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Fitch Takes Various Rating Actions on 11 Argentine Corporates

Fitch Ratings-New York-17 February 2016: Fitch Ratings has taken various rating actions on the following Argentine corporates:

- Arcor S.A.I.C.
- Capex S.A.
- Central Puerto S.A.
- Compania Latinoamericana de Infraestructura y Servicios S.A. (CLISA)
- Inversiones y Representaciones S.A.
- IRSA Propiedades Comerciales S.A.
- Mastellone Hermanos Sociedad Anonima
- Medanito S.A.
- Pan American Energy LLC
- Pan American Energy LLC Sucursal Argentina
- YPF S.A.

A full list of rating actions follows at the end of this release.

Fitch upgraded the local currency Issuer Default Ratings (IDRs) and revised the corporate Outlooks to Stable for Capex, Central Puerto, and YPF. These actions reflect Argentina's improving business climate following the election of Mauricio Macri on Nov. 22, 2015. Since taking office, the Macri administration has partially lifted capital restrictions, floated the currency, decreased export tariffs on agricultural products, and increased electrical system wholesale tariffs.

Fitch also revised the Recovery Ratings upward and upgraded accordingly the long-term senior debt ratings for Arcor, Capex, and YPF. These adjustments reflect the above average recovery prospects of several issues. Notes assigned an 'RR3' Recovery Rating reflect the expectation of a recovery in the range of 50% to 70% in the event of default. This expectation is due to the respective companies' strong balance sheets and Fitch's belief that their default would be

most likely driven by transfer and convertibility restrictions imposed upon the payment of foreign debt, not a material deterioration of the companies' business or financial profiles.

Sovereign Constrained Ratings

Fitch has assigned a country ceiling of 'CCC' to the Republic of Argentina, which limits the foreign currency rating of most Argentine corporates to 'CCC'. Country ceilings are designed to reflect the risks associated with sovereigns placing restrictions upon private sector corporates, which may prevent them from converting local currency (LC) to any foreign currency (FC) under a stress scenario, and/or may not allow the transfer of FC abroad to service FC debt obligations. Key concerns of corporates domiciled in Argentina include high inflation, a history of government interference, economic uncertainty, and limited access to debt markets, especially after the country's recent default. The Stable Outlook for eight of the 11 companies from today's review reflects the more positive expectations for the business climate in Argentina post elections.

RATING SENSITIVITIES

Negative: Future developments that could, individually or collectively, lead to negative rating actions in the short term:

- Further economic deterioration and the Republic of Argentina's inability to convert and transfer foreign exchange for corporates;
- Given high dependence on subsidies by various Argentine corporates, any further weakening of Argentina's fiscal accounts could have a negative impact on the companies' collections / cash flow;
- A significant deterioration of corporates' credit metrics.

Positive: A positive rating action could be the result of an upgrade of the sovereign rating.

Fitch has taken the following rating actions:

Arcor S.A.I.C.

- Foreign currency long-term IDR affirmed at 'B-'; Outlook revised to Stable from Negative;

--Local currency long-term IDR affirmed at 'B+'; Outlook revised to Stable from Negative;
--Notes due 2017 upgraded to 'B' from 'B-'; Recovery Rating revised to 'RR3' from 'RR4'.

Capex S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR upgraded to 'B' from 'B-'; Outlook revised to Stable from Negative;
--Notes due 2018 upgraded to 'CCC+' from 'CCC'; Recovery Rating revised to 'RR3' from 'RR4'.

Central Puerto S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR upgraded to 'B' from 'B-'; Outlook revised to Stable from Negative;
--Notes due 2017 affirmed at 'CCC+/RR3'.

Compania Latinoamericana de Infraestructura y Servicios S.A. (CLISA)

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR affirmed at 'B-'; Outlook Negative;
--Notes due 2019 affirmed at 'CCC/RR4'.

Inversiones y Representaciones S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR affirmed at B+; Outlook revised to Stable from Negative;
--Notes due 2017 and 2020 affirmed at 'B-/RR3'.

IRSA Propiedades Comerciales S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR affirmed at 'B+'; Outlook revised to Stable from Negative;
--Notes due 2017 affirmed at 'B-/RR3'.

Mastellone Hermanos Sociedad Anonima

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR affirmed at 'CCC';
--Notes due 2021 affirmed at 'CCC-/RR4'.

Medanito S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR affirmed at 'B-'; Outlook revised to Stable from Negative;
--Long-term international senior unsecured debt rating affirmed at 'CCC+/RR3(EXP)'.

Pan American Energy LLC

--Foreign currency long-term IDR affirmed at 'B-'; Outlook revised to Stable from Negative;
--Local currency long-term IDR affirmed at 'B+'; Outlook revised to Stable from Negative.

Pan American Energy LLC Sucursal Argentina

--Notes due 2021 affirmed at 'B'; Recovery Rating revised to 'RR3' from 'RR4'.

YPF S.A.

--Foreign currency long-term IDR affirmed at 'CCC';
--Local currency long-term IDR upgraded to 'B' from 'B-'; Outlook revised to Stable from Negative;
--Notes due 2018, 2024, 2025, 2028 upgraded to 'CCC+' from 'CCC'; Recovery Rating revised to 'RR3' from 'RR4'.

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Applicable Criteria

[Corporate Rating Methodology - Including Short-Term Ratings and Parent and Subsidiary Linkage \(pub. 17 Aug 2015\)](#)

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RELATED ENTITIES
<u>IRSA Propiedades Comerciales S.A.</u>
<u>YPF S.A.</u>
<u>Pan American Energy LLC</u>
<u>Medanito S.A.</u>
<u>Inversiones y Representaciones S.A.</u>
<u>Pan American Energy LLC Sucursal Argentina</u>
<u>Arcor S.A.I.C.</u>
<u>Mastellone Hermanos Sociedad Anonima</u>
<u>Compania Latinoamericana de Infraestructura y Servicios</u>
<u>Capex S.A.</u>

RELATED ENTITIES	
<u>Central Puerto S.A.</u>	
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<u>Fitch Affirms Mastellone's Ratings; Removes from Negative Watch</u>	08 Dec 15
<u>Fitch Expects to Rate Medanito S.A.'s Sr. Unsecured Issuance 'CCC+/RR3'</u>	02 Dec 15
<u>Central Puerto S.A.</u>	03 Nov 15
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<u>Central Puerto S.A. - Ratings Navigator</u>	03 Nov 15
<u>Latin American Power (Market Dynamics and Risks)</u>	21 Oct 15

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<u>Latin American Utilities Dashboard</u>	08 Jun 15
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