financial Summary

(USD, mm)	4Q16	4Q15	*Y/Y %*	3Q16	*Q/Q %*	2016	2015	*Y/Y %*
Revenue	14.9	24.8	*-40.0%*	41.3	*-63.9%*	136.1	156.2	*-12.9%*
Gross Profit	-1.5	10.9	*-113.5%*	1.3	*-215.7%*	17.1	34.6	*-50.5%*
EBITDA	-0.4	12.2	*-102.9%*	1.6	*-122.2%*	20.4	38.0	*-46.3%*
EBITDA Margin %	*-2.4%*	*49.3%*	*-51.7%*	*3.9%*	*-6.4%*	*15.0%*	*24.3%*	*-9.3%*
Cash & Equivalents	6.7	1.7	*298.3%*	7.0	*-3.8%*	6.7	1.7	*298.3%*
Inventories	69.7	50.6	*37.8%*	20.7	*236.0%*	69.7	50.6	*37.8%*
ST Debt	79.0	37.3	*112.0%*	52.6	*50.1%*	79.0	37.3	*112.0%*
LT Debt	191.2	200.3	*-4.6%*	187.5	*1.9%*	191.2	200.3	*-4.6%*
Total Debt	270.1	237.6	*13.7%*	240.1	*12.5%*	270.1	237.6	*13.7%*
Free Cash Flow	-30.3	19.6	*-254.6%*	-29.0	*nm*	-32.0	-8.2	*nm*
EBITDA / Int Exp	***0.9x***	***2.1x***	***-1.1x***	***1.5x***	***-0.6x***	***0.9x***	***2.1x***	***-1.1x***
Cash&Eq / ST Debt	***0.1x***	***0.0x***	***0.0x***	***0.1x***	***0.0x***	***0.1x***	***0.0x***	***0.0x***
Total Debt / EBITDA	***13.3x***	***6.3x***	***7.0x***	***7.7x***	***5.6x***	***13.3x***	***6.3x***	***7.0x***
Net Debt / EBITDA	***12.9x***	***6.2x***	***6.7x***	***7.4x***	***5.5x***	***12.9x***	***6.2x***	***6.7x***

Source: Company Reports, GMP Securities

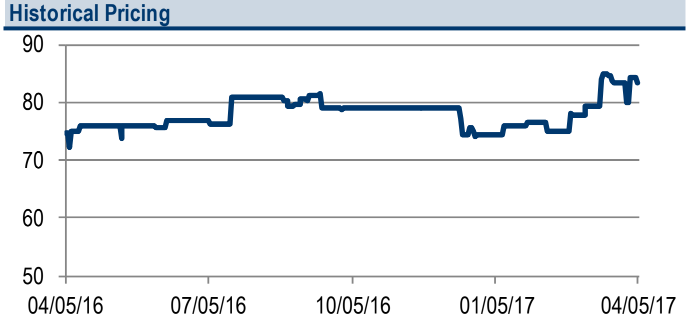
Capital Structure *(USD, mm)*		*As of Dec - 16*
Bonds	172.4	*63.8%*
Bank Notes	67.1	*24.8%*
Long-term Bank Loans	25.0	*9.3%*
Fin. Lease Liabilities	5.6	*2.1%*
Total	**270.1**	***100.0%***
ST Debt	79.0	*29.2%*
LT Debt	191.2	*70.8%*

Debt Payment Schedule *(USD, mm)*



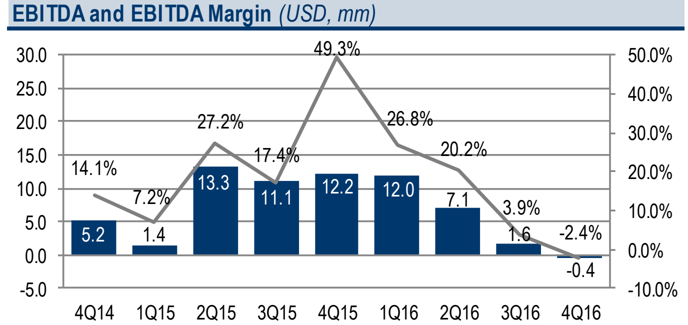
Source: Company Reports, GMP Securities

Historical Pricing



Source: Bloomberg, GMP Securities

EBITDA and EBITDA Margin *(USD, mm)*



Source: Company Reports, GMP Securities

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AVIANCA HOLDINGS (PFAVHC)

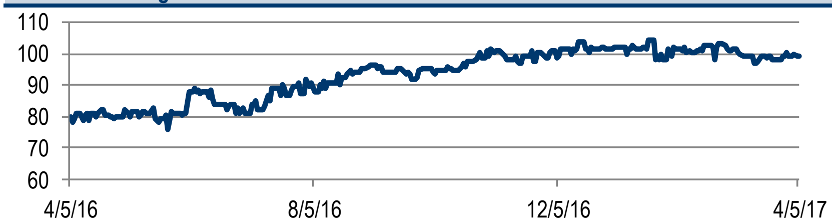
Transportation - Colombia

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
PFAVHC	8.375	5/10/2020	USD 550	B- / B-	Sr Unsecured	5/10/2017 @ 104.188	99.50	8.56	708	2.57

As we mentioned in earlier this year, our stance changed in light of several factors which led us to believe that investors would be better off by exiting the position. We do recognize that Avianca reported overall positive results and we are somewhat encouraged by the company's guidance (EBIT at 6%-8%, ASK growth at 6.5%-8.5%, load factors at 80-82%). However, the potential M&A benefits have been materially diluted. As a reminder, United was announced as the "strategic partner" without giving any real material guidance as to what the partnership actually implied, other than relaying that they continue to work on it. Furthermore, the company announced that said partnership did not include any capital injection or potential loans in favor of Avianca (at least directly). The final details have yet to be disclosed; however, at this point, any expected advantages of such a "strategic alliance" have been significantly diluted in the short term. On the contrary, there are more and more potentially negative headlines hitting the tape regarding Kingsland Holdings (Avianca's minority shareholder), which has already filed a lawsuit with respect to Synergy Aerospace and they have also formally requested an independent auditor to examine the company's numerous related party transactions with Synergy Aerospace and other entities affiliated with German Efromovich. Overall, there are allegations that Avianca is being disadvantaged by Efromovich to the benefit of Synergy, which seemed to have crossed in to the Avianca-United deal.

All in all, despite somewhat positive operating prospects for 2017, the company's risk profile has changed after the lack of financial support from their "strategic alliance" and highlights once again the company's hurdles in dealing with their challenging maturity schedule, in our view, emphasizing its refinancing risk. Meanwhile, despite that it is still too early to assess any impact, we believe that there will likely be further additional headlines from the minority shareholder, which could potentially put additional negative pressure on the name; thus at this point we believe it prudent to move out PFAVHC Notes.

Historical Pricing



Source: Bloomberg, GMP Securities

Financial Summary

(USD, mm)	4Q16	4Q15	Y/Y%	2016	2015	Y/Y%
Passenger Revenue	872.1	834.4	4.5%	3,285.2	3,458.0	-5.0%
Cargo and Other Revenue	232.9	233.1	-0.1%	853.1	903.3	-5.6%
Net Operating Revenues	**1,105.0**	**1,067.5**	**3.5%**	**4,138.3**	**4,361.3**	**-5.1%**
Operating Result (EBIT)	77.3	88.9	-13.1%	258.5	218.8	18.1%
Interest Exp	(40.9)	(48.1)	nm	(172.6)	(169.4)	nm
EBITDA	153.6	149.5	2.7%	528.1	449.5	17.5%
EBITDA Margin %	*13.9%*	*14.0%*	*-0.1%*	*12.8%*	*10.3%*	*2.5%*
EBITDAR	**232.2**	**224.7**	**3.3%**	**842.5**	**767.0**	**9.8%**
EBITDAR Margin %	*21.0%*	*21.0%*	*0.0%*	*20.4%*	*17.6%*	*2.8%*
Cash and Eqv.	**381.1**	**484.8**	**-21.4%**	**381.1**	**484.8**	**-21.4%**
Current Assets	1,016.5	1,036.0	-1.9%	1,016.5	1,036.0	-1.9%
Total Assets	6,351.3	6,361.9	-0.2%	6,351.3	6,361.9	-0.2%
Short-term Borrowings	406.7	412.9	-1.5%	406.7	412.9	-1.5%
Long-term Debt	2,867.5	3,060.1	-6.3%	2,867.5	3,060.1	-6.3%
Total Debt	3,274.2	3,473.0	-5.7%	3,274.2	3,473.0	-5.7%
Total Adjusted Debt	**5,475.7**	**5,695.5**	**-3.9%**	**5,475.7**	**5,695.5**	**-3.9%**
Interest Coverage	***1.7x***	***1.6x***	***0.2x***	***1.7x***	***1.6x***	***0.2x***
Total Adj. Debt/EBITDAR	***6.5x***	***7.4x***	***-0.9x***	***6.5x***	***7.4x***	***-0.9x***
Net Adj. Debt/EBITDAR	***6.0x***	***6.8x***	***-0.7x***	***6.0x***	***6.8x***	***-0.7x***
Cash&Eq/ST Debt	***0.9x***	***1.2x***	***-0.2x***	***0.9x***	***1.2x***	***-0.2x***

Source: Company Reports, GMP Securities

Operational Highlights

	PFAVHC	LATAIR	GOLLBZ
Traffic Data			
RPK Total	38,232.0	150,112.0	35,928.0
ASK Total	47,145.0	205,801.0	46,329.0
Load Factor - Total	81.1%	72.9%	77.5%
Financial Data			
Net YIELD (cents)	8.6	6.0	7.4
Net RASK (cents)	8.8	4.3	6.5
CASK (cents)	8.2	4.5	6.1
CASK ex-fuel (cents)	6.6	3.5	4.3
Spread RASK-CASK (cents)	0.5	-0.2	0.5

Comparative Financial Summary

LTM (USD, mm)	PFAVHC	LATAIR	GOLLBZ
Net Operating Revenues	4,138.3	9,527.1	3,031.2
EBITDA	528.1	1,528.2	351.5
EBITDA Margin %	*12.8%*	*16.0%*	*11.6%*
EBITDAR	842.5	2,097.2	657.7
EBITDAR Margin %	*20.4%*	*22.0%*	*21.7%*
Cash and Eqv.	381.1	1,486.3	172.7
Total Debt	3,274.2	8,636.5	1,959.7
Total Adjusted Debt	5,475.7	10,122.8	3,878.7
Interest Coverage	*1.7x*	*2.1x*	*1.2x*
Total Adj. Debt/EBITDAR	*6.5x*	*4.8x*	*5.9x*
Net Adj.Debt/EBITDAR	*6.0x*	*4.1x*	*5.4x*
Cash&Eq/ST Debt	*0.9x*	*0.8x*	*0.7x*

Source: Company Reports, GMP Securities

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GRUPO POSADAS (POSADA)

Travel & Lodging - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
POSADA	7.875	6/30/2022	USD 400	B2 / B+ / B+	Sr Unsecured	6/30/2019 @ 103.938	104.50	6.63	482	3.50

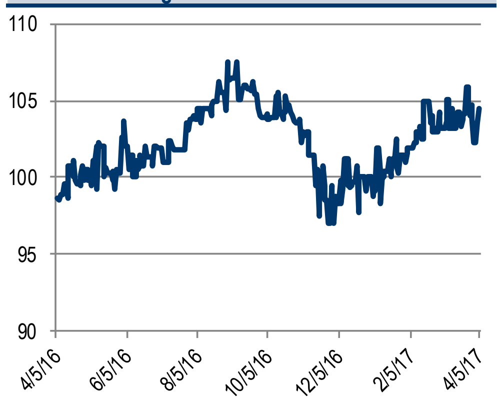
Overall, 2016 was a very positive year for POSADA, with better rates and occupancy system-wide, which translated into an increase in revenue and EBITDA of 16% yoy and 21% yoy, respectively, in addition to some positive free cash flow generation. In addition, following their expansion strategy, the company had 13 new hotel openings and has scheduled 39 new hotels for the next two years and half years, which should add about 24% of additional rooms. Meanwhile, the company had already prepaid the Notes due 2017, basically leaving the Notes due 2022 as their only obligation outstanding.

As per the FX volatility, the company is, in our view, in a somewhat particular position. On one side, we believe that the MXN devaluation, despite increasing its USD debt in MXN terms, should potentially be net positive on the vacation segment due to i) an increase in the flow of international tourism given the cheap peso and ii) an increase in local tourism as traveling abroad becomes less affordable, which partially offset such devaluation. On the other side, over 75% of the company's available rooms are focused on business travel, which could get hit by the new US administration with their warnings of canceling NAFTA, thereby affecting direct investments. It is too early to quantify the potential effects, but the market overall has reduced GDP growth expectations in the country. That said, we would highlight that liquidity in POSADA is more than adequate. On this point, management stated that it is not in their primary intention to try to change their dollar exposure through a tender offer to somewhat increase their exposure to MXN, given that the company is comfortable with the current maturity and overall cost of their debt. Overall, we remain constructive on Posadas but remain cautious and will continue monitoring any developments, including their tax situation. We believe that a price decline is an opportunity to position into the name.

Financial Summary

(MXN, mm)	4Q16	4Q15	*Y/Y %*	3Q16	*Q/Q %*	2016	2015	*Y/Y %*	LTM USD
Revenue	1,931	1,735	*11%*	2,099	*(8%)*	7,979	6,901	*16%*	385
Operating Profit	164	208	*(21%)*	328	*(50%)*	1,055	947	*11%*	51
EBITDA	**395**	**331**	***19%***	**442**	***(11%)***	**1,650**	**1,362**	***21%***	**80**
EBITDA Margin	*20.4%*	*19.1%*	*1.3%*	*21.0%*	*-0.6%*	*20.7%*	*19.7%*	*0.9%*	*20.7%*
Interest Expense	184	157	*17%*	177	*4%*	664	551	*21%*	32
Cash & Equivalent (C&E)	1,770	1,214	*46%*	2,445	*(28%)*	1,770	1,214	*46%*	85
ST Debt	969	1,102	*(12%)*	1,299	*(25%)*	969	1,102	*(12%)*	47
LT Debt	7,872	6,242	*26%*	8,529	*(8%)*	7,872	6,242	*26%*	380
Total Adjusted Debt	9,260	7,784	*19%*	8,714	*6%*	9,260	7,784	*19%*	447
Interest Coverage (x)	**2.5x**	**2.5x**	***0.0x***	**2.5x**	***0.0x***	**2.5x**	**2.5x**	***0.0x***	**2.5x**
Total Debt/Adj EBITDA	**5.6x**	**5.7x**	***-0.1x***	**5.5x**	***0.1x***	**5.6x**	**5.7x**	***-0.1x***	**5.6x**
Net Debt/Adj EBITDA	**4.5x**	**4.8x**	***-0.3x***	**4.0x**	***0.6x***	**4.5x**	**4.8x**	***-0.3x***	**4.5x**

Historical Pricing



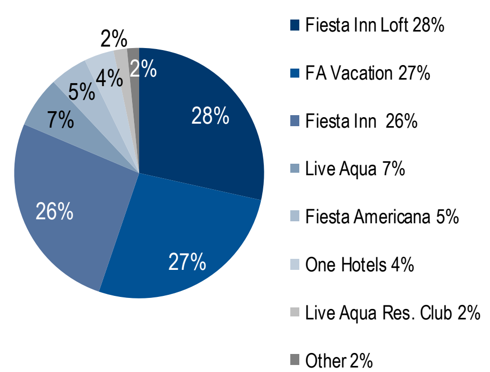
Source: Bloomberg, GMP Securities

Operating Data

(MXN)	4Q16	4Q15	*Y/Y %*	3Q16	*Q/Q %*	4Q16 USD
Room Distribution	**24,324**	**23,259**	***4.6%***	**23,689**	***2.7%***	**24,324**
Owned	4,416	4,817	*(8.3%)*	4,416	*0.0%*	4,416
Managed & Franchise	17,548	16,107	*8.9%*	17,239	*1.8%*	17,548
Leased	2,360	2,335	*1.1%*	2,034	*16.0%*	2,360
Owned & leased hotels				*0.0%*		
Avg. no. of rooms	4,697	5,496	*(14.5%)*	4,597	*2.2%*	4,697
Avg. daily rate	1,707	1,427	*19.6%*	1,486	*14.9%*	82
Occupancy (%)	*75%*	*75%*	*0.0%*	*77%*	*(2.0%)*	*75%*
RevPAR	1,284	1,066	*20.5%*	1,151	*11.6%*	62
Management						
Avg. no. of rooms	21,124	20,619	*2.4%*	20,773	*1.7%*	21,124
Avg. daily rate	1,332	1,186	*12.3%*	1,203	*10.7%*	64
Occupancy (%)	*67%*	*67%*	*0.0%*	*68%*	*(1.0%)*	*67%*
RevPAR	892	800	*11.5%*	818	*9.0%*	43

Source: Company Reports, GMP Securities *MXN/USD* *20.73*

Estimated Additional Portfolio *As of Dec - 16*



**Completion for mid-2019 totaling 5,754 new rooms*

Source: Company Reports, GMP Securities

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TECNOGLASS INC. (TGLS)

Construction Materials - Colombia

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
TGLS	8.2	1/31/2022	USD 210	Ba3 / BB-	Sr Unsecured	1/31/2020 @ 108.2	105.25	6.89	511	3.89

As expected, Tecnoglass ended the year on a positive note with a 21% yoy and 37% yoy increase in 4Q16 revenue and EBITDA, respectively. Meanwhile, the company's prospects remain constructive, with a backlog of close to USD 400 million at the end of 2016 (USD 479 million on a pro-forma basis including GM&P acquisition), which improves the company's visibility for the next 18 months. Confirming our expectations, the company disclosed its guidance for 2017 with expected sales between USD 360 and USD 390 million and EBITDA between USD 82 and USD 90 million. Such numbers assume about 10% organic growth, in addition to the growth coming from acquisitions. Also, as we mentioned before, last year, the company finished its significant capex cycle, leaving them with excess capacity (at about 70% utilization), especially in their soft coat segment (only at 25%), which should allow the company to continue to grow at double digit rates for the next 2-3 years, without needing to incur additional expansionary capex; thus, we believe that Tecnoglass should be able to generate positive free cash flow (excluding the GM&P acquisition). As for the company's capital structure, after the issuance of the Senior Notes due 2022, Tecnoglass mentioned that it had repaid about USD 185 million of its indebtedness, basically i) eliminating most of its current debt, ii) largely reducing its refinancing risk, iii) essentially fully eliminating its pledges on assets and many restrictive covenants, giving the company greater flexibility, and iv) materially improving its debt profile.

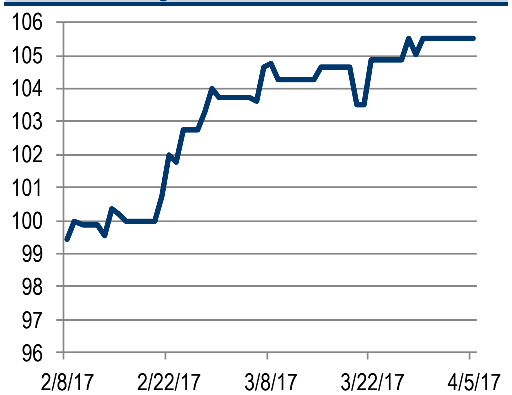
As for the Notes, as we mentioned earlier this year, we believed the Notes looked cheap on a relative value basis for a BB- name in the region (with the Notes due 2022 trading over 250 bps cheaper to LatAm BB- corporates). In line with our expectations, spreads have tightened about 150 bps and bonds prices have increased about 5 points. At these levels, while we continue to be constructive with the company's prospects, we believe that a large portion of the mispricing has already been corrected.

Financial Summary

(USD, mm)	4Q16	4Q15	Y/Y%	3Q16	Q/Q%	2016	2015	Y/Y%
External customers	78.0	61.0	*27.9%*	65.4	*19.2%*	295.3	232.3	*27.1%*
Related parties	2.3	5.3	*-56.3%*	14.6	*-84.1%*	9.7	9.9	*-2.0%*
Total operation revenues	80.3	66.3	*21.1%*	80.0	*0.3%*	305.0	242.2	*25.9%*
Interest expense	(4.7)	(2.8)	*nm*	(4.8)	*nm*	(16.8)	(9.3)	*nm*
Gross profit	28.7	23.7	*21.2%*	29.6	*-3.2%*	112.6	90.9	*24.0%*
Gross profit margin %	*35.7%*	*35.7%*	*0.0%*	*37.0%*	*-1.3%*	*36.9%*	*37.5%*	*-0.6%*
EBITDA	**13.5**	**14.5**	***-7.1%***	**19.4**	***-30.7%***	**63.4**	**52.1**	***21.7%***
EBITDA margin %	*16.8%*	*21.8%*	*-5.1%*	*24.3%*	*-7.5%*	*20.8%*	*21.5%*	*-0.7%*
Adj. EBITDA	**19.3**	**14.1**	***36.7%***	**20.1**	***-3.8%***	**72.0**	**57.1**	***26.1%***
Adj. EBITDA Margin %	*24.0%*	*21.3%*	*2.7%*	*25.1%*	*-1.0%*	*23.6%*	*23.6%*	*0.0%*
Net income	2.9	(2.0)	*nm*	(7.9)	*nm*	23.2	(11.0)	*nm*
Cash & Equivalents	**26.9**	**22.7**	***18.7%***	**18.1**	***48.5%***	**26.9**	**22.7**	***18.7%***
Current assets	200.5	171.2	*17.1%*	224.2	*-10.6%*	200.5	171.2	*17.1%*
Total long term assets	184.0	150.2	*22.5%*	187.6	*-1.9%*	184.0	150.2	*22.5%*
Short term debt	2.7	17.6	*-84.9%*	62.4	*-95.8%*	2.7	17.6	*-84.9%*
Long term debt	196.9	121.5	*62.1%*	140.2	*40.5%*	196.9	121.5	*62.1%*
Total debt	**199.6**	**139.1**	***43.5%***	**202.6**	***-1.5%***	**199.6**	**139.1**	***43.5%***
Adj. EBITDA/(Int. Exp.)	4.3x	6.2x	*-1.9x*	4.2x	*0.0x*	4.3x	6.2x	*-1.9x*
Total Debt/Adj. EBITDA	2.8x	2.4x	*0.3x*	3.2x	*-0.4x*	2.8x	2.4x	*0.3x*
Net Debt/Adj. EBITDA	2.4x	2.0x	*0.4x*	2.9x	*-0.5x*	2.4x	2.0x	*0.4x*
Cash&Eq/ST Debt	10.2x	1.3x	*8.9x*	0.3x	*9.9x*	10.2x	1.3x	*8.9x*

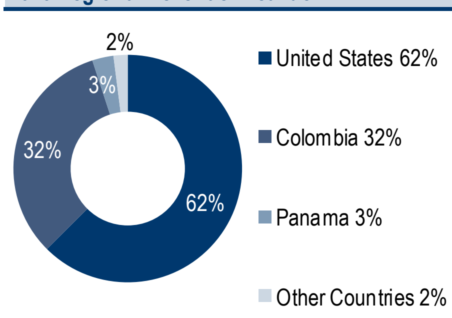
Source: Company Reports, GMP Securities

Historical Pricing



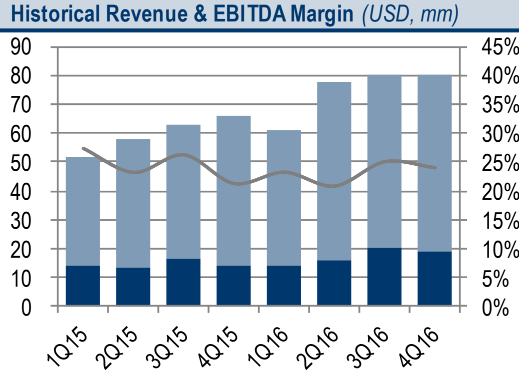
Source: Bloomberg, GMP Securities

2016 Regional Revenue Breakdown

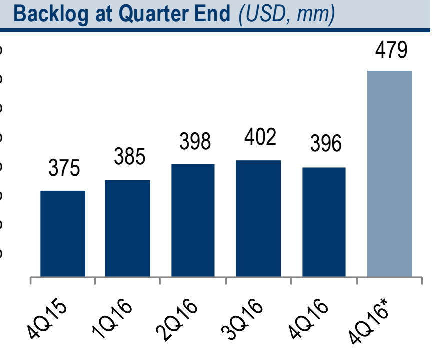


Source: Company Reports, GMP Securities

Historical Revenue & EBITDA Margin *(USD, mm)*



Backlog at Quarter End *(USD, mm)*



**Pro-forma GM&P*

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TV AZTECA (TZA)

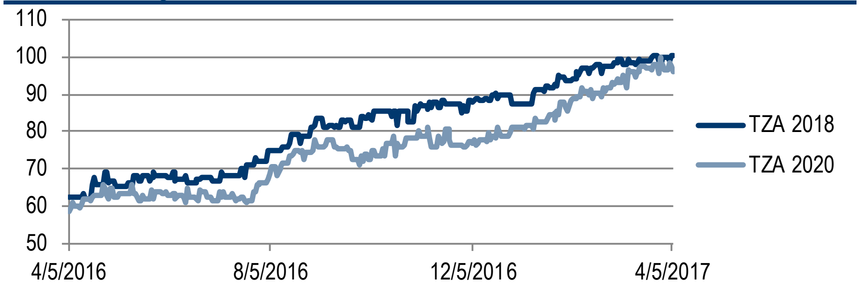
Telecom - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
TZA	7.5	5/25/2018	USD 258	B+	Sr Unsecured	5/8/2017 @ 101.875	99.75	7.72	669	1.03
TZA	7.625	9/18/2020	USD 500	B+	Sr Unsecured	9/18/2017 @ 103.8125	97.75	8.39	685	2.94

TZA's 4Q16 results came ahead of our expectations, especially in terms of profitability. Revenues were up 4% yoy, driven by improved domestic advertising, as well as a spike in sales from Azteca America. Meanwhile, EBITDA spiked again on the back of top line growth, as well as their efforts to reduce costs, improve production efficiency and focus on flexible alternative content generation, which translated into cost reductions. Meanwhile, net leverage improved over a turn yoy, pushing it to 3.7x. More importantly, the company stated that they are "currently implementing a strategy to partly amortize the USD 300 million notes due 2018, and substitute the remainder for peso denominated liabilities." On that point, the company announced that they had already bought back about USD 42.5 million of TZA 18s. To put it in perspective, we calculate that the company generated about USD 38 million of positive FCF for the year, which basically implies that most of its cash flow generation was used to curtail debt and will likely continue to do so in the near future.

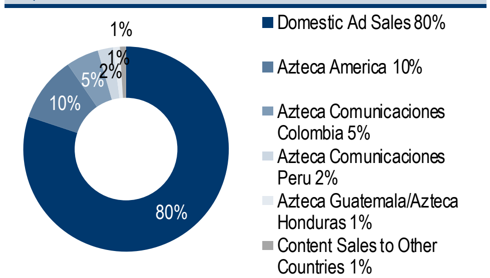
At this point, we remain positive on TZA and expect TZA 18s to continue their upward trade close to par, as the company continues its prepay/refinance strategy; thus there is a high likelihood, in our view, that TZA 18s will be taken out of the market by the end of the year through FCF generation and other refinancing in MXN. As per the 2020 Notes, we would not be surprised to see some supply from investors who bought in the 60s and are now interested in cashing out their 50% return; nevertheless, yield remains attractive and we remain comfortable with the position.

Historical Pricing



Source: Bloomberg, GMP Securities

4Q16 Sales Breakdown

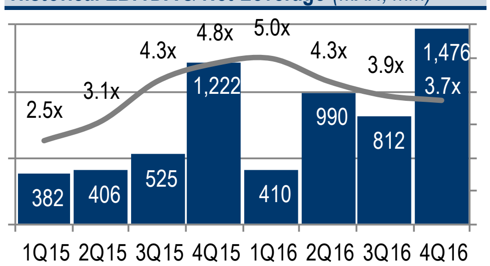


Financial Summary

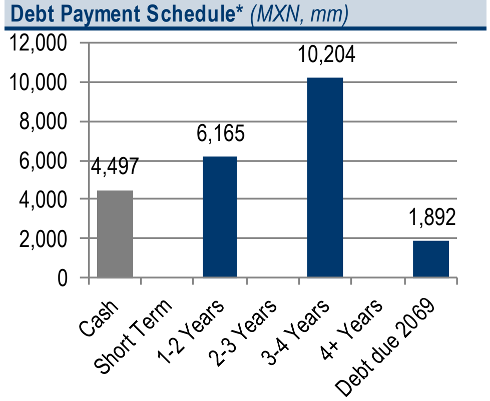
(MXN, mm)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Revenues	4,328	4,148	*4%*	14,197	12,859	*10%*	685
Gross Profit	1,949	1,638	*19%*	5,208	4,139	*26%*	251
Gross Margin	*45.0%*	*39.5%*	*5.5%*	*36.7%*	*32.2%*	*4.5%*	*36.7%*
EBITDA	**1,476**	**1,222**	***21%***	**3,688**	**2,534**	***46%***	**178**
EBITDA Margin	***34.1%***	***29.5%***	***4.6%***	***26.0%***	***19.7%***	***6.3%***	***26.0%***
Interest Expense	(384)	(329)	*nm*	(1,435)	(1,256)	*nm*	(69)
Net Income	(179)	(508)	*nm*	(3,175)	(2,647)	*nm*	(153)
Cash & Equivalents	4,497	2,938	*53%*	4,497	2,938	*53%*	217
Current Assets	16,773	14,327	*17%*	16,773	14,327	*17%*	809
Total Assets	**38,931**	**36,679**	***6%***	**38,931**	**36,679**	***6%***	**1,878**
ST Debt	-	-	-	-	-	-	-
LT Debt	18,261	15,213	*20%*	18,261	15,213	*20%*	881
Total Debt	**18,261**	**15,213**	***20%***	**18,261**	**15,213**	***20%***	**881**
Capex	(226)	(410)	*nm*	(573)	(1,128)	*nm*	(28)
Free Cash Flow	**211**	**(67)**	***nm***	**790**	**(1,404)**	***nm***	**38**
EBITDA/(Int. Exp.)	***2.6x***	***2.0x***	***0.6x***	***2.6x***	***2.0x***	***0.6x***	***2.6x***
(EBITDA-Capex)/Int. Exp.	***2.2x***	***1.1x***	***1.1x***	***2.2x***	***1.1x***	***1.1x***	***2.2x***
Total Debt/EBITDA	***5.0x***	***6.0x***	***-1.1x***	***5.0x***	***6.0x***	***-1.1x***	***5.0x***
Net Debt/EBITDA	***3.7x***	***4.8x***	***-1.1x***	***3.7x***	***4.8x***	***-1.1x***	***3.7x***

Source: Company Reports, GMP Securities *MXN/USD 20.73*

Historical EBITDA & Net Leverage *(MXN, mm)*



Debt Payment Schedule* *(MXN, mm)*



As of Dec - 16, Source: Company Reports, GMP Securities

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UNIFIN FINANCIERA (UNIFIN)

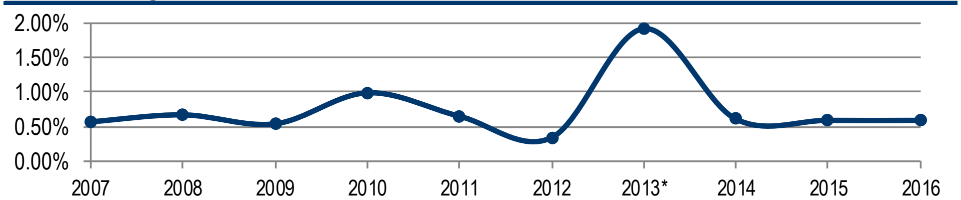
Financial Services - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
UNIFIN	7.25	9/27/2023	USD 400	BB / BB	Sr Unsecured	9/27/2020 @ 103.625	101.75	6.86	482	4.45

Unifin released solid 4Q16 results, with performance coming in above our expectations. Robust portfolio growth, impacted by strong origination in the leasing segment, drove total income growth, which was up 44% yoy for the quarter. Overall, and per our expectations laid out in prior notes, despite generally adverse macro conditions, the company continues to benefit from strong demand from the SME market. While funding costs were adversely impacted by a 250 bps hike in the reference rate, there were still double digit gains in margins. During the conference call, management did relay that as of January 1, they increased rates on origination by 200 basis points. Management's ability to pass further potential rates on to customers, combined with a robust pipeline of MXN 40 billion, 45% of which should be originated in the next several months, leaves us constructive on the Unifin's prospects. Furthermore, it's worth noting that the company has largely maintained their NPL ratios at a constant level despite total portfolio growth of 60% yoy, signifying that growth has not come at the expense of asset quality, as has somewhat been the case with CREAL's acquisition of Instacredit, in our opinion.

At this point, we are taking a more neutral stance with Unifin's Notes; while we believe that there is still some room for spread tightening on a relative value basis vs. other BB names in the region, we don't anticipate it will happen in the immediate future due to general uncertainty in the Mexican environment. Still, we remain constructive on the company's prospects, and will continue to monitor the situation; we would not be surprised to see a ratings upgrade at some point this year.

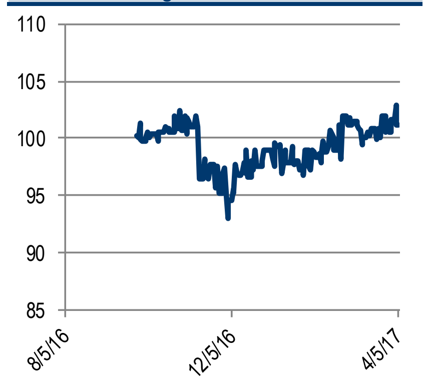
Non-Performing Loan Portfolio



*Includes extraordinary default related to factoring account, was recovered in 2014

Source: Company Records, GMP Securities

Historical Pricing



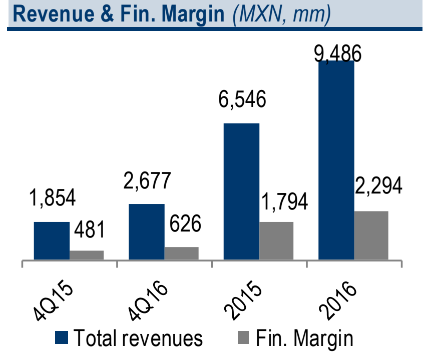
Source: Bloomberg, GMP Securities

Financial Summary

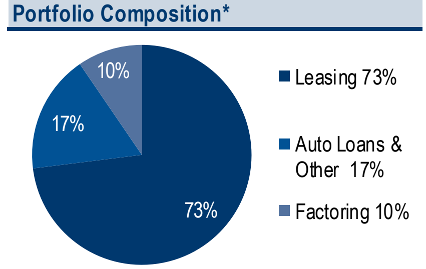
(MXN, mm)	4Q16	4Q15	Y/Y %	2016	2015	Y/Y %	LTM USD
Total Income	2,677	1,854	*44.4%*	9,486	6,546	*44.9%*	458
Operating Lease Income	2,223	1,558	*42.7%*	7,773	5,481	*41.8%*	375
Interest Income	296	242	*22.6%*	1,184	747	*58.4%*	57
Financial Margin Adj. for Credit Risks	626	481	*30.3%*	2,294	1,794	*27.9%*	111
Net Interest Income Margin (after LLP)	*23.4%*	*25.9%*	*-2.5%*	*24.2%*	*27.4%*	*-11.8%*	*24.2%*
Consolidated Net Income	295	238	*23.9%*	1,210	1,094	*10.7%*	58
Cash & Equivalents	1,679	1,458	*15.2%*	1,679	1,458	*15.2%*	81
Net Portfolio (On Book)	8,803	5,599	*57.2%*	8,803	5,599	*57.2%*	425
Off-Book Portfolio	21,143	13,142	*60.9%*	21,143	13,142	*60.9%*	1,020
Total Portfolio	30,142	18,855	*59.9%*	30,142	18,855	*59.9%*	1,454
Debt Capital Market	21,580	13,549	*59.3%*	21,580	13,549	*59.3%*	1,041
Bank Debt & Alternative	8,342	5,497	*51.7%*	8,342	5,497	*51.7%*	402
Net Interest Margin	**6.9%**	**8.9%**	***-2.0%***	**6.9%**	**8.9%**	***-2.0%***	**6.9%**
ROAA	**3.6%**	**5.4%**	***-1.8%***	**3.6%**	**5.4%**	***-1.8%***	**3.6%**
ROAE	**24.6%**	**37.2%**	***-12.6%***	**24.6%**	**37.2%**	***-12.6%***	**24.6%**
Capital / Total Assets	**13.2%**	**17.4%**	***-4.1%***	**13.2%**	**17.4%**	***-4.1%***	**13.2%**
Efficiency Ratio	**34.7%**	**39.2%**	***-4.5%***	**34.7%**	**39.2%**	***-4.5%***	**34.7%**
Total On-book Loans / Capital	**1.6x**	**1.3x**	***0.3x***	**1.6x**	**1.3x**	***0.3x***	**1.6x**
Total On/Off-book Loans / Capital	**5.5x**	**4.3x**	***1.1x***	**5.5x**	**4.3x**	***1.1x***	**5.5x**
NPL/ Total loans	**2.0%**	**1.9%**	***0.0%***	**2.0%**	**1.9%**	***0.0%***	**2.0%**
Provisions / Total loans	**2.2%**	**2.0%**	***0.2%***	**2.2%**	**2.0%**	***0.2%***	**2.2%**
Provisions / NPL	**1.1x**	**1.0x**	***0.1x***	**1.1x**	**1.0x**	***0.1x***	**1.1x**

Source: Company Records, GMP Securities *MXN/USD 20.73*

Revenue & Fin. Margin *(MXN, mm)*



Portfolio Composition*



*As of Dec-16, total portfolio: MXN 30.1 BN

Source: Company Records, GMP Securities

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USJ ACUCAR E ALCOOL (USJACU)

Food & Beverage - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
USJACU	9.875	11/9/2019	USD 29	CCC- / CCC	Sr Unsecured	5/8/2017 @ 104.938	71.00	25.98	2,462	1.90
USJACU	9.875	11/9/2021	USD 208	CCC	Secured	5/8/2017 @ 109.875	81.00	17.22	1,221	3.74

As we had already mentioned, we were not expecting F2017 to shape up significantly better for USJ, neither did we expect material deleveraging; results seem to be proving that point. Despite that prices had improved during F2017, USJ had already locked basically most of its production at about BRL 1,200/ton, significantly lower than sugar prices seen in the market, plus, the BRL appreciation has had a negative effect on the company's operations, though this is partially offset by lower debt in BRL on the liability side. In line with our expectations, EBITDA seems to be shaping up to be about BRL 230-250 million for this fiscal year, with FCF slightly negative to neutral, depending on how much of USJ's inventory can be converted into cash during F4Q17. Liquidity remains tight; however, we believe that the company should have likely already started to lock next year's production at better prices, though management, as usual, did not provide us with any material information during the conference call (neither did they hold a Q&A). As for SJC Bioenergia (the JV), performance remains healthy, and we expect to start seeing some more meaningful dividends from their F2018 harvest, whose funds (according to our last conversation with management) are expected to be largely allocated towards debt reduction given the stringent covenants under the restructured paper.

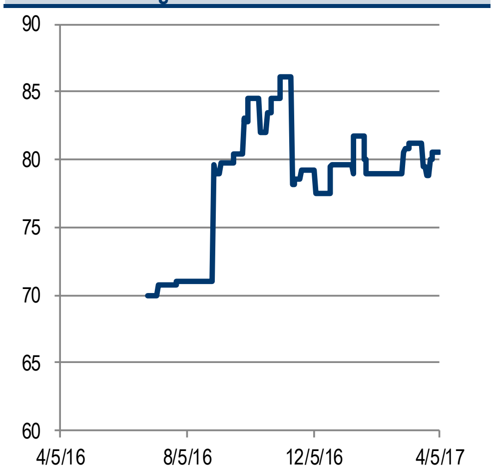
As per CarVal's surprising tender offer for any and all of the USD 29.1 million of the Notes due 2019, after a few extensions and slight increase of the total consideration to 62.5% from 60%, the tender offer should have expired on February 1, and we have yet to hear any results. As we had mentioned before, we remain constructive on USJACU Notes.

Financial Summary

(BRL, mm)	F3Q17	F3Q16	Y/Y%	F2Q17	Q/Q%	LTM	USD LTM
Net Revenue	155	126	*23%*	179	*-14%*	586	180
Gross Profit	51	20	*159%*	43	*19%*	141	43
Adjusted EBITDA	**79**	**60**	***32%***	**69**	***14%***	**242**	**74**
Adj EBITDA Margin %	*50.7%*	*47.3%*	*3.4%*	*38.3%*	*12.4%*	*41.3%*	*41.3%*
Cash & Equivalents	14	52	*-73%*	25	*-44%*	14	4
ST Debt	213	307	*-31%*	239	*-11%*	213	65
LT Debt	902	1,228	*-26%*	884	*2%*	902	277
Total Debt	**1,115**	**1,535**	***-27%***	**1,124**	***-1%***	**1,115**	**343**
Capex	-20	-9	*nm*	-11	*nm*	-69	-21
Other Investing Activities	-16	-12	*nm*	-10	*nm*	-57	-18
Free Cash flow	-46	-36	*nm*	19	*-340%*	25	8
EBITDA/Interest Expense	***1.4x***	***1.1x***	***0.3x***	***1.3x***	***0.1x***	***1.4x***	***1.4x***
Cash&Eq / ST Debt	***0.1x***	***0.2x***	***-0.1x***	***0.3x***	***-0.1x***	***0.1x***	***0.1x***
Total Debt / EBITDA	***4.6x***	***7.5x***	***-2.9x***	***5.0x***	***-0.4x***	***4.6x***	***4.6x***
Net Debt / EBITDA	***4.5x***	***7.3x***	***-2.8x***	***4.8x***	***-0.3x***	***4.5x***	***4.5x***

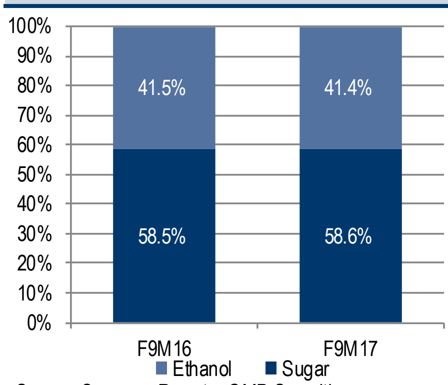
Source: Company Reports, GMP Securities *BRL/USD 3.26*

Historical Pricing



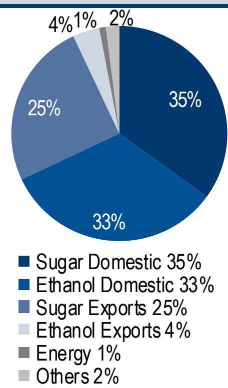
Source: Bloomberg, GMP Securities

Production Mix

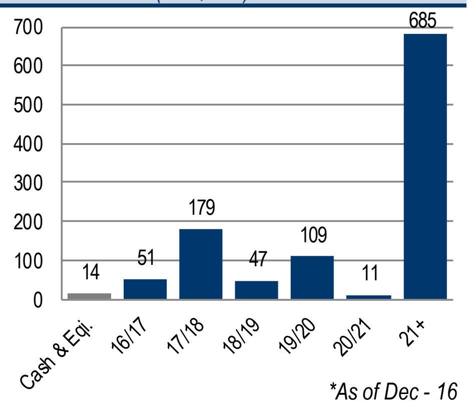


Source: Company Reports, GMP Securities

F9M17 Net Revenue Breakdown



Debt Schedule *(BRL, mm)**



**As of Dec - 16*

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OTHERS

Cimento Tupi (CIMTUP)

Construction Materials - Brazil

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
CIMTUP	9.75	5/11/2018	USD 185	D	Sr Unsecured	5/11/2017 @ 100	23.50		Defaulted	

On top of the default of the Notes in 2015, 2016 was an overall challenging year, with cement prices down and lower volumes down close to 15% yoy, reflecting the retraction in the cement market due to the challenging Brazilian macroeconomic situation, partially offset by better clinker sales. All in all, revenue for 2016 was down about 9% yoy, but EBITDA has continued its sharp decline over 80% yoy, which is on top of the whooping 90% yoy decline of EBITDA suffered in 2015. As a reminder, in 2015, CIMTUP defaulted on its Notes 2018; since then and as usual, information has been basically nil. There has been practically no material updates other than the company has signed contracts for the renegotiation of its debt in local currency with Banco Alfa, BicBanco, ABC Brasil, Credit Suisse and Fibra, while the negotiation with Banco de Desenvolvimento de Minas Gerais (BDMG) remains pending. The company has also mentioned their intentions to sell non-core assets but, in general, there are no material details of either the debt renegotiations or the asset sales. As we have previously mentioned, in our view, the company has valuable assets, especially its Pedra do Sino plant with a capacity of about 2.4 million tons, whose reposition costs are likely higher than current bond prices; still, we are more than cautious about the Brazilian bankruptcy process, which has proven too many times already to be creditor unfriendly.

Digicel Group (DLLTD)

Telecom - Caribbean

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
DLLTD	8.25	9/30/2020	USD 2000	Caa1 / B-	Sr Unsecured	5/8/2017 @ 104.125	86.50	13.22	1,169	2.86
DLLTD	6	4/15/2021	USD 1300	B1 / B	Sr Unsecured	5/8/2017 @ 103	91.00	8.71	707	3.35
DLLTD	7.125	4/1/2022	USD 1000	Caa1 / B-	Sr Unsecured	5/8/2017 @ 105.344	78.00	13.31	1,151	3.89
DLLTD	6.75	3/1/2023	USD 925	B1 / B	Sr Unsecured	3/1/2018 @ 105.063	90.00	8.97	704	4.65

Digicel's performance continues to be affected by local currency depreciation, while overall trends have not changed; voice revenues continue to decline, partially offset by higher data consumption. The company's growth is mostly coming from their FTTH efforts which, in our view, are growing at a healthy rate, while the business solutions segment has also gained momentum. Meanwhile, management ratified their intentions/strategy to improve the company's profitability and bring it back into positive cash flow generation territory by FY2018. Not surprisingly, growth and profitability are expected to come mainly from the same areas aforementioned, while focusing on cost cutting and efficiency measures aimed to bring EBITDA growth in FY2018 into the range of 2- 4%, and positive FCF at about USD 100 million. While we recognize that DLLTD's leverage is higher than ideal, we are not particularly worried about its debt maturity profile and the company is already looking into alternatives for its DPL loans, which, among other options, management mentioned could be wrapped into DIFL given that it's under-levered (though management did not give any specifics at this time).

As we have previously mentioned, at these levels, both DGL and DL Notes look attractive, in our view. Meanwhile, when looking into the structures of DGL and DL, DGL does not only offer very attractive double digit yields, but the spreads between DGL and DL are close to their widest levels, with over 500 bps spread compared to historical levels with a median of 200 bps. Thus, we would expect some mean reversion at the end of FY2017/beginning of FY2018, as we expect more stable results and some FCF generation. Similarly, on a relative value basis, DLLTD Notes look attractive and are among the cheapest in the HY LatAm telecom space.

Industrias Unidas (UNIDAS)

Manufacturing - Mexico

Ticker	Coupon	Maturity	O/S, mm	Rating	Rank	Callable	Price	YTW	OAS	Duration
UNIDAS	9	10/31/2023	USD 219	n/a	1st lien	5/8/2017 @ 100				

As a reminder, UNIDAS successfully tendered approximately 94% of its Series A and Series B 11.50% Senior Secured Notes due 2016 for New 9.00% Senior Secured Notes due 2023 at par. The New Notes were supposed to have largely the same covenants and conditions as the Old Notes and be secured by the same collateral as the Old Notes, while accrued interest from August 15 will PIK and be capitalized into the new principal; the Notes will amortize in installments during the life of the Notes. Overall, in our view, given the complete lack of transparency from

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the company, and basically the technical default of the Notes, it was very difficult to have a good sense as per how many investors were willing to tender their Notes; that said, the tender ended with relatively good turnout. Overall, given the company's lack of information and transparency, it is quite difficult to evaluate the merits of the Notes.