

V.I.M.COR
BUY RECOMMENDATION

Elektra		EKT		\$ 7.90		Low P/E (Modified Downer)	
52 WK PRICE RANGE		DIV YIELD		EPS		AVERAGE DAILY VOLUME MILL \$	
VAL MODEL	P/E LEAST GROWTH RT	PAST 5 YRS.	LATEST QUARTER	THIS YEAR	NEXT YEAR	NEXT 5 YRS.	
\$6.72-16.00	\$ 0.27 3.00 %	\$0.68	\$ 0.68	\$ 2.60	\$ NA	\$ 0.109	
	P/E: 11.6x	11.6x	11.6x	3.0 x	NA x		
<u>EPS COMPOUND GROWTH RATE</u>							
86%	NA x	NA %	7.0 %	4.6 %	282.0 %	10.0 %	

BASIS OF RECOMMENDATION

Elektra has over 900 appliance, furniture, and financial services stores in Mexico, Honduras, Peru, Dominican Republic, and Guatemala. The company sells its goods to lower to middle income families. In addition, the company owns 22% of TV Azteca. The company has had its stock price drop along with the general market. The screen that this selection comes from picks stocks that have had large price drops, but have strong financial ratios, growth rates, and cash or cash flow to provide a basis for price recovery. The valuation model predicts a stock value of around \$14 per share.

POSITIVES

- * EKT has just received approval to open their own bank. The bank will allow the company to further finance its customer's purchases.
- * The middle class in Mexico has been growing and having more spending money. EKT will should be a prime beneficiary of this trend.

NEGATIVES

- * Restrictive voting laws in Mexico severely limit the influence the ADR's holders can exert on EKT.
- * Management may not be able to adequately run a bank subsidiary, resulting in large losses.

ANALYST	DATE OF STOCK PRICE	SPX PRICE THAT DATE	DATE OF THIS REPORT
Gary Vassalotti	3/12/2003	\$ 804.19	3/25/2003

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GRUPO ELEKTRA

This is a special situation company from a screen that I have been developing over the past 5 years. I have found that most of the companies this screen finds begin to move up in price very quickly. As a result, this is an abbreviated report.

Grupo Elektra came up on the screen that looks for companies that are 50% or more below their yearly high, have strong cash or cash flow, and have strong liquidity and risk ratios.

In addition, these firms must be in the top third of expected returns when compared to the S&P 500's constituent companies expected returns. EKT passes all of these parameters.

Products Offered:

EKT offers large variety of products in its stores. Some of the products are produced or serviced by the companies controlled by the major shareholders of EKT.

These products include: electronics, household appliances and furniture.

Other products offered include: Computers and access to Internet through [TODITO](#), Photo processing services through [FOTOFACIL](#), two-way paging services through [MOVIL@ACCESS](#), wireless phones and air time through [UNEFON](#) and high- speed access to Internet through [TELECOSMO](#).

Financial services include [CREDIMAX](#) (consumer credit), [DINERO EN MINUTOS](#) (money transfers from USA to Mexico), [DINERO EXPRESS](#) (money transfers within Mexico), [MILENIA](#) (extended warranties) and [GUARDADITO](#) (savings accounts).

Conclusion:

This should be considered a value play, although somewhat more risky due to the effects of currency fluctuations and their effects on earnings and ADR pricing.

These shares may recover in price quickly, or they could take a year or two.

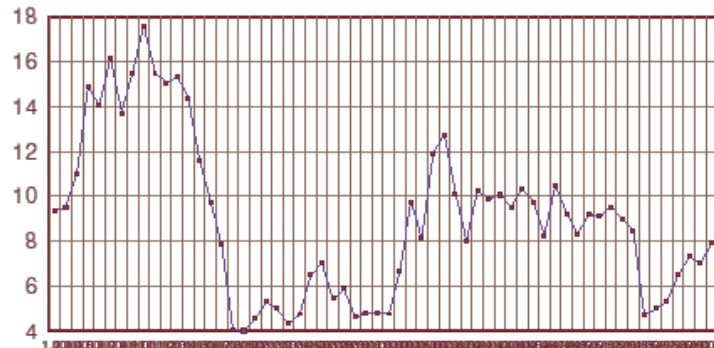
GRUPO ELEKTRA SA DE CV

S&P Stock Rank:	
S&P Safety Rank:	
Beta:	1.99

Ticker:	elct	P/E:	37.6	Price:	7.900	Date:	3/18/2002	
1993	1994	1995	1996	1997	1998	1999	2000	2001

0.00	10.88	7.19	8.38	18.56	18.13	10.00	14.90	High Price
	6.63	1.88	4.38	7.75	2.75	3.06	6.81	Low Price

Price Chart



Grupo Elektra is plugged into cities throughout Mexico, as well as in the Dominican Republic, Guatemala, Honduras, and Peru. Its nearly 900 Elektra, Salinas y Rocha, and Bodega de Remates stores sell appliances, electronics, and furniture to lower- and upper-middle class customers. Its THE ONE clothing stores are being converted to the other store format. Elektra stores offer installment plans, paging services, money transfers, and savings accounts. The family of late founder Hugo Salinas Rocha controls both Grupo Elektra and broadcaster TV Azteca; the retailer itself owns 22% of TV Azteca. Grupo Elektra's 1990 purchase of Salinas y Rocha reunited family factions that had split in the 1950s.

Capital Structure, as of	9/30/02	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	
Sector:	Computer & Electronics Retail			1.11	1.02		3.23	2.50	3.23	4.24	4.60	Revenue Per Share
Total Debt	\$508.13			0.12	0.13		0.43	0.17	0.37	0.49	0.56	Cash Flow/Share
ST Debt	\$146.46			0.10	0.11	0.22	0.34	0.06	0.24	0.32	0.34	Earnings/Share
Insider Holdings				0.00	0.04	0.06	0.12	0.10	0.10	0.12	0.13	Div's/Share
Inst Holdings												Cap Ex/Share
Mkt Cap	\$3,407.94			0.47	0.46		1.86	1.03	1.30	1.51	1.78	Book Value/Share
				359.14	359.14		238.78	356.59	366.19	362.09	364.58	Common Div
				83.3	41.2	20.7	39.3	174.0	27.2	33.3	22.2	Avg Ann P/E
							1.02	3.82	0.59	0.82		Rel P/E
				0.00	0.16	0.48	1.32	0.55			1.68	Div. Yield
				398	367	555	772	916	1184	1534	1702	Revs (\$mill)
				44	43		93	32	95	141	184	Net Inc
				16.05	10.36		17.22	32.53	12.88	17.50	32.00	Tax Rate
				9.77	10.60	13.94	10.34	2.34	6.97	7.56	7.36	Net Profit Margin
				9.96	5.61		23.22	67.48	34.16	33.1	63.2	Long-Term Debt Ratio
				23.1	23.5		18.0	5.8	17.4	21.2	19.3	ROE
				0.0	38.2	28.4	35.8	161.7	42.5	35.9	39.1	Pay Out Ratio

VIMCOR Valuation Model

3/23/2003

RUNDATE 3/25/2003
Data Date 03/18/2002

S&P Price 787.11
S&P DIV 15.59 S&P T12 EPS 53.70
S&P YIELD 1.98 SP PE 14.66

TIC	CONAME	PRICE	CUR RE/PE	LOW RE/PE	HI REL/P	CUR REL	LOW REL	HI REL	CUR P/BK	LOW P/BK	HI P/BK	CUR PCF	LOW PCF	HI PCF	CUR P/SLS	LOW P/SLS	HI P/SL	Potential Down	%	Potential Up	%	Expected Change	Est Y/E Bk Val	Est Y/E Cash Fl	T12 EPS	T12 DIV	Potential Price	BETA	
EKT	GRUPO ELEKTRA SA D	7.90	2.57	0.54	2.18	0.79	0.14	1.11	4.43	3.22	10.19	14.23	12.77	45.15	1.69	1.39	4.33	5.60	-0.29	23.73	2.00	0.86	1.99	0.59	0.21	0.12	5	5	1.99

Report Notes:

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