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## Fitch Upgrades Numerous Argentine Corporate Ratings

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Fitch Ratings-Chicago-23 March 2016: Fitch Ratings has taken rating actions on the following corporate issuers due to the recent upgrade of Argentina's Country Ceiling to 'B' from 'CCC':

- 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) of Argentina as well as its Country Ceiling to 'B' from 'CCC' on March 22, 2016. The long-term local currency IDR upgrade was driven by the improved consistency and sustainability of Argentina's policy framework, reduced external vulnerability, and the expected easing of fiscal financing constraints.

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 to any foreign currency) under a stress scenario, and/or may not allow the transfer of FC abroad to service FC debt obligations. Since taking power in December 2015, the Mauricio Macri administration removed FX controls introduced in 2011 and increased the flexibility of the Argentine peso, which should contribute towards improving the capacity of the

economy to absorb external shocks and relieve pressure on international reserves.

## RATING SENSITIVITIES

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

- An upgrade of the Argentine sovereign rating and country rating;
- Material improvements in economic conditions and the availability of additional financing options could positively impact local currency and issuance ratings.

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

- Any negative rating actions on the Argentine sovereign;
- Marked economic weakness;
- A significant deterioration of corporates' credit metrics.

## FULL LIST OF RATING ACTIONS

Fitch has taken the following rating actions:

### Arcor S.A.I.C.

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

### Capex S.A.

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

### Central Puerto S.A.

- Foreign currency long-term IDR upgraded to 'B' from 'CCC'; assigned a Stable Rating Outlook;

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

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

--Foreign currency long-term IDR upgraded to 'B-' from 'CCC'; assigned a Negative Rating Outlook;  
--Local currency long-term IDR affirmed at 'B-'; Outlook Negative;  
--Notes due 2019 upgraded to 'B-' from 'CCC'; Recovery Rating affirmed at 'RR4'.

Inversiones y Representaciones S.A.

--Foreign currency long-term IDR upgraded to 'B' from 'CCC'; assigned a Stable Rating Outlook;  
--Local currency long-term IDR affirmed at B+; Outlook Stable;  
--Notes due 2017 and 2020 upgraded to 'B' from 'B-'; Recovery Rating revised to 'RR4' from 'RR3'.

IRSA Propiedades Comerciales S.A.

--Foreign currency long-term IDR upgraded to 'B' from 'CCC'; assigned a Stable Rating Outlook;  
--Local currency long-term IDR affirmed at 'B+'; Outlook Stable;  
--Notes due 2017 and 2023 upgraded to 'B' from 'B-'; Recovery Rating revised to 'RR4' from 'RR3'.

Mastellone Hermanos Sociedad Anonima

--Foreign currency long-term IDR affirmed at 'CCC';  
--Local currency long-term IDR affirmed at 'CCC';  
--Notes due 2021 upgraded to 'CCC' from 'CCC-'; Recovery Rating affirmed at 'RR4'.

Medanito S.A.

--Foreign currency long-term IDR upgraded to 'B-' from 'CCC'; assigned a Stable Rating Outlook;  
--Local currency long-term IDR affirmed at 'B-'; Outlook Stable;  
--Long-term international senior unsecured expected debt rating of

'CCC+/RR3(EXP)' was withdrawn. The rating is being withdrawn as the transaction is no longer expected to proceed as previously envisaged.

Pan American Energy LLC

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

Pan American Energy LLC Sucursal Argentina

--Notes due 2021 upgraded to 'B+' from 'B'; Recovery Rating revised to 'RR4'  
from 'RR3'.

YPF S.A.

--Foreign currency long-term IDR upgraded to 'B' from 'CCC'; assigned a Stable  
Rating Outlook;  
--Local currency long-term IDR affirmed at 'B'; Outlook Stable;  
--Notes due 2018, 2021, 2024, 2025, 2028 upgraded to 'B' from 'CCC+';  
Recovery Rating revised to 'RR4' from 'RR3'.

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Date of Relevant Rating Committee: March 23, 2016.

Additional information is available at 'www.fitchratings.com'.

## **Applicable Criteria**

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

## **Additional Disclosures**

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