

The market measured in US dollars

1st Semester 2002

The Semester was characterized by high volatility measured in US dollars. Financial Reports were a vital resource to most Investors, and those who may anticipate to future results will be highly compensated by the effort and risk.

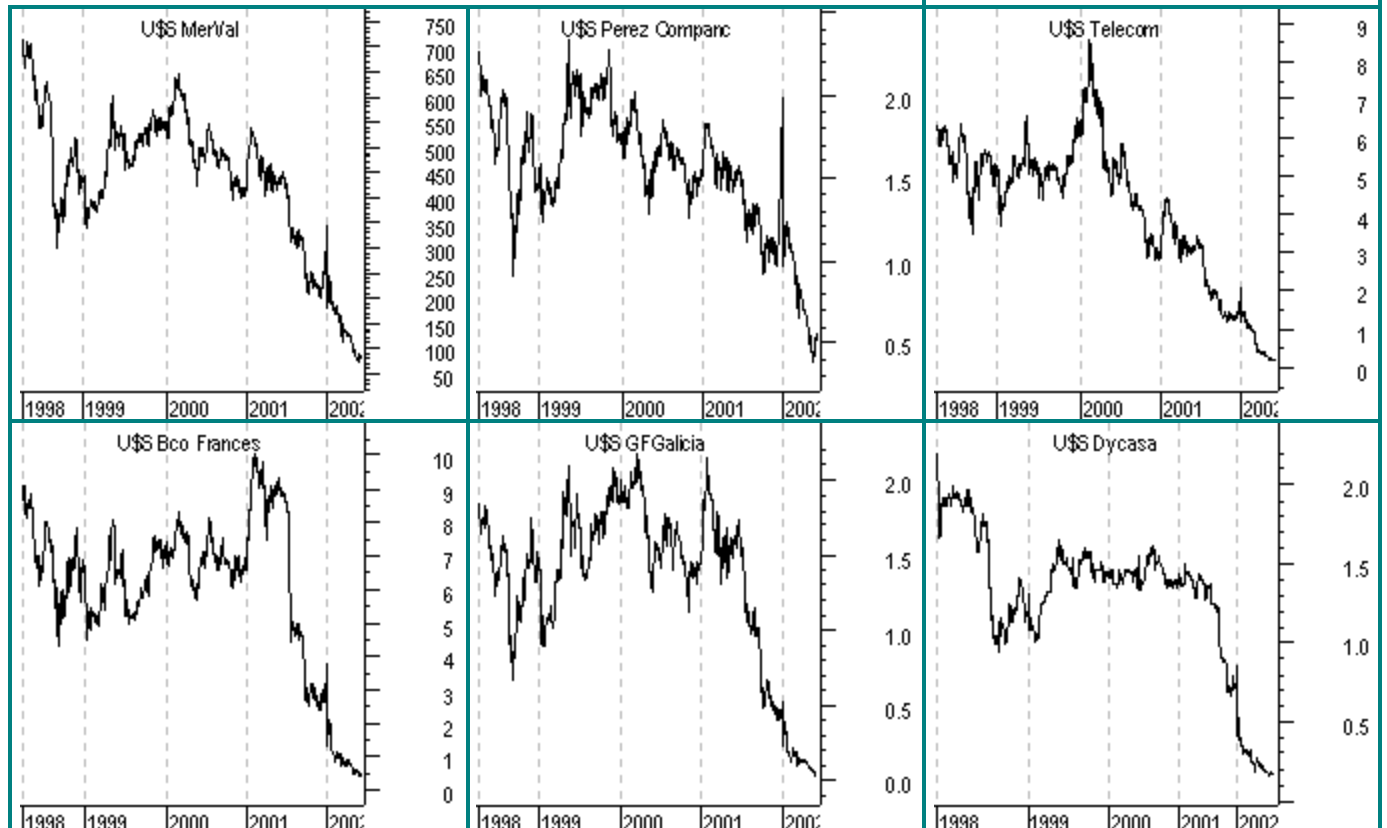
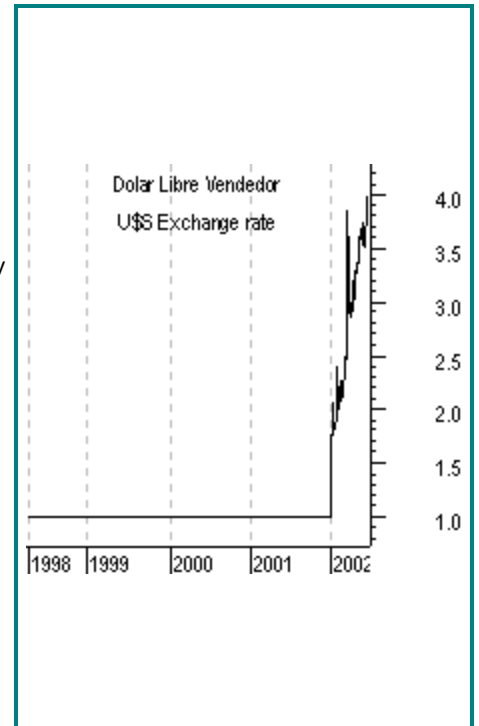
This was the 1st Semester after Argentina has left the Convertibility Law. At end of 2001 and beginnings of 2002 shares quotes increased in US dollars, reflecting the Market advance to devaluation.

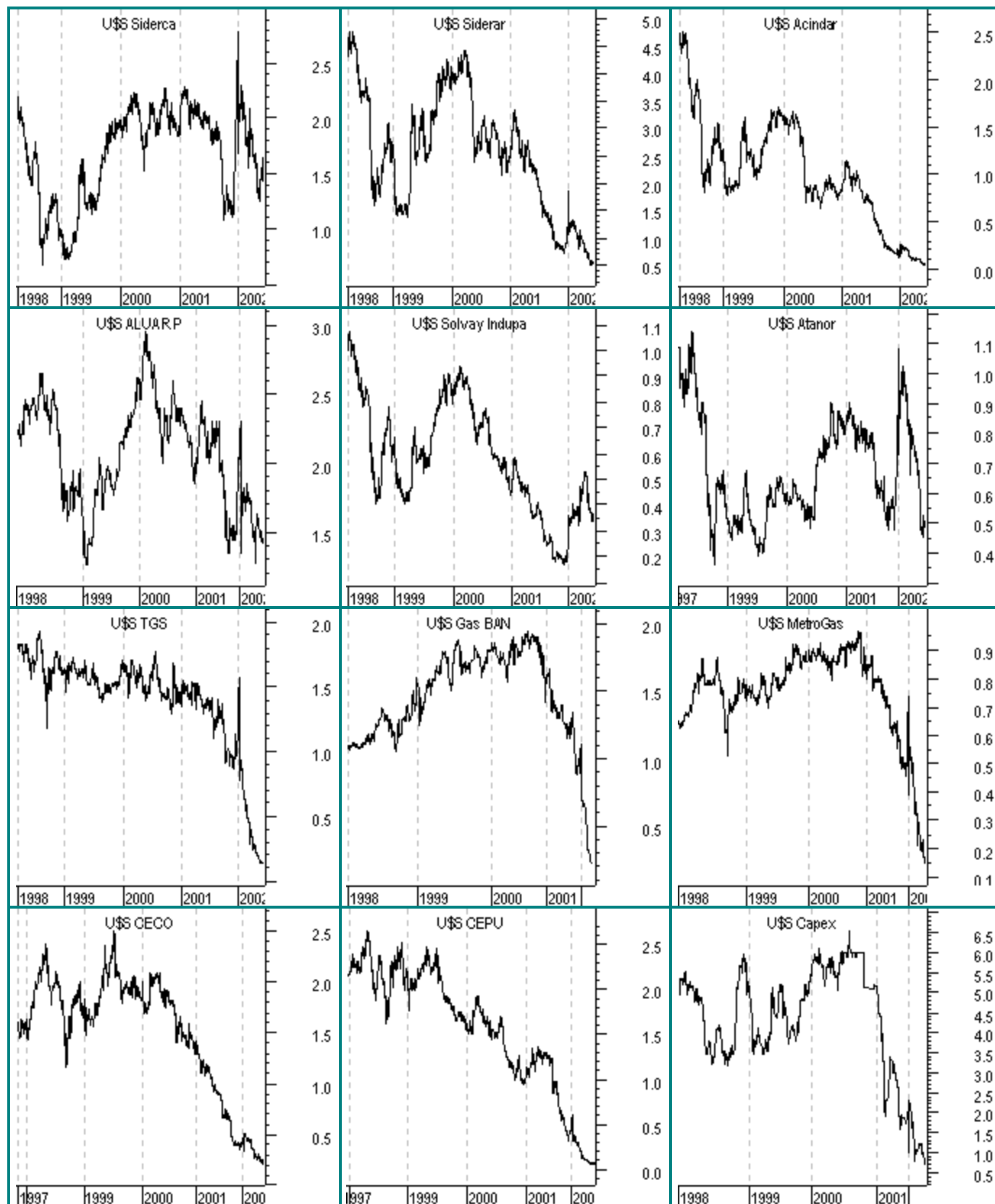
After this initial quick reaction, quotes in US dollars continued the prevailing declining tendency, with certain adjustments in relation to what investors foresee about the future, regarding expected exportations. Sectors not connected to the external market or highly impacted by devaluation begun a free fall.

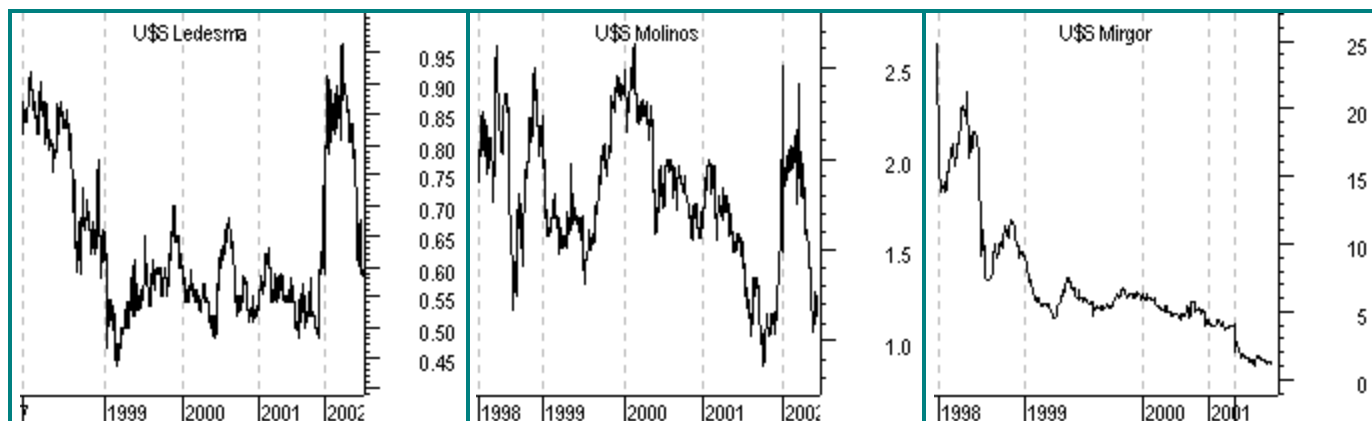
The semester was a highly volatile period, reflecting perhaps more the uncertainty of investors regarding benefits and prejudices in relation to devaluation, than a change in expectations in relation to country economics or politics.

Financial Reports are playing a key role, and will continue to do so, giving the impression that facts are prevailing to projections. If this is true, the volatility will continue since it is too difficult to understand the actual impact for most companies. While this is true for residents, is almost impossible to be understood by foreign investors. The increase of the exchange rate was 300% during the 1st quarter and an extra 33% during the 2nd quarter, while accountancy regulations included hybrid procedures, were Assets are valued with a mix of exchange rate losses and old (devalued) pesos with no adjustments at all. Net Results do not reflect actual profits or losses for those who invest in US dollars.

Whit the time investors will understand actual situation and Financial Reports. And, as always, those who anticipated will make a good difference.







Keywords: U\$S, exchange rate, Merval, Pérez Companc, PC, Telecom Argentina, TECO, TEO, Banco Francés, FRAN, BFR, Grupo Financiero Galicia, GFG, Dycasa, DYCA, Siderca, ERCA, Siderar, ERAR, Acindar, ACIN, Aluar, ALUA, ALUP, Solvay Indupa, INDU, Atanor, ATAN, Transportadora de Gas del Sur, TGS, TGSU, Gas BAN, Gas Natural BAN, GBAN, Metrogas, METR, MGS, Central Costanera, CECO, Central Puerto, CEPU, Capex, CAPX, Ledesma, LEDE, Molinos Río de la Plata, MOLI, Mirgor, MIRG

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