

/ CREDIT REPORT

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23.09.2016 22:54 (GMT -5)
document id: 369656-1-P02-1.17.5-19900

ORDER DETAILS

Order Details:

Order number: 369656
Delivery speed: Express
Language: English

COMPANY REPORTED

XXXXX DEL PERU S.A.A.
Aliases: MOVISTAR, XXXXX DEL PERU

Principal Address:
CALLE SCHELL - MIRAFLORES LIMA 18 LIMA
Lima
Peru
Telephone: +51-1-511 XXXX, +51-1-210 XXXX, +51-1-210
XXXX Fax: +51-1-265 XXXX

Email: cesar.XXX@XXXXX.com
Web: www.XXXXX.com.pe

ICON number: 110XXX
National ID: 201000XXXXX
Tax ID: 201000XXXXX

Activity status: 25.06.1920 - active company

Date of Last Research: 06.09.2016

CREDIT INFORMATION SUMMARY

Insolvency Information: According to available information sources the company is not in a insolvency/preliminary/debt regulation proceeding.

Maximum Credit: Suggested maximum amount: USD 12.000.000
Suggested minimum amount: USD 5.000.000

Suggested maximum amount: PEN 40.626.000
Suggested minimum amount: PEN 16.927.500

The suggested amount was estimated according to the experience of the Company and the financial information contained in the report.

Credit assessment: 8 - Low risk

| Insolvency / preliminary / debt regulation proceedings | Very High Risk | | | Medium High Risk | | Low Risk | | | | |
|--|----------------|---|---|------------------|---|----------|---|---|---|---|
| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |



Payment Practices: According to the data available there have been temporary payment incidents in the past which have been resolved in due course.

Payment references:

| Payment conditions | Payment experience | Reference Source | Notes |
|--------------------|--------------------|---------------------------|--|
| 90 days | good payer | XXX GRAPHICS PERU S.A. | Lima, Peru Phone: 511 205 XXXX Contact: Mrs. Roxana Petrozzi Customer since: 2010 Line of credit: XXX Confidential Last service: 08/2016 Product: Printing services Mrs. Petrozzi confirmed the reference. |
| | good payer | XXX ELECTRONICS PERU S.A. | Lima, Peru Phone: 511 415 XXXX Ext. 1069 Contact: Mr. Roberto Franco Line of credit: Yes Due to the suppliers' policy, it was not possible to obtain further trade reference. (08/2016) |
| 60 days | very good payer | XXXXX PERU S.A.C. | Lima, Peru Phone: 511 243 XXXX Contact: Ms. Imelda Velásquez Customer since: 10 years Line of credit: USD 1.000.000 Last purchase: 08/2016 Product: Telephone cables |

FOREIGN SUPPLIERS

NORTEL NETWORKS
Ontario , Canada
Phone: 905 863 XXXX

ECI TELECOM LTD
Petah Tikva , Israel
Phone: 9723926XXXX

COMPANY DETAILS

Established: 25.06.1920

Legal Form: Private Joint-Stock Company

The Company is not listed in the OFFICE OF FOREIGN ASSETS CONTROL (SPECIALLY DESIGNATED NATIONAL AND BLOCKED PERSONS), as of July 2016. In this list are included natural and legal entities (corporations) with links or backgrounds in drug trafficking, terrorism or other illegal activities

History:

NOTE:

The legal form of the Company is S.A.A. (Sociedad Anónima Abierta)

INFORMATION OF THE COMPANY

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XXXXX is an integrated telecommunications operator worldwide leader in the communication, information and entertainment solutions, present in Europe, Africa and Latin America (25 countries).

The Company has one of the most international profiles in its sector, generating more than 72% of its business outside its domestic market, and is constituted as the reference operator in the spanish-portuguese speaking market.

The Group is listed N°6 in the telecommunications system worldwide by market capitalization, N°1 as a European integrated operator, and N°11 in the Eurostoxx 50 ranking, which gathers the greatest companies in the Euro zone.

Capital:

Paid-up capital:

PEN 2.876.152.000,00

Shareholders:

| Full Name | Function | Address | Equity capital |
|-----------------------------------|-------------|---------|----------------|
| XXXXX LATINOAMÉRICA HOLDING S.L. | Shareholder | | 50,18% |
| LATIN AMERICA XXXXX HOLDINGS B.V. | Shareholder | | 48,31% |
| XXXXX ACCIONISTAS | Shareholder | | 1,51% |

Management:

| Full Name | Function | Address |
|--|--------------------------------|---------|
| César Linares Rosas | General Manager | |
| Alfonso Ferrari Herrero | Principal | |
| Eduardo Caride | Principal | |
| Gonzalo Hinojosa | Principal | |
| Luis J. Bastida Ibarguen | Principal | |
| Javier Manzanares Gutiérrez | Chairman of Board of directors | |
| Luis Angel Prendes Arroyo | Secretary | |
| Dennis Fernández Armas / Director de Operaciones de Red | Operations Manager | |
| Juan Díaz Carmona / Auditor Interno | Accountant | |
| José María Pasto Bedoya / Vicepresidente de Recursos Humanos | Contact - Others | |
| Juan Zegarra / Área Comercial | Contact - Others | |

Related Companies:

affiliate

XXXXX LATIN AMERICA S.A.C. , Peru , National ID: 203359XXXXX

affiliate

XXXXX DEL PERU S.A.C. , Peru , National ID: 204149XXXXX

affiliate

XXXXX INTERNATIONAL WHOLESALE SERVICES PERU S.A.C. , Peru , National ID: 204583XXXXX

affiliate

XXXXX SERVICIOS COMERCIALES S.A.C. , Peru , National ID: 204599XXXXX

KEY DATA ON OPERATIONS

Subject of Operation: NACE
6100 Telecommunications

The Company provides the services of land, mobile, and public telephone lines, local and international long distance telephony, internet, fax and cable television.

The company is active in the Coface sector 'Electrical equipments, Electronics and Information & Telecommunication Technology'.

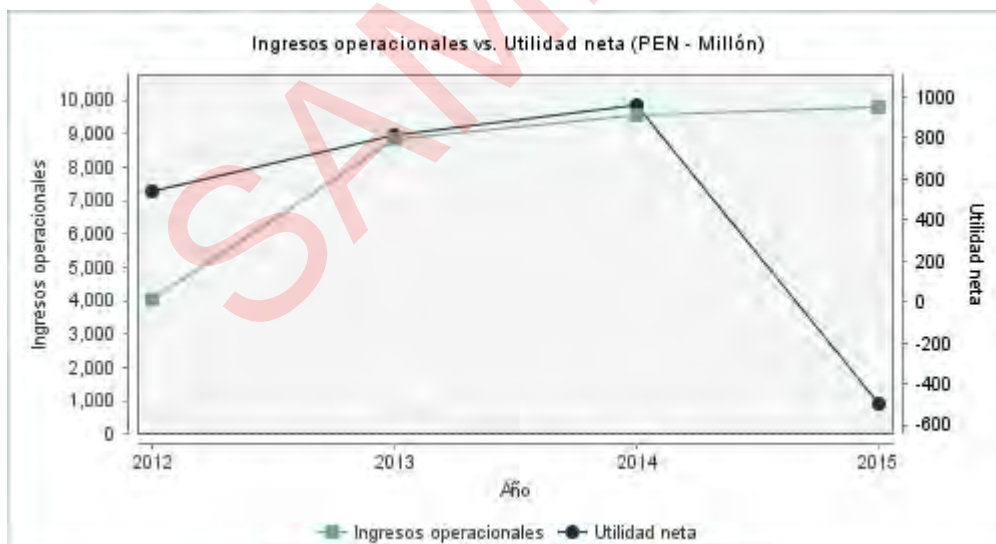
Company Development: 100: Positive business development

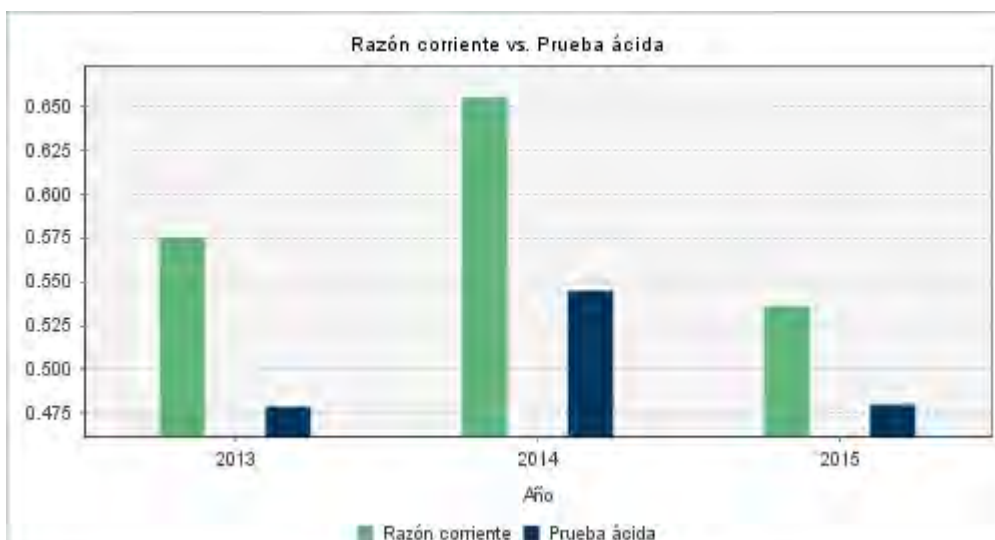
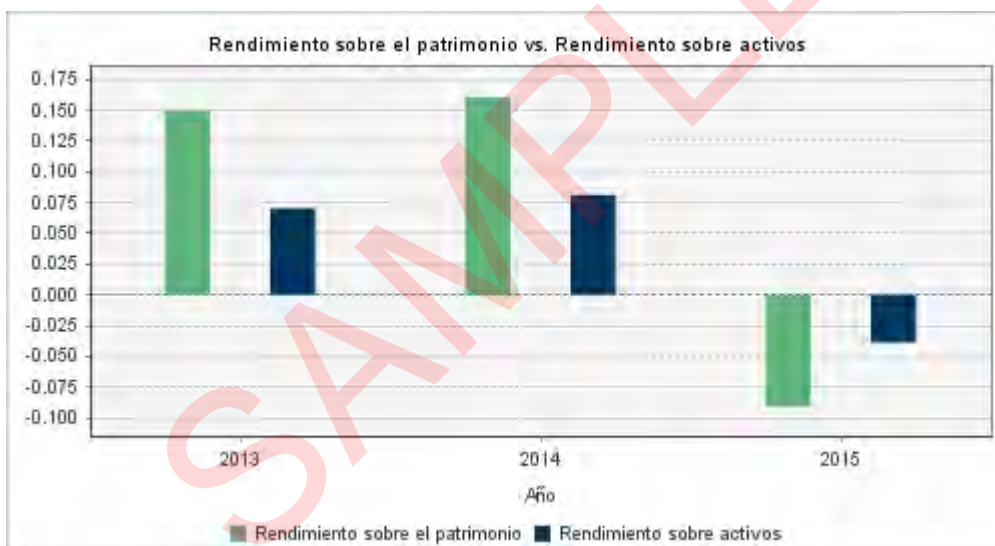
| Workforce: | 2015 | 2014 |
|-------------------|-------------|-------------|
| Total workforce | 5.443 | 2.777 |

Key Data:

Amounts shown in Nuevo Sol (PEN) Thousand

| | 01.01.2016 30.06.2016 | 2015 | 2014 | 2013 |
|-------------------|--|-------------|-------------|-------------|
| Operating Revenue | 4.708.590 | 9.780.344 | 9.532.827 | 8.829.692 |
| Net Profit | 563.564 | -498.926 | 961.341 | 815.023 |
| Total Assets | 13.669.474 | 12.880.428 | 11.858.996 | 11.596.998 |





Financials:

| Amounts shown in Nuevo Sol (PEN) Thousand | 01.01.2016 30.06.2016 | 2015 | 2014 | 2013 |
|---|--------------------------|-------------------|-------------------|-------------------|
| PROFIT AND LOSS | | | | |
| A. OPERATING REVENUE | 4.708.590 | 9.780.344 | 9.532.827 | 8.829.692 |
| B. SALES COSTS | | | 0 | 0 |
| Gross Profit | 4.708.590 | 9.780.344 | 9.532.827 | 8.829.692 |
| C. OPERATING EXPENSES | 3.787.327 | 7.996.768 | 7.756.398 | 7.039.167 |
| Operating profit (loss) | 921.263 | 1.783.576 | 1.776.429 | 1.790.525 |
| D. NON-OPERATING INCOME | 12.463 | | | |
| E. NON-OPERATING EXPENSES | 69.710 | | | |
| Profit before Tax | 864.016 | 1.378.540 | 1.551.177 | 1.449.615 |
| F. INCOME TAX | 300.452 | 1.877.466 | 589.836 | 634.592 |
| Net Profit | 563.564 | -498.926 | 961.341 | 815.023 |
| BALANCE SHEET | | | | |
| I. Cash and cash equivalents | 1.544.704 | 901.310 | 529.216 | 717.695 |
| II. Trade Debtors | 1.420.150 | 1.546.703 | 1.079.386 | 996.689 |
| III. Trade Debtors.provisions | 146.117 | | | |
| IV. Other debtors | 1.085 | 1.257.933 | 104.910 | 155.512 |
| V. Inventories | 413.182 | 299.385 | 389.599 | 400.667 |
| VI. Other current assets | 207.062 | | 203.611 | 110.534 |
| A. TOTAL CURRENT ASSETS | 3.732.300 | 2.852.563 | 2.306.722 | 2.381.097 |
| I. Investments | 8.379 | 8.000 | | |
| II. Valuations | 1.547.694 | 1.571.554 | | |
| III. Property, plant and equipment, net | 6.392.449 | 6.515.523 | 6.038.388 | 5.640.475 |
| IV. Other assets | 1.988.652 | 1.932.788 | 3.513.886 | 3.575.426 |
| B. TOTAL NON-CURRENT ASSETS | 9.937.174 | 10.027.865 | 9.552.274 | 9.215.901 |
| TOTAL ASSETS | 13.669.474 | 12.880.428 | 11.858.996 | 11.596.998 |
| 1. Financial obligations | 931.138 | 661.129 | 432.172 | 619.566 |
| 2. Trade creditors | 1.906.158 | 2.870.610 | 2.165.121 | 2.106.199 |
| 3. Accounts payable and related parties | 376.024 | 2.260.313 | 567.659 | 367.618 |
| 4. Taxes payable | | | | 15.660 |
| 5. Other short-term liabilities | 1.977.383 | | 353.207 | 1.028.748 |
| I. TOTAL SHORT TERM LIABILITIES | 5.190.703 | 5.321.848 | 3.518.159 | 4.137.791 |
| 1. Financial obligations | 1.436.205 | 1.077.675 | 1.498.946 | 1.879.903 |
| 2. Accounts payable and related parties | | | 101.911 | 147.487 |
| 3. Other long-term accounts payable and related parties | 45.441 | 268.045 | 41.226 | 39.820 |
| 4. Other long-term liabilities | 965.448 | | 818.599 | 107.667 |
| II. TOTAL LONG TERM LIABILITIES | 2.447.094 | 2.072.042 | 2.358.771 | 2.027.390 |
| C. TOTAL LIABILITIES | 7.637.797 | 7.393.890 | 5.876.930 | 6.165.181 |
| I. Subscribed and paid-in | 2.876.152 | 2.876.152 | 2.876.152 | 2.878.643 |

| | | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| capital | | | | |
| II. Surplus from capital | 77.899 | 77.899 | 77.899 | |
| III. Reserves | 519.048 | 537.447 | 437.835 | |
| IV. Net Profit | 563.564 | -498.926 | 961.341 | 815.023 |
| V. Retained earning | 1.995.014 | 2.493.966 | 1.628.839 | |
| D. EQUITY | 6.031.677 | 5.486.538 | 5.982.066 | 5.431.817 |
| TOTAL EQUITY AND LIABILITIES | 13.669.474 | 12.880.428 | 11.858.996 | 11.596.998 |

Approximate Exchange Rates:
 2015: 3,331 PEN = 1 USD
 2014: 2,993 PEN = 1 USD
 2013: 2,79 PEN = 1 USD
 2012: 2,55 PEN = 1 USD

Financial Comments: Consolidated and audited financial statements for the periods of 2013, 2014, 2015 and at the closing of 2016.

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Following is the financial data of XXXXX S.A. (individual Financial Statements) (000's EUR):

30/06/2016

 Sales: 964.566
 Profits: 2.418.554
 Total assets: 87.887.996
 Total liabilities: 64.853.858
 Equity: 23.034.138

2015

 Sales: 5.900.000
 Profits: 8.000
 Total assets: 85.013.000
 Total liabilities: 61.850.000
 Equity: 23.163.000

Año 2014

 Sales: 8.727.000
 Profits: 2.604.000
 Total assets: 85.847.000
 Total liabilities: 62.679.000
 Equity: 23.168.000

=====

Bankers:

BBVA BANCO CONTINENTAL
 Address: Agencia San Isidro, Lima
 Phone: 511 211-1000
 Line of credit: PEN 971,541,987.55
 Rating: Normal

BANCO SCOTIABANK
 Address: Av. Dionisio Derteano 102, San Isidro, Lima
 Phone: 511 211-6000 EXT. 15068
 Line of credit: PEN 597,668,385.80
 Rating: Normal

BANCO INTERBANK
 Address: Av. Carlos Villarán N°140 La Victoria, Lima
 Phone: 511 311 9001
 Customer since: 04/2003
 Line of credit: PEN 525,372,222.26
 Rating: Normal

BANCO INTERAMERICANO DE FINANZAS S.A.
 Address: Av. Ricardo Rivera Navarrete #600, San Isidro, Lima, Perú
 Phone: 51 1 631-9000
 Line of credit: PEN 505,508,893.17
 Rating: Normal

BANCO DE CREDITO DEL PERU
 Address: Av. Oscar R. Benavides 1395, Lima
 Phone: 511 311-9500
 Line of credit: PEN 63,736,915.72
 Rating: Normal

BANCO FINANCIERO
 Address: Av. Ricardo Palma N° 278 Miraflores, Lima
 Phone: 511 612-2000 EXTENSION 2267
 Customer since: 2007
 Line of credit: 62,340,647.38
 Rating: Normal

CITIBANK DEL PERU
 Address: Dirección: Av Enrique Canaval y Moreyra 498, San Isidro, Perú
 Phone: +51 1 2152000
 Line of credit: 2,021,819.84
 Rating: Normal

***Information obtained from the Risk Central.

Ratios:

| | 01.01.2016 30.06.2016 | 2015 | 2014 | 2013 |
|-------------------------------------|--------------------------|-------------------|-------------------|-------------------|
| LIQUIDITY RATIOS | | | | |
| Working capital | PEN | PEN | PEN | PEN |
| | -1.458.403.000,00 | -2.469.285.000,00 | -1.211.437.000,00 | -1.756.694.000,00 |
| Current ratio | 0,72 | 0,54 | 0,66 | 0,58 |
| Quick ratio | 0,64 | 0,48 | 0,54 | 0,48 |
| ACTIVITY RATIOS | | | | |
| Days accounts receivable | 119,75 | - | - | - |
| Accounts receivable turnover | 3,01 | - | - | - |
| Accounts payable turnover | - | - | 0 | 0 |
| Inventory turnover | - | - | 0 | 0 |
| Total asset turnover | 0,34 | 0,76 | 0,80 | 0,76 |
| DEBT RATIOS | | | | |
| Debt to asset ratio | 0,56 | 0,57 | 0,50 | 0,53 |
| Coverage ratio | 0,68 | 0,72 | 0,60 | 0,67 |

PROFITABILITY

| | | | | |
|---|------|-------|------|------|
| Gross margin | 1 | 1 | 1 | 1 |
| Operating margin | 0,20 | 0,18 | 0,19 | 0,20 |
| Net margin or return on sales | 0,12 | -0,05 | 0,10 | 0,09 |
| Return on equity | 0,09 | -0,09 | 0,16 | 0,15 |
| Return on capital employed | 0,20 | -0,17 | 0,33 | 0,28 |
| Return on investment or return on assets | 0,04 | -0,04 | 0,08 | 0,07 |

ADDITIONAL INFORMATION

Imports: Imports in CIF value:
 =====
 07//2016: USD 242,823,150.40 - China, Brazil, Vietnam and others.
 2015: USD 367,570,584.70 - China, Vietnam, Spain and others.
 2014: USD 112,846,622.21 - China, Spain , USA and others.
 2013: USD 31,664,639.57 - China, Spain , USA and others.

Exports: Exports in FOB value:
 =====
 2015: USD 32,369.03 - Czech Republic and Japan
 2013: USD 20,536.00 - Brazil and USA.

Real Estate:

Shop
 Address:
 XXXXX DIRECCIONES
 ADICIONALES Peru

Shop
 Address:
 SANTIAGO DE SURCO LIMA
 Peru

Shop
 Address:
 AV. PAS. XXXXX, CHORRILLOS
 LIMA
 Peru

Shop
 Address:
 AV. COMANDANTE XXXXX, MIRAFLORES LIMA
 Peru

Shop
 Address:
 CALLE CARLOS XXXXX, BARRANCO LIMA
 Peru

Shop
 Address:
 AV. NICOLAS DE XXXXX, LIMA
 LIMA
 Peru

Additional information: Trademark: Trademark owned

RANKING

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The Company is listed in the position 2 of the top 10,000 best companies of Peru in 2016

CONSOLIDATED CREDIT REPORT

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A) INFORMATION FROM CHAMBERS OF COMMERCE

A1) The Company reports notes receivable to Natural or Legal Persons.

* Number of notes: 69

* In PEN: 994,545.66

* Between the years: 2012-2016

A2) The Company does not report notes payable to Natural or Legal Persons.

B) DELINQUENCY:

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The Company reports delinquent notes.

Type of document: 8

Amount: 2,581.11

Currency: SOLES

Creditor: XXXXX S.A.- MUNICIPALIDAD DISTRITAL DE VENTANILLA - HIDRANDINA -SENTINEL

PERÚ S.A - SATH

Expiration date: 30/05/2013

Date of the Report: 08/2016

C) SUNAT (National Superintendence of Tax Administration)

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To the date hereof, there are no tax debts by the Company.

D) AFP (PENSION FUND ADMINISTRATOR)

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To the date hereof, the Company does not report delinquent pension fund contributions to the private pension fund system..

E) INFORMATION FROM THE SBS (Superintendency of Banking, Insurance and Pension Fund)

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Date of report: 07/2016

Number of entities: 8

Rating of the company: 100% Normal

--- Potential Problem

--- Deficient

--- Doubtful

--- Bankrupt

CONSOLIDATED CREDIT REPORT - NUEVOS SOLES (PEN)

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DIRECT DEBT..... 758,889,984.00

CURRENT CREDITS..... 758,889,984.00

LARGE-SIZED COMPANY..... 758,889,984.00

TOTAL DEBT..... 2,743,847,538.40

GUARANTEE.....540,827,837.90

Unused line and Non-Disbursed Credit....279,431,869.15

Press Releases:

PERU TOP: THE 10 COMPANIES THAT OBTAINED HIGHER REVENUE IN 2015

XXXXX del Perú. The telecommunications company obtained revenues for US\$ 3,007 million in 2015.

Date: 11/07/2016

Source: Diario Gestión

=====

XXXXX DEL PERÚ, ENTEL PERÚ AND AMÉRICA MÓVIL PERÚ OBTAINED THE 700 MHZ BAND

Date: May 27, 2016
SOURCE: TIC NEWS

(...) the C block of the company XXXXX del Perú S.A.A., offered US\$ 315'007,700. The base Price was US \$ 284.7 million.

Conclusion:

The company reports delinquency for the amount of PEN 2,581.11; however, this does not affect its activities. Likewise, there are no debts by the Company with the business line of COFACE's Debt Collection records.

The Company has 96 years of experience and is engaged in telecommunications, providing services of local and mobile telephony, and national and international long distance carriage services.

The Company is listed in the position 2 of the top 10,000 best companies of Peru in 2016 and considered as a main taxpayer of SUNAT nationwide.

It reports a 100% normal rating with the financial system, as of May 2016. It has a good concept from the contacted suppliers; it covers its obligations according to the specific terms.

Based on the financial information reported as of the closing of 2015, its operating revenue increased 2,6% year-over-year. The operating results were positive; however, the expense for income taxes (within which is PEN 1,555,669,000 due to the sentence issued by the Supreme Court of Justice because of the corporation taxes for the periods of 1998, 2000 and 2001) has impaired the net result. At the closing of the period, it reported a loss of PEN 498,926,000.

The total assets increased 8,6%, due to an increase of accounts receivable. The liabilities increased 25,81% in 2015 year-over-year; while its equity decreased 8,28%. The Company has a level of debt of 57% (within the financially accepted limit), also, the liquidity ratio is lower than the unit and the working capital is negative.

As of June 2016, the Company reported 4,708,590 thousands of Soles, which represents 48% of the revenue reported in 2015. The operating and year results are positive. Its level of debt is 56% (it decreased 1% compared to December 31, 2015); the liquidity ratio is still lower than the unit and the working capital is still negative.

Although it reports a negative working capital and lower liquidity ratios, the Company has not incurred in relevant delays and keeps a good commercial relation with the contacted suppliers.

Contact (08/2016): We tried several times to communicate with any directive of the Company, at 51 1 511 XXXXX, the answering machine verifies the legal name, but no extension attends, they just ring.

We sent an email requesting for information to Mr. José Revilla, Company Director (jose.revilla@XXXXX.com) and to Mr. Vicente Arnaiz, Business Director (vicente.arnaiz@XXXXX.com).

To the date hereof, we have not received a response. All the information contained herein was obtained from third-party sources.

BUSINESS ENVIRONMENT

Country Indicators:

Coface Country Rating:

2014

A4

CPI Consumer Price Index (ANNUAL CHANGE):

2015

4,4%

2014

3,22%

2013

2,86%

GDP (Gross National Product) (in Millions):

2015

USD 611.969,95

2014

USD 575.997,01

2013

USD 546.041,15

THE UNEMPLOYMENT RATE TO DECEMBER:

2015

6,16%

2014

5,52%

2013

5,8%

EXPORTS (in Millions) (FOB):

2015

USD 34.235,66

2014

USD 39.326,00

2013

USD 42.177,00

IMPORTS (in Millions) (FOB):

2015

USD 37.385,18

2014

USD 41.042,15

2013

USD 42.356,18

THE EMPLOYMENT POPULATION RATE TO DECEMBER:

2015

69,11%

2014

69,69%

2013

70,32%

EMPLOYMENT STATUS (AVERAGE) (in thousand):

2015

16498,1

2014

16396,38

2013

16328,84

THE CURRENT MONTHLY LEGAL MINIMUM WAGE:

2015

PEN 750,00

2014

PEN 750,00

2013

PEN 750,00

TRM (Market Representative Foreign Exchange Rate) (Average):

2015

PEN 3,18

2014

PEN 2,84

2013

PEN 2,79

WPI Wholesale Price Index (Base: 1994=100):

2013

209,62

2012

208,83

2011

205,2

WPI Wholesale Price Index (Base: 2013=100):

30.06.2016

103,85

2015

102,74

2014

100,95

-----END OF REPORT -----

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