

D&B Report



Muebles Arell, S.A. de C.V.

Delivery Date: Jun 08, 2015

Subscriber No: 73522222
Reference: Sample Report

IDENTIFICATION & SUMMARY

Identification

D-U-N-S Number: 81-176-1659

Trading Style: MUEBLERIAS ARELL Y ESPANA

Country Tax ID: MAR750202J90

SSN: Y010102556-4

Location: Av. Reforma No. 589 Col. Centro
C.P. 44100 Guadalajara Jalisco
Mexico

Telephone(s): (+52) 33 33868688
(+52) 33 36602114
(+52) 33 36602113
(+52) 33 36522969
(+52) 33 36522929

Facsimile(s): (+52) 33 36602112

E-Mail: arell@arell.com.mx /
apedraza@arell.com.mx /
jmedina@arell.com.mx

Website: www.arell.com.mx

Summary

Type of Business: Stock Company with Variable
Capital

Established: 1975

Line of Business: Mfg., distribution, sale of household
furniture. Design, decoration of
interiors. Holding firm

Primary SIC: 25199900

Imports: Yes

Exports: No

Employs: 150 (Here)
600 (Total)

Principal: Alberto Pedraza Gonzalez
President Council

RISK SUMMARY

Risk Evaluation

EMMA Score	3
Risk Indicator	3
D&B Rating	4A3
D&B PAYDEXR	79
Former Rating	4A3
Record	Legal

Legal Events

Law Suit(s)	Yes
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Payment Information

Payment	Prompt
Payment Record(s)	22

Principal Information

Principal(s)	13
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Financial Summary

Sales	354,036,625 MXN 2013
Net Worth	408,816,549 MXN 2013
Capital	366,420,000 MXN
Condition	Good

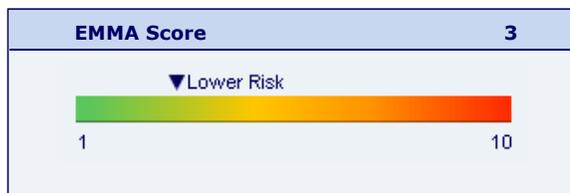
Financial Ratios

Current Ratio	2.15
Debt to Equity Ratio	0.24

Currency

All monetary amounts quoted in this report are shown in Mexican Pesos (MXN) unless otherwise stated

Risk Assessment



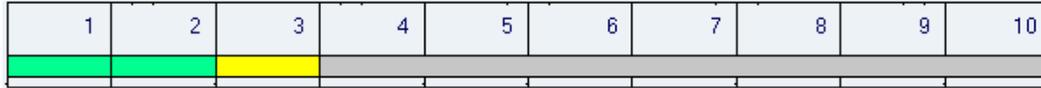
D&B Rating	4A3
Financial Strength	4A Based on net worth
Risk Indicator	3 Fair (slightly greater than average risk)

The Dun & Bradstreet Rating of 4A3 indicates:

- Financial Strength of MXN 102,298,000 - 511,489,999 based on net worth
- A Risk Indicator which is Fair (slightly greater than average risk)

RISK ANALYSIS

EMMA Score



EMMA Score Analysis

Subject's EMMA score is mainly impacted by the following risk drivers:

- Total Liabilities has a negative impact on the score
- Payment experiences indicates potential low risk
- Our comparisons indicate this business has a higher risk legal form
- Net Worth to Assets Ratio has a negative impact on the score

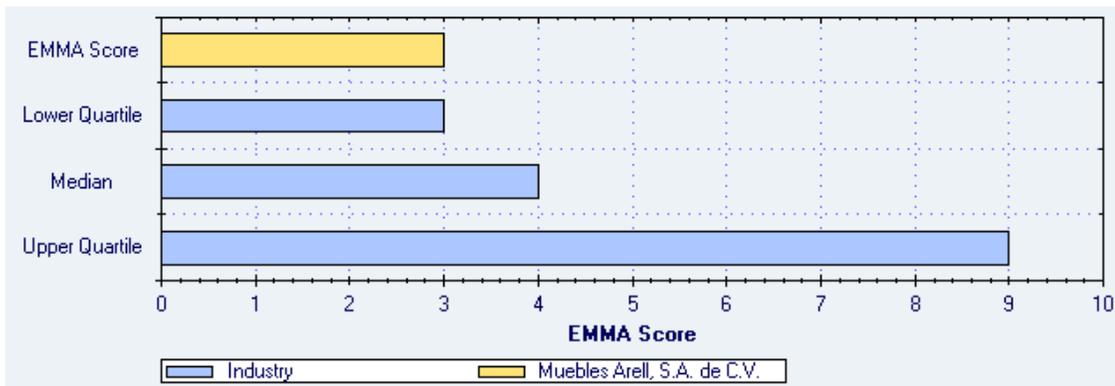
EMMA Score
3

By evaluating all risk factors, the company is assigned with EMMA score of "3", indicating "Lower Risk".

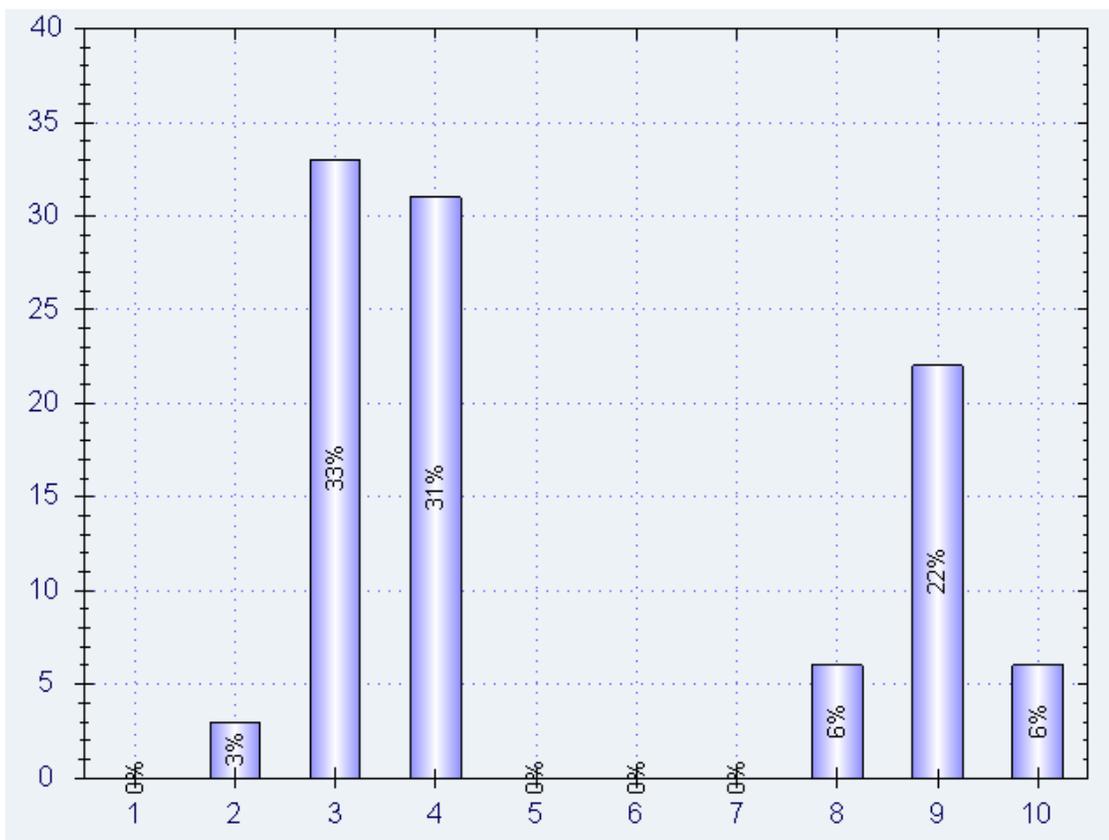
Industry Norm Grouping

Industry Group SIC	2519	
Industry Group Description	Household furniture	
Industry Group EMMA Score Quartile Values	Lower Quartile	3
	Median	4
	Upper Quartile	9

Company Risk Vs Industry Norm Chart



Distribution of EMMA Score in D&B Mexico Database



The percentages on the graph may not always add up to 100 due to rounding.

Note: please refer to the report appendix for the principle and major factors of D&B Mexico EMMA Score.

Risk Assessment Matrix

PAYDEX	Risk Range		
	Low (EMMA 1 - 3)	Medium (EMMA 4 - 7)	High (EMMA 8 - 10)
PAYDEX ≥ 80	AA	BA	CA
80 > PAYDEX ≥ 60	AB (Subject lies in this group)	BB	CB
PAYDEX < 60	AC	BC	CC

Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Quality group	AA->AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.
Low risk group	BA->BB->AC	Business is operated under low risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA->BC->CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.
Monitoring group	CC	Business is run under high risk or with high possibility of windup, and they are unable to pay their bills in time.	Avoid credit sales. Cash settlement is suggested.

*Risk levels are listed in order of risk from low to high.

According to the Risk Assessment Matrix, subject is rated as **AB**, which indicates that the subject belongs to the quality group:

- The risk level of the subject is low, which indicates a lower than average business risk amid all Mexican enterprises;
- The PAYDEX of the subject/industry indicates that some late payment behaviour exists. However, the time and amount of the delay could be deemed acceptable, thus its late payment behaviour is not severe;
- Subject is rated as a quality company due to its sound operation, low risk level and good credit reputation. Even though the subject/industry has some short-term late payment behaviours, which could be contributed to the specific industry characteristics, the subject is still recommended to be granted with a favourable credit policy.

TRADE PAYMENTS

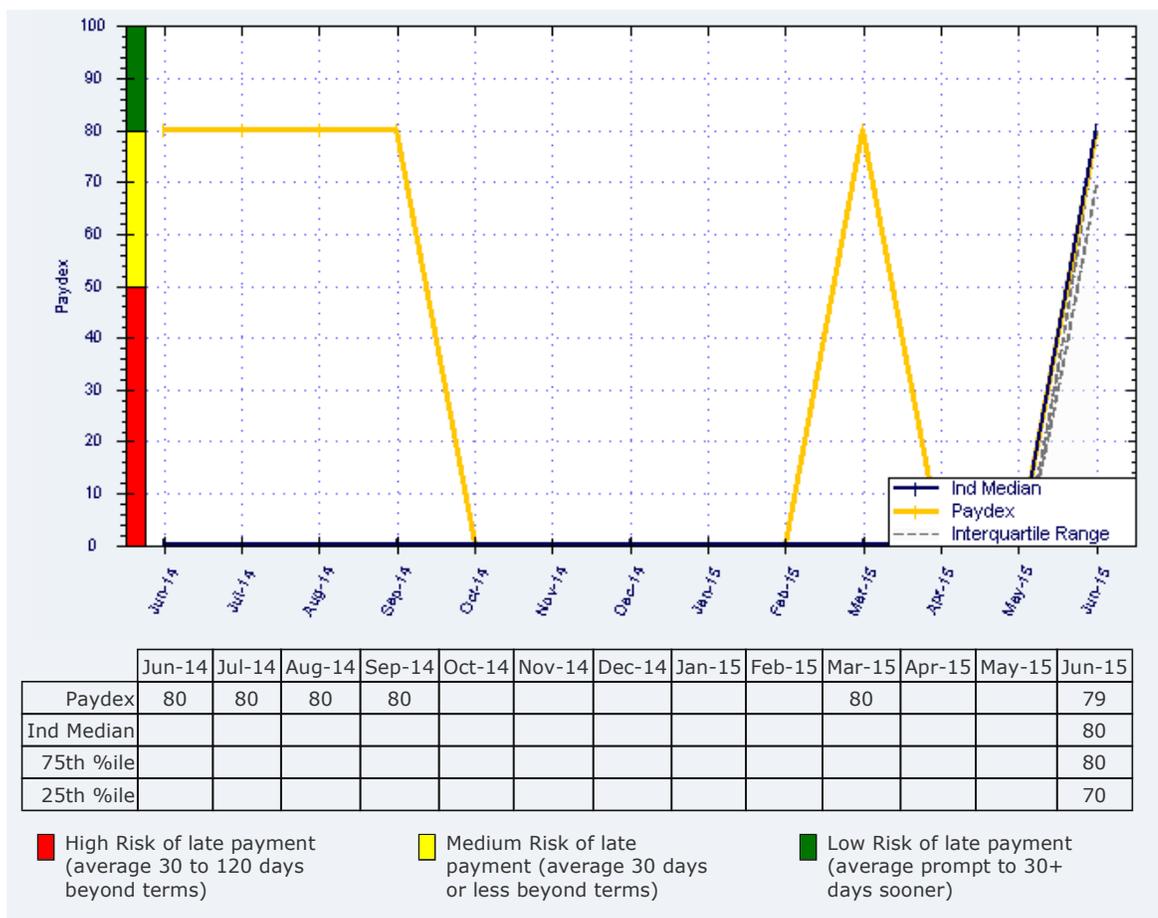
D&B Paydex

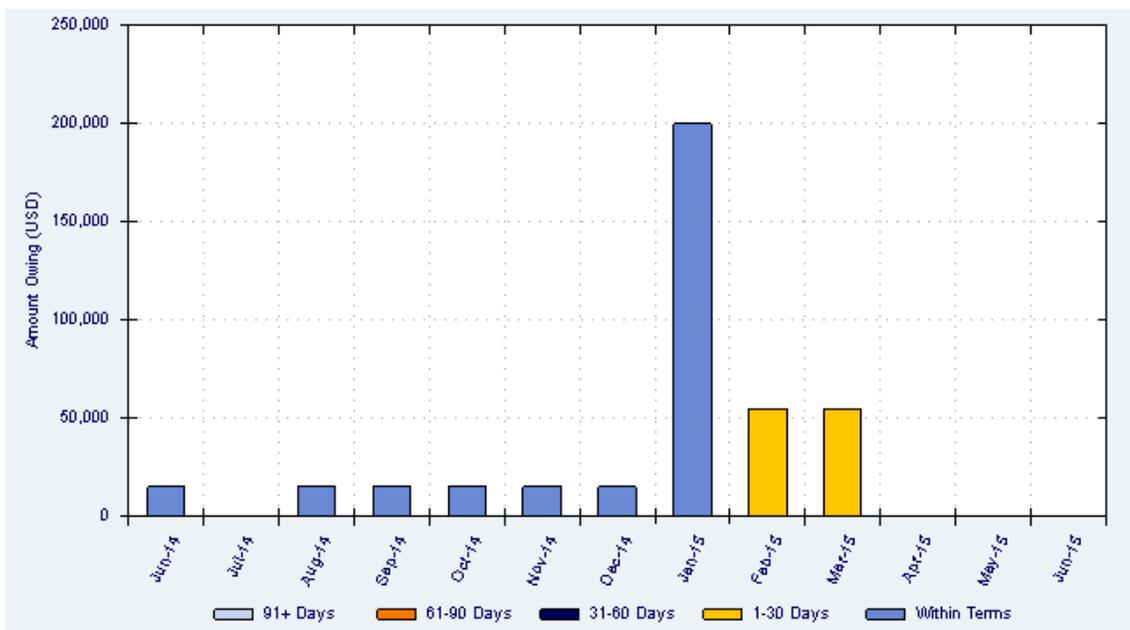
The D&B Paydex is a unique indicator of payment performance weighted by the monetary value of payment experiences as reported to D&B by trade references. Should you require any further information or have any questions regarding Paydex, then please refer to the Appendices section for details on contacting your local D&B Customer Service Centre.

Paydex of This Business	Paydex of This Industry
<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 2px solid yellow; padding: 5px; margin-right: 10px; font-weight: bold; font-size: 24px;">79</div> <div style="flex-grow: 1;"> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> 0 100 </div> <div style="display: flex; justify-content: space-between; height: 20px; background: linear-gradient(to right, red 33%, yellow 33% 66%, green 66% 100%);"></div> <div style="display: flex; justify-content: space-between; font-size: 8px; margin-top: 5px;"> 120 days slow 30 days slow Prompt Anticipates </div> </div> <p style="font-size: 10px; margin-top: 10px;">When weighted by value, payments to suppliers average 2 days beyond terms based on payments collected over the last 24 months.</p> <p style="font-size: 10px; margin-top: 5px;">This business has a lower paydex than its industry.</p> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 2px solid green; padding: 5px; margin-right: 10px; font-weight: bold; font-size: 24px;">80</div> <div style="flex-grow: 1;"> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> 0 100 </div> <div style="display: flex; justify-content: space-between; height: 20px; background: linear-gradient(to right, red 33%, yellow 33% 66%, green 66% 100%);"></div> <div style="display: flex; justify-content: space-between; font-size: 8px; margin-top: 5px;"> 120 days slow 30 days slow Prompt Anticipates </div> </div> <div style="font-size: 10px; margin-top: 10px;"> <p>Industry Name: Household furniture</p> <p>Industry Median: 80</p> <p>Upper/Lower Quartile: 80/70</p> <p>Based on: 28 businesses</p> </div> </div>

D&B Paydex Yearly Trend

The chart below shows the D&B Paydex of this business. It is based on payments collected over the past 24 months.





Trade Payment Summary (USD)

Value Bands	No of Exp	Total Value	Within Terms	1-30 Days	31-60 Days	61-90 Days	91+ Days
>= 2,000,000	0	0	0%	0%	0%	0%	0%
200,000 - 1,999,999	1	200,000	100%	0%	0%	0%	0%
100,000 - 199,999	0	0	0%	0%	0%	0%	0%
20,000 - 99,999	5	218,945	50%	50%	0%	0%	0%
10,000 - 19,999	6	90,000	100%	0%	0%	0%	0%
< 10,000	10	64,335	100%	0%	0%	0%	0%
TOTAL	22	573,280	81%	19%	0%	0%	0%

The USD amounts represented above may be the result of converting BRL or other currency types to USD to facilitate their joint interpretation.

Trade Payment Experiences

D&B obtains payment references from local and international suppliers. References listed below may be from either or both sources. Amounts may be rounded to the nearest figure in prescribed ranges.

Date	Paying Record	Currency	High Credit	Now Owes	Past Due	Payment Terms	Last Sale
Mar 31, 2015	Prompt/Slow 30	USD	55,000	0	0	30	-
Feb 28, 2015	Prompt/Slow 30	USD	55,000	0	0	30	-
Jan 31, 2015	Prompt	USD	200,000	0	0	30	-
Dec 31, 2014	Prompt	USD	15,000	0	0	30	-
Nov 30, 2014	Prompt	USD	15,000	0	0	30	-
Oct 31, 2014	Prompt	USD	15,000	0	0	30	-
Sep 30, 2014	Prompt	USD	15,000	5,000	1,000	30	-
Aug 31, 2014	Prompt	USD	15,000	0	0	30	-
Jun 30, 2014	Prompt	USD	15,000	15,000	250	30	-
May 23, 2014	Prompt	USD	3,500	0	0	30	-
May 23, 2014	Prompt	MXN	90,000	0	0	30	-
May 23, 2014	Prompt	MXN	100,000	0	0	45	-
May 23, 2014	Prompt	MXN	75,000	0	0	30	-
May 23, 2014	Prompt	USD	5,000	0	0	30	-
Apr 30, 2014	Prompt	USD	5,000	2,500	250	30	-

Apr 30, 2014	Prompt	MXN	250,000	0	0 45
Apr 30, 2014	Prompt	MXN	850,000	0	0 30
Apr 30, 2014	Prompt	MXN	90,000	0	0 30
Jun 10, 2013	Prompt	MXN	100,000	0	0 45
Jun 10, 2013	Prompt	MXN	250,000	0	0 45
Jun 10, 2013	Prompt	MXN	85,000	0	0 30
Jun 10, 2013	Prompt/Slow	MXN	90,000	0	0 30

Payment references contained in this report may have been obtained from the same source in different months and monetary units. In some instances, payment beyond terms can be the result of disputes over merchandise, lost invoices, etc.

COUNTRY RISK

Average Payments in Mexico

D&B Country RiskLine Report is an exclusive D&B publication, which provides key economic, commercial and political information on 130 individual nations. In March 2014, this publication reported:

- A) The local delays in payment average 0-1 months, and
- B) the foreign exchange bank delays average 0-1 months.

For more information concerning this publication please contact your local Dun and Bradstreet representative.

Risk Factor

Economic activity will accelerate in the coming quarters, leading to real GDP of 3.4% in 2014.

On February 5, Moody's upgraded the country's sovereign rating from Baa1 to A3 with a stable outlook. Mexico is the second Latin American country to be assigned the A sovereign rating; the other is Chile. President Enrique Pena Nieto, since assuming office in December 2012, has pushed through a raft of economic reforms that have opened up important economic sectors (specifically telecommunications and energy) to foreign investors and in so doing improved their competitiveness. The energy sector could boost the economy by 1.0% by 2018. Other rating agencies are expected to raise their ratings for Mexico, which would reduce the country's borrowing costs on international markets.

The central bank's forecast has an average inflation of around 4.0% in H1 and a subsequent gradual decline to its target range of 3% (+/-1%) in H2 2014.

NEWS & ALERTS

Financial Investigation

An analysis made by D&B Mexico shows that only 0.1% of companies file their financial figures with public sources. However, through proprietary internal processes and unique local sources, D&B Mexico fulfills over 32% of Businesses Information Reports with relevant financial information.

Special Events

By may 23, 2014, this firm is not registered in the list issued by the Control Office of Foreign Assets in United States. For further information, visit the site: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx> . On may 23, 2014, is listed in the compranet page as follows 25 biddings for \$18,235,815 14 invitations for \$6,701,421 10 adjudications for \$9,020, 300

It is not listed in the page of sanctions of the Secretariate of the Public Function

PUBLIC RECORD INFORMATION

Suits

The following suit(s) were found in our database

Petition Date: Oct 28, 2013
 Type: M.P.E.M.
 Filling Nbr: 7290/2013
 Court: 3
 City: Hermosillo

State: Sonora
 Defendant: Muebles Arell, S.A. de C.V.
 Other Defendant: and other(s)
 Plaintiff: Industrial Mueblera Nueva Era, S.A.P.I. de C.V.

Petition Date: Jun 01, 2013
 Type: Ordinary Mercantile
 Filing Nbr: 2413/2013
 Court: 4
 City: Culiacan
 State: Sinaloa
 Defendant: Muebles Arell, S.A. de C.V.
 Plaintiff: Nacional de Muebles, S. de R.L. de C.V.

Petition Date: Aug 04, 2012
 Type: Civil Executive
 Filing Nbr: 2480/2120
 Court: 8
 City: Monterrey
 State: Nuevo Leon
 Defendant: Muebles Arell, S.A. de C.V.
 Other Defendant: and other(s)
 Plaintiff: Juan Francisco Perez Ordaz
 Comments: agreement

Petition Date: Apr 26, 2012
 Type: Ordinary Mercantile
 Filing Nbr: 2153/2012
 City: Mexico
 State: Distrito Federal
 Defendant: Muebles Arell, S.A. de C.V.
 Plaintiff: Muebles Mexicanos, S.A. de C.V.

The reported suit(s) may have been paid or resolved subsequent to the preparation of this report.

The suits mentioned above, have been gathered from the Mexican Legal Bulletin (Boletin Judicial de Mexico, D.F.), Official Federation Journal, from the public registry, additional specialized sources, and/or other sources. Therefore, we hold no responsibility for any error that could have been compiled from the original source.

BANKS

Muebles Arell, S.A. de C.V. currently has accounts in the following bank(s):

Bank Name: **BBVA BANCOMER, S.A.**
 Location: Guadalajara, Jalisco, Mexico
 Account No: 1234567890 (MXP)
 8521473690 (USD)
 Branch: Chapultepec

Bank Name: **BANAMEX, S.A.**
 Location: Guadalajara, Jalisco, Mexico
 Account No: 159753 (MXP)
 456852137 (USD)
 Branch: Metropolitana

Bank Name: **HSBC MEXICO, S.A.**
 Location: Guadalajara, Jalisco, Mexico
 Account No: 124863984 (MXP)
 798465123 (USD)
 Branch: Florencia

Bank Name: **BANORTE, S.A.**
Location: Guadalajara, Jalisco, Mexico
Account No: 11458632 (MXP)
 18465231 (USD)
Branch: Juarez

Bank Name: **BANCO SANTANDER, S.A.**
Location: Mexico, Distrito Federal, Mexico
Account No: 46243672
Branch: Polanco

Additional: Branch: Chapultepec, consulted on May 20, 2014, client since: Apr 17, 1990.
 Account Type: checking account
 Average Balance: \$6,000,000 MXN.
 Credit Line Operaes with open line of credit.
 Banking experience: good

Additional: Branch: Metropolitana, consulted on May 14, 2014, client since: Jul, 1994.
 Account Type: checking account
 Average Balance: \$4,000,000 MXN.
 Credit Line Operaes with open line of credit.
 Banking experience: good

Additional: Branch: Florencia, consulted on May 01, 2014, client since: 1998.
 Account Type: checking account
 Average Balance: \$3,500,000 MXN.
 Credit Line Operaes with open line of credit.
 Banking experience: good

Additional: Branch: Juarez, consulted on May 20, 2014, client since: 2000.
 Account Type: checking account
 Average Balance: \$3,000,000 MXN.
 Credit Line Operaes with open line of credit.
 Banking experience: good

CURRENT INVESTIGATION

Investigation Information

On May 23, 2014 during the current investigation Bachelor Javier Medina Mondragon, Director Administration & Finance, submitted financial statement (signed) dated Dec 31, 2013. Figures in MXN.

Finance 2013 was examined by the office PriceWaterhouseCoopers, S.C..

HISTORY

Background

Established as a Stock Company with Variable Capital on Aug 20, 1990 deed 53871 registered by Notary's office 14 Bachelor Constancio Hernandez Allende, registered in the Mercantile Registry in Guadalajara, Jalisco. Mercantile Folio 127580.

Duration of 99 years.

It was established in 1975.

This is a well established business

Under taxation system since 1983.

Under present firm name since 1990.

Status active.

Object

Object: Manufacture, buying-sellilng, distribution, representation, design, trading in all furniture and household electricals; control, acquisition, distribution of shares, values and all related commercial acts. All Design and decoration of interiors' services.

Merger

The reported business was merged with Muebleria La Fortuna, S.A. de C.V. (ceased operations)

Changes

Former name: Muebles O Carvallino, S.A.. Registered in Mercantile Folio Nu. 127580, Deed 6514, founded on Feb 02, 1975.

On May 07, 1983, by charter amendment, the name was changed to Muebles O Carvallino, S.A. de C.V., registered under Public Deed/Mercantile Folio, book 1, pages(s) 5, nu 7, registered under Bachelor Constancio Hernandez Allende, Notary's office No. 14

On Aug 20, 1990, by charter amendment, the name was changed to Muebles Arell, S.A. de C.V., registered under Public Deed/Mercantile FolioRegistered under Bachelor Constancio Hernandez Allende, Notary's office No. 14

Capital

Capital Stock: \$366,420,000 MXN
Capital composition is divided into 366,420 of \$1,000 MXN.

Initial Capital Stock: \$7,500 MXN

Capital Distribution:

Capital distribution is as follows:

Shareholders	Stock Qty	% Capital
OPERADORA D&B, S.A. DE C.V.	293,136	80%
Bachelor Alberto Pedraza Gonzalez	36,642	10%
P.A. Pablo Andres Jara Fernandez	36,642	10%

Legal Representative

Power of Attorney assigned to the president and the general director who(s) represent(s) the firm in all business transactions.

Associations

The subject is affiliated with: CANACO (124583).

CORPORATE STRUCTURE

Parent

The subject is a subsidiary of:

Name: Operadora D&B, S.A. de C.V.
D-U-N-S: 82-207-5198
Location: Durango No. 263 Piso 5, Mexico, Distrito Federal, Mexico
Details: Ownership: 80%
 Year Started: 1970
 Line of Business: Tenedoras de acciones

The parent is a subsidiary of:

Name: Adriana, Inc
D-U-N-S: 12-345-6789
Location: Dallas, Texas, United States

Subsidiaries

The principals are:

Name: Inmobiliaria Mueblera de Colombia, S.A. de C.V.
Location: Merida, Yucatan, Mexico
Details: Ownership: 99.99%
 Year Started: 2000
 Line of Business: Real estate services
 Intercompany Relationships: leasing arrangements
 Legal Status: active

Name: Invernaderos Hidroponicos de Puebla, S. de R.L. de C.V.
Location: San Pedro Cholula, Puebla, Mexico
Details: Ownership: 75%
 Year Started: 2006
 Line of Business: Growing of hydroponic vegetables
 Legal Status: active

Name: Servicios Corporativos La Comercial, S.C.
Location: Mexico, Distrito Federal, Mexico
Details: Ownership: 60%
 Year Started: 1999
 Line of Business: Administrative and HR services
 Intercompany Relationships: administrative services and personnel
 Legal Status: active

Affiliates

The principals are:

Name: Comercializadora Arell, S.A. de C.V.
Location: Francisco I. Madero No. 278, Mexico, Distrito Federal, Mexico
Details: Year Started: 1975
 Line of Business: Dealer of furniture
 Intercompany Relationships: intercompany sales
 Legal Status: active

Name: Arell del Norte, S.A. de C.V.
Location: Pino Suarez 4815, Monterrey, Nuevo Leon, Mexico
Details: Year Started: 1999
 Line of Business: Dealer of electricals
 Intercompany Relationships: intercompany sales
 Legal Status: active

Name: Arell Inmobiliaria, S.A. de C.V.
Location: Av. Hidalgo 263, Puebla, Puebla, Mexico
Details: Year Started: 1975
 Line of Business: Real estate services
 Intercompany Relationships: leasing arrangements

Legal Status: active

Name: **Administraciones Arell, S.C.**

Location: Av. Corregidora No. 140, Guadalajara, Jalisco, Mexico

Details: Year Started: 1985
Line of Business: Administrative services
Intercompany Relationships: administrative services and accounting
Legal Status: active

PRINCIPALS

Name: **Alberto Pedraza Gonzalez**
Position: President Council

Name: **Pablo Andres Jara Fernandez**
Position: Secretary

Name: **Jose Angel Diaz Garcia**
Position: Treasurer

Name: **Enrique de la Cruz Ramirez**
Position: General Director

Name: **Raymundo Alvarado Mendez**
Position: Commissioner

Name: **Javier Medina Mondragon**
Position: Director Administration & Finance

Name: **Mario Castaneda Molina**
Position: Manager Administrative

Name: **Nicolas Gaytan Castro**
Position: Manager Accounting

Name: **Carlos Hernandez Gonzalez**
Position: Manager Plant

Name: **Isabel Ventura Gutierrez**
Position: Manager Sales

Name: **Monica Aguilar Cervantes**
Position: Manager General Services

Name: **Mariana Vallejo Franco**
Position: Manager Human Resources

Name: **Roberto Gomez Zaldivar**
Position: General Accountant

OPERATIONS

Line of Business

Mfg., distribution, sale of household furniture. Design, decoration of interiors. Holding firm.

- Manufactures: Household furniture, SIC: 25199900
- Manufactures: Wood office furniture, SIC: 25219900
- Wholesales: Household furniture, SIC: 50210200
- Wholesales: Office furniture, SIC: 50210106
- Provides: Interior design services, SIC: 73890600
- Engaged in: Interior decorating, SIC: 73890603
- Operates as : Holding companies, SIC: 67199900

The company operates as a holding company for a group engaged in companies engaged in services of personnel and real estate

Production/Others

Operates at 95% of capacity. Works 24 hours in 3 daily shift(s).

Market

In this country the subject is considered a medium concern in this field. Competition in this market is strong.

Quality Certificate

Subject has certificates:

ISO-9001-2008 with number ISO-52296946, for Design, manufacturer of furniture area for Jun 10, 2015.

Vehicles & Equipment

The subject owns the vehicles used by the business.

Vehicles including:

Quantity	Type	Brand/Model	Manufactured	Cargo Capacity
1	Trucks	INTERNATIONAL	2000	
1	Trucks	KENWORTH	2001	
1	Trucks	KENWORTH	2002	
1	Trucks	FREIGHTLINER	2000	
3	pick-ups	FORD	2008	
3	cars	NISSAN ALTIMA	2010	
1	cars	CHEVROLET AVEO	2013	
1	cars	SEAT TOLEDO	2011	
1	cars	CHEVROLET VECTRA	2013	
1	Trucks	MAZDA 6	2014	

The company utilizes own equipment:

Quantity	Kind of Equipment
-	office fixtures
-	computer equipment
-	industrial machinery

Trademark

Distributes under trademark(s).

Trademark(s) include: "IEM", "GE", "SONY", "LG", "ACROS", "SAMSUNG", "DAEWOO",

Sales

Sells mainly in Mexican Republic

Selling terms:

- 30 days, 60 days
- and 90 days
- Special agreement (100%)

Sells through own personnel.

Has 150 client(s).

Sells to private enterprises, 90%.

Sells to government, 10%.

Sales are steady throughout the year

Major Customers

Sells mainly to:

Name	%	Location
FABRICANTES REGIOS DE MUEBLES, S.A. DE C.V.		Monterrey, Nuevo Leon, Mexico
MUEBLES FINOS PARA EL HOGAR, S.A. DE C.V.		Guadalajara, Jalisco, Mexico
MUEBLERIA FORTUNA, S.A. DE C.V.		Leon, Guanajuato, Mexico
COMERCIALIZADORA ARELL, S.A. DE C.V.		Mexico, Distrito Federal, Mexico
ARELL DEL NORTE, S.A. DE C.V.		Monterrey, Nuevo Leon, Mexico
GOBIERNO DEL ESTADO DE JALISCO		Guadalajara, Jalisco, Mexico
GOBIERNO DEL DISTRITO FEDERAL		Mexico, Distrito Federal, Mexico
GOBIERNO DEL ESTADO DE NUEVO LEON		Monterrey, Nuevo Leon, Mexico
SECRETARIA DE DESARROLLO SOCIAL		Mexico, Distrito Federal, Mexico
PETROLEOS MEXICANOS		Mexico, Distrito Federal, Mexico
ALMACEN NACIONAL DE APARATOS PARA EL HOGAR, S.A. DE C.V.		Hermosillo, Sonora, Mexico
SURTIDOR MEXICANO DEL HOGAR, S.A. DE C.V.		Culiacan, Sinaloa, Mexico
CIA. COMERCIAL DON TONO, S. DE R.L. DE C.V.		Aguascalientes, Aguascalientes, Mexico

Purchases

Purchases from 800 suppliers.

85% of purchases from national suppliers; payment terms from 30, 45 to 60 days.

15% of purchases from foreign suppliers; payment terms from 30, 60 to 90 days.

Imports from :

- United States
- Canada 100%,

Purchases mainly from:

MADERAS Y TRIPLAY DEL NORTE, S.A. DE C.V.

TORNILLOS Y DERIVADOS METALICOS, S.A. DE C.V.

HERRAJES NACIONALES DE MEXICO, S. DE R.L. DE C.V.

LAMINADOS DE ALTA CALIDAD, S. DE R.L. DE C.V.

FLETES RAPIDOS DE GUADALAJARA, S.A. DE C.V.

MADERAS Y LAMINADOS DE MONTERREY, S. DE R.L. DE C.V.

TRIPLAY MUEBLERO NACIONAL, S.A. DE C.V.

MADERAS NACIONALES DE ALTA CALIDAD, S.A. DE C.V.

OMEGA TRANSPORTES, S.A. DE C.V.

FORESTAL DEL NUEVO MILENIO, S.A. DE C.V.

Employees

Total 600.

Employees at present location: 150.

Employees include:

- 80 office worker(s)
- 450 blue collar worker(s)
- 70 salesperson(s)
- 40 Outsourced Employee

Insurance

The company is insured with:

Insurance Company	Location	Coverage (% of total coverage)	Risk
AXA SEGUROS, S.A. DE C.V.	Guadalajara, Jalisco, Mexico	Covering all risks for 45,000,000 MXN	all risks
ABA SEGUROS, S.A. DE C.V.	Guadalajara, Jalisco, Mexico	Covering Transportation Equipment for 8,000,000 MXN	
SEGUROS INBURSA, S.A.	Guadalajara, Jalisco, Mexico	Covering Transportation Equipment for 4,500,000 MXN	
GRUPO NACIONAL PROVINCIAL, S.A.B.	Guadalajara, Jalisco, Mexico	Covering malicious damage for 6,500,000 MXN	malicious damage

LOCATION

Branches

The subject maintains 8 branch(es).

These are some of them:

Name: Muebles Arell, S.A. de C.V.
Location: Madero No. 100, Col. Moderna, Monterrey, Nuevo Leon, Mexico
Details: Maintains plant and warehouse. There are 100 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Manantiales No. 50, Col. Juan Escutia, Mexico, Distrito Federal, Mexico
Details: Maintains plant and warehouse. There are 100 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Salamanca No. 30, Col. Los Balcones, Leon, Guanajuato, Mexico
Details: Maintains plant and warehouse. There are 100 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Av. Centenario No. 154, Centro, Puebla, Puebla, Mexico
Details: Maintains sales office. There are 10 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Av. del Maestro No. 73, Col. Jardines de la Hacienda, Merida, Yucatan, Mexico
Details: Maintains sales office. There are 12 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Av. 5 de Febrero No. 278, Col. Centro, Veracruz, Veracruz, Mexico
Details: Maintains sales office. There are 12 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Francisco Villa No. 71, Col. Centro, Tijuana, Baja California Norte, Mexico
Details: Maintains sales office. There are 11 employees in this location.

Name: Muebles Arell, S.A. de C.V.
Location: Av. 16 de Septiembre No. 14, Col. Centro, Morelia, Michoacan, Mexico
Details: Maintains sales office. There are 10 employees in this location.

Former Address

Av. Antonio Diaz Soto y Gama No. 143
Ricardo Flores Magon
C.P. 44240 Guadalajara, Jalisco
Mexico

Postal Address

P.O. Box Durango No. 263
Cauhtemoc
06700 Mexico, Distrito Federal
Mexico

Registered Address

Durango No. 263 Piso 5
Col. RomaCauhtemoc
C.P. 06700 Mexico, Distrito Federal
Mexico

Location

At this address the subject maintains the administrative offices, plant and warehouse, located one building on land of 5,000 square meter(s).

The subject own premises of 3,800 square meter(s) on floor(s) 4 on a building of 4 floor(s).

FINANCIAL INFORMATION

Comparatives (MXN)

	Fiscal Consolidated Dec 31, 2011 Single Units MXN	Fiscal Consolidated Dec 31, 2012 Single Units MXN	Fiscal Consolidated Dec 31, 2013 Single Units MXN
Current Assets	176,145,920	181,433,778	188,141,682
Current Liabilities	85,400,787	89,198,036	87,648,685
Working Capital	90,745,133	92,235,742	100,492,997
Fixed Assets	270,655,608	284,448,850	318,323,552
Net Worth Or Total Equity	361,400,741	376,684,592	408,816,549
Net Sales	289,366,016	297,948,986	354,036,625
Net Income	14,598,416	15,283,851	15,712,986
Profit Margin: Net Income / Sales	5.05 %	5.13 %	4.44 %

Balance Sheet (MXN)

Assets	Fiscal Consolidated Dec 31, 2013 Single Units MXN
Cash and Banks	100,007,078
Surplus Taxes	58,592
Intercompany	1,260,000
Inventory	31,987,816
Other Current Assets	2,655,195
Clients	52,173,001
CURRENT ASSETS	188,141,682
Deferred Assets	9,061,062
Fixed Assets	309,262,490
TOTAL ASSETS	506,465,234
Liabilities	Fiscal Consolidated Dec 31, 2013 Single Units MXN
Accounts Payable	31,752,614
Taxes Payable	7,102,558
Others	12,951,724
Client Advances	31,752,614
Bank Loans	4,089,175
CURRENT LIABILITIES	87,648,685
Fixed Liabilities	10,000,000
TOTAL LIABILITIES	10,000,000
Capital Stock	366,420,000
Period Result	15,712,986
Previous Period Result	26,683,563
TOTAL LIABILITIES AND CAPITAL	506,465,234

Profit & Loss (MXN)

	Fiscal Consolidated From Jan 01, 2013 to Dec 31, 2013 Single Units MXN
Net Sales	354,036,625
NET SALES	354,036,625
Sales Costs	246,218,442
Cost of Goods Sold	246,218,442
Gross Income	107,818,183
Operations Expenses	94,939,312
Total Operating Expenses	94,939,312
Net Operating Income	12,878,871
Financial Expenses	-3,126,790

Financial Income	6,002,864
Profit(Loss) in Currency Exchange	-41,959
Non Operating Income	2,834,115
Pre-Tax Income	15,712,986
NET INCOME	15,712,986

Ratios (MXN)

	Dec 31, 2013
OPERATION RATIOS	
Profit Margin: Net Income / Sales	4.44 %
Profit / Total Assets	3.10 %
Return on Capital: Net Income / Capital	3.84 %
ACTIVITY	
Asset Turnover	0.70 times
Long Term Asset Turnover	1.11 times
Selling Days Receivable	53.05 days
INDEBTEDNESS RATIO	
Total Liab. to Total Assets	19.28 %
Debt Ratio	0.24 times
LIQUIDITY	
Current Ratio	2.15 times
Curr Assets-inv to Curr Liab	1.78 times
Liquidity Ratio: Total Assets / Total Liabilities	5.19 times
Debt Ratio:Equity / Total Liabilities	4.19 times
Debt Ratio: Equity / Current Liabilities	4.66 times

CONCLUSION

It has 40 years in the market registering low leverage and positive trend in income, profits and net worth. Payments are prompt despite showing some delays in the past and although shows records in its history, these do not represent a high risk in the business. It is stable due to its financial condition, liquidity and low indebtedness.

APPENDICES

Customer Service

Should you require any further information or have any questions, please contact your local Customer Service Centre. Mexican subscribers please contact:

Dun & Bradstreet Mexico

Durango 263, Pisos 5

Col. Roma

06700 Mexico, D.F.

Tel: +52 (55) 5229-6900

Fax: +52 (55) 5514-7502

Email: cscmex@dnb.com

Website: www.dnb.com/mx

Enquiries should **always** contain the below minimum details please:

- Full Company Name
- Full Headquarters Address
- Telephone Number
- Business Identification Number
- Contact Name
- Reference
- Order Date

D&B MEXICO EMMA Score

D&B EMMA Score (Emerging Market Mediation Alert Score) is a risk assessment model developed for emerging market countries. It is a score developed by data profiling approach and statistical modeling, which predicts the possibility of a business in perilous status of instability or unreliability, such as poor financials, delay payment, stale inventory, abnormal operational status, etc. The EMMA Score provides you with a quick assessment of a business' risk standing, and when used together with other information, allows you to make better risk decisions.

The EMMA Score is based on a scale of 1 to 10, where 1 represents a lower risk and 10 a higher risk.

EMMA Score for Mexico is initially rolled out in 2012, derived from the sample analysis of thousands of company records. When using the Score to make individual applicant decisions, a customized version of this table based on an analysis of the Score against your customer account portfolio is recommended. It does not necessarily mean doing business with a company, which is assigned with higher Risk Score, will result in increased risk. EMMA Score for Mexico is calibrated on regular basis following D&B Global Modeling Methodology that captures business environmental change in Mexico caused by macro economy shift and particular systematic events.

Mexico EMMA Score Commentary

Risk Range	EMMA Score	% of report in Mexican Universe	Commentary
Low Risk Scores	1-3	28.27 %	Lower Risk Range
Medium Risk Scores	4-7	29.58 %	Average Risk Range
High Risk Scores	8-10	42.15 %	Higher Risk Range

The Key Drivers of the EMMA Score include the following:

Business Information

- Legal Form
- Location
- Number of Employees
- Whether the Company has a parent
- Industry

Public Record

- Legal events - suits

Financial Information

- Total Liabilities
- Financial Ratios

Payment Information

- Delinquent Payment Data

EMMA Score Application

- *Low EMMA Score* - May proceed to process the applicant quickly with minimal or no manual review depending on the extent of score validation analysis.
- *Medium EMMA Score* - Medium Risk Scores - Recommend a manual review of the applicant based on the applicant's capacity, your internal policy and risk tolerance.

- *High EMMA Score - High Risk Scores* - Requires thorough manual review of potential decline, or approval depending on the applicant's capacity, your internal policy and risk tolerance.

Interpretation and Analysis of Risk Assessment Matrix

Classifications	Risk Level	Description	Credit Policy
Quality group	AA->AB	Business is sound, and the bills are paid promptly with good credit reputation.	Favorable credit policy can be granted with automatic approval.
Low risk group	BA->BB->AC	Business is operated under low risk, and some delay payment behaviors exist.	Appropriate credit policy is suggested with some manual review.
High risk group	CA->BC->CB	Business is operated under high risk, and some severe delay payment behaviors exist.	Relatively strict credit policy is suggested with detailed manual review.
Monitoring group	CC	Business is run under high risk or with high possibility of windup, and they are unable to pay their bills in time.	Avoid credit sales. Cash settlement is suggested.

*Risk levels are listed in order of risk from low to high.

The Risk Assessment Matrix is a tool to investigate the insight of a subject and combined with EMMA Score and PAYDEXR EMMA Score can indicate the risk level of subject. With the help of PAYDEXR one can also further analyze subject's risk and find out the internal factors causing risks based on the payment records of subject. In summary, the assessment matrix can make further insightful analysis towards the enterprises with similar EMMA Scores.

When using EMMA Score and Risk Assessment Matrix, the combination of other information, such as internal assessment policy of enterprise, commercial information provided by D&B, and feedback from the people who directly contacts with subject, etc., is recommended. This information will allow you to make suitable risk decisions.

D&B Rating Glossary

The following ratings are available for businesses in Mexico:

D&B Rating - The D&B® Rating in Mexico consists of 2 parts, the Financial Strength Indicator and the Risk Indicator. The Financial Strength Indicator is based on Net Worth of a current fiscal balance sheet. The table below contains the values for the D&B Rating in Mexico.

Financial Strength Indicator

Net Worth	Range MXN		Composition of Credit Risk			
	From	To	Strong	Good	Fair	Poor
5A	511,490,000	And above	1	2	3	4
4A	102,298,000	511,489,999	1	2	3	4
3A	15,345,000	102,297,999	1	2	3	4
2A	7,672,000	15,344,999	1	2	3	4
1A	3,836,000	7,671,999	1	2	3	4
A	1,923,000	3,835,999	1	2	3	4
B	962,000	1,922,999		2	3	4
C	481,000	961,999		2	3	4
D	246,000	480,999		2	3	4
E	123,000	245,999		2	3	4
F	61,000	122,999		2	3	4
G	Up to	60,999		2	3	4
O	Balance Sheet not available.					

Credit Risk	Condition	Risk Indicator	Interpretation
1	Strong	Minimum Risk	Grant Credit - offer more enlarged terms if necessary
2	Good	Risk Low	Grant Credit
3	Fair	Slightly bigger than the average Risk	Grant Credit, but monitored
4	Poor	Meaningful Risk	Examine each case before granting credit, get more market information, and analyze other suppliers. Ask for assurance

			if necessary due to the high risk.
S	Service Companies	By the business nature, do not sign risk level	Companies that do not request credit in their normal activities (Banks, Brokerages, Insurance Co., Schools, Associations, Government, etc...)
-	Undetermined	Unknown Risk	Insufficient Information

An "S" Risk Indicator is only assigned in conjunction with a Financial Strength Indicator (e.g. 5A S, 4A S, F S, O S)

Risk Indicator - Used in conjunction with the Financial Strength Indicator. The Risk Indicator reflects D&B's opinion of the risk associated with trading with a specific business, notably the likelihood of business continuance or failure over the next 12 months.

Alternate Ratings Used	
--	No information available
NB	New Business: Less than 30 months
BR	Local Branch
FB	Foreign Branch
NQ	Out of Business: Business has ceased to trade
N4	Negative Net Worth

Confidentiality

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