

## LISTING MEMORANDUM



### Camposol S.A.

#### US\$147,490,000 Principal Amount of 10.50% Senior Secured Notes due 2021

Camposol S.A. (the “Company,” “we,” “us” or “our”), a corporation (*sociedad anónima*) organized under the laws of Peru, offered to Eligible Holders of its 9.875% Notes due 2017 (the “Existing Notes”), on the terms and subject to the conditions set forth in the exchange offer memorandum dated April 11, 2016 and in the supplemental exchange offer memorandum dated May 5, 2016 (as it may be amended, modified or supplemented from time to time, the “Exchange Offer Memorandum”), the opportunity to exchange any and all of their Existing Notes for newly issued U.S. Dollar-denominated 10.50% Notes due 2021, issued by us (the “New Notes”), as described in the Exchange Offer Memorandum (the “Exchange Offer”).

The New Notes are unconditionally and irrevocably guaranteed by (i) Camposol Holding Ltd. (the “Parent Guarantor”), and (ii) each of Campoinca S.A. and Marinazul S.A. (collectively, the “Subsidiary Guarantors” and, together with the Parent Guarantor, the “Guarantors”). The New Notes are secured by a first priority lien and security interest over certain real estate assets consisting of land, crops, buildings, machinery and equipment and all licenses, including water licenses, related thereto (the “Real Estate”) formerly owned by the Company that have been transferred to La Fiduciaria S.A., as Peruvian Trustee and Peruvian Collateral Agent (the “Peruvian Trustee and Collateral Agent”), in order to create a bankruptcy remote trust (*patrimonio fideicometido*) (the “Peruvian Trust”) pursuant to a guaranty trust agreement (*Fideicomiso de Garantía*) governed by Peruvian laws (the “Peruvian Trust Agreement”). The Real Estate transferred to the Peruvian Trustee and Collateral Agent pursuant to the Peruvian Trust Agreement will also serve as collateral for the Existing Notes.

We may redeem the New Notes in whole or in part at any time at the redemption prices set forth herein. See “Description of the New Notes—Optional Redemption.” In addition, we may redeem the New Notes, in whole but not in part, at 100% of their principal amount plus accrued interest and additional amounts, if any, upon the occurrence of specified events relating to Peruvian or Cypriot tax law, all as described under “Description of the New Notes—Redemption for Taxation Reasons.”

The New Notes and the guarantees were issued pursuant to an indenture dated as of May 27, 2016 (the “New Indenture”) among us, the Parent Guarantor, the Subsidiary Guarantors, and The Bank of New York Mellon, as trustee, registrar, principal paying agent and transfer agent, and to be acknowledged by La Fiduciaria S.A., as Peruvian trustee and collateral agent. A copy of the New Indenture will be available upon submitting a request to the Company.

**Participating in the Exchange Offer involved risks. See “Risk Factors” beginning on page 15 of this Listing Memorandum (the “Listing Memorandum”) for a discussion of the risks eligible holders considered prior to tendering their Existing Notes for New Notes in the Exchange Offer.**

Delivery of the New Notes and the guarantees was made in book-entry form through the facilities of The Depository Trust Company (“DTC”) and its direct and indirect participants, including Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream”), on May 27, 2016.

The New Notes and the guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). As a result, holders within the United States or who are U.S. persons were eligible to participate in the Exchange Offer only if they were “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the Securities Act (“Rule 144A”). Offers and issuances of the New Notes and the guarantees to non-U.S. persons outside the United States were made in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). We refer to Holders of Notes who meet the foregoing criteria as “Eligible Holders.”

Application has been made to list the New Notes on the Euro MTF market of the LuxSE.

THE LISTING MEMORANDUM IS ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES (“QUALIFIED INVESTORS”).

ANY OFFER OR SALE OF NEW NOTES IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC (THE “PROSPECTUS DIRECTIVE”) MUST BE ADDRESSED TO QUALIFIED INVESTORS (AS DEFINED IN THE PROSPECTUS DIRECTIVE).

This Listing memorandum constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectus securities dated July 10, 2005, as amended.

We have applied to register the New Notes with the Investment Recordkeeping (*Archivos de Expedientes de Inversión*) of each of the Peruvian Private Pension Fund Administrators that is an Eligible Holder so that such Peruvian Private Pension Fund Administrators may invest in the New Notes, as required by Peruvian law. Neither the New Notes, nor this Exchange Offer have been and will not be registered with the Peruvian Securities Market Superintendency (the “*Superintendencia del Mercado de Valores*” or the “SMV”). Therefore, the New Notes may not be offered in the Republic of Peru or any other jurisdiction, except in compliance with the securities laws thereof.

*Dealer Managers*

**BofA Merrill Lynch**

**J.P. Morgan**

**The date of this Listing Memorandum is May 3, 2017**

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### IMPORTANT INFORMATION ABOUT THIS LISTING MEMORANDUM

The issuance and offer of the New Notes and the guarantees have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Exchange Offer or the accuracy or adequacy of this Listing Memorandum. Any representation to the contrary is a criminal offence in the United States.

This Listing Memorandum contains important information which should be read carefully before any decision is made to purchase New Notes. If prospective purchasers are in any doubt as to the action they should take, prospective purchasers should seek their own financial advice, including in respect of any tax consequences, immediately from their stockbroker, bank manager, accountant or other independent financial adviser.

This Listing Memorandum is based on information provided by us and by other sources that we believe are reliable. This Listing Memorandum summarizes certain documents and other information, and we refer prospective purchasers of New Notes to them for a more complete understanding of the summary contained in this Listing Memorandum. J.P. Morgan Securities LLC or Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Dealer Managers”) have not independently verified any of the information contained in this Listing Memorandum and cannot assure prospective purchasers of New Notes that this information is accurate, truthful or complete. Nothing contained in this Listing Memorandum is, or should be relied upon as, a promise or representation of the Dealer Managers as to the past or the future. In making a decision regarding the purchasing New Notes, prospective purchasers of New Notes must rely on their own examination of us and the terms of the New Notes and the guarantees, including the merits and risks involved.

In making a decision of whether or not to purchase New Notes, prospective purchasers of New Notes should rely only on the information contained in this Listing Memorandum. We have not authorized any person to provide prospective purchasers with additional, different or inconsistent information, except as contemplated in the preceding paragraph. If anyone provides prospective purchasers with additional, different or inconsistent information, prospective purchasers should not rely on it. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may provide you. Prospective purchasers should assume that the information contained in this Listing Memorandum is accurate only as of its date.

We have taken reasonable care to ensure that the information contained herein has been prepared with due care and is true and correct in all material respects and is not misleading in any material respect as of the date of this listing memorandum in the context of the listing of the securities. We affirm that, to the best of their knowledge,

nothing has come to their attention that any part of the information contained herein is inaccurate in any material respect or that any relevant information has been omitted herefrom and accept responsibility accordingly.

We are not making any representation to any prospective purchaser of New Notes regarding the legality of an investment in the New Notes and the guarantees by the participant under any legal investment or similar laws or regulations. Prospective purchasers of New Notes should not consider any information in this Listing Memorandum to be legal, business or tax advice. Prospective purchasers of New Notes should consult their own attorney, business adviser and tax adviser for legal, business and tax advice regarding acquiring the New Notes and the guarantees. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The New Notes will initially be available in book entry form only. The New Notes were issued in the form of one or more registered global notes without coupons, registered in the name of a nominee of DTC, as depository, for the accounts of its direct and indirect participants including Euroclear and Clearstream. Beneficial interests in the global New Notes were shown on, and transfers of beneficial interests in the global New Notes will be effected only through, records maintained by DTC and its respective participants. After the initial issuance of the global New Notes, certificated New Notes will be issued in exchange for global New Notes only in the limited circumstances set forth in the New Indenture governing the New Notes and the guarantees.

## **NOTICE TO INVESTORS**

This Listing Memorandum has been prepared by us solely for use in connection with prospective purchases of New Notes and the listing of the New Notes in Luxembourg. This Listing Memorandum does not constitute an offer or an invitation to purchase New Notes in any jurisdiction in or from which, or to any person to whom, it is unlawful to make such offer or invitation under applicable laws. We are not, and the Dealer Managers are not, making an offer to sell the New Notes in any jurisdiction where the offer is not permitted.

You must (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Listing Memorandum and participation in the Exchange Offer and (ii) obtain any consent, approval or permission required to be obtained by you for the acquisition, offer or sale by you of the New Notes and the guarantees and participation in the Exchange Offer under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such acquisition, offers or sales. The distribution of this Listing Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Listing Memorandum comes are required by us and the Dealer Managers to inform themselves about, and to observe, any such restrictions. Neither we nor the Dealer Managers or their affiliates shall have any responsibility therefor.

## **AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with resale of New Notes, we are required under the terms of the New Indenture, upon the request of a holder of Rule 144A New Notes or Regulation S New Notes, to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request we are neither a reporting company under Section 13 or Section 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

The New Indenture further requires that we furnish to the trustee all notices of meetings of the holders of New Notes and other reports and communications that are generally made available to holders of the New Notes. At our request, the trustee is required under the New Indenture to mail these notices, reports and communications received by it from us to all record holders of the New Notes promptly upon receipt.

We will make available to the holders of the New Notes and the guarantees, at the corporate trust office of the trustee at no cost, copies of the New Indenture.

The Parent Guarantor and the Company regularly publish press releases in which a discussion of our results of operations for the interim quarterly periods in each fiscal year. We hereby incorporate by reference our results of operations published from time to time in the Peruvian and international markets, including our press releases relating to our interim financial results for the period ended December 31, 2016, as published on our website. No other information included on our website is incorporated by reference herein.

## **MARKET AND INDUSTRY INFORMATION**

We make statements in this Listing Memorandum about the Peruvian and global agricultural and aquaculture industry. These statements are based on statistics and other information derived principally from reports published by the Food and Agriculture Organization, or FAO, the International Trade Center, or ITC, the United States Department of Agriculture, or USDA, the United States International Trade Commission, or USITC, the Hass Avocado Board, the Peruvian Ministry of Agriculture, the Peruvian Central Bank and the Peruvian National Superintendency of Tax Administration. The statistics presented have not been independently verified by us and the Dealer Managers or our respective advisors, and we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the jurisdictions specified. Due to possibly flawed or ineffective collection methods and other problems, the statistics herein may be inaccurate, incomplete or may not be comparable to statistics produced from other sources and should not be unduly relied upon. In addition, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

## **ENFORCEABILITY OF CIVIL LIABILITIES**

Camposol S.A., as well as Marinazul S.A. and Campoinca S.A., the Subsidiary Guarantors of the New Notes, are companies organized and existing under the laws of Peru, and Camposol Holding Ltd., the Parent Guarantor of the New Notes, is a company organized and existing under the laws of Cyprus. The majority of the directors and officers of Camposol Holding Ltd., Marinazul S.A., Campoinca S.A. and Camposol S.A. reside in Peru or elsewhere outside the U.S., and all or a significant portion of the assets of such persons may be, and substantially all of our assets are, located in Peru or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or entities outside Peru or to enforce against any of them, in the courts of jurisdictions other than Peru, any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or enforce against any of them, in Peruvian courts, judgments obtained in jurisdictions other than Peru, including judgments obtained in respect of the New Notes and the guarantees or the New Indenture governing the New Notes and the guarantees, or the indenture dated as of February 2, 2012, among us, as Issuer, Camposol Holding Ltd., as Parent Guarantor, Campoinca S.A. and Marinazul S.A., as Subsidiary Guarantors, Wells Fargo Bank, National Association, as Trustee, Registrar, Paying Agent and Transfer Agent and Société Générale Bank and Trust, as Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent, pursuant to which the Existing Notes were issued (as amended or supplemented, the “Existing Indenture”), in New York courts, unless such judgments fulfillment with the requirements described below.

We have been advised by our Peruvian counsel, Rebaza Alcazar & De las Casas Abogados Financieros, that any final and conclusive judgment for a fixed and definitive sum obtained against us, Marinazul S.A. and/or Campoinca S.A. in any foreign court having jurisdiction in respect of any suit, action or proceeding against us, Marinazul S.A. and/or Campoinca S.A. for the enforcement of any of our or their obligations under the New Notes and the guarantees and the New Indenture that are governed by New York law will, upon request, be deemed valid and enforceable in Peru through an exequatur judiciary proceeding, without the local court reopening or reexamining the case, reviewing the merits of the cause of action in respect to which such judgment was given or re-litigating the merits adjudicated upon; provided that:

- the judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts, and the matters contemplated by the New Indenture or in respect of this Listing Memorandum or the New Notes and the guarantees are not matters under the exclusive jurisdiction of Peruvian courts;
- the relevant foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;

- the defendant was served in accordance with the laws of the place where the proceeding took place, was granted a reasonable opportunity to appear before such foreign court, and was guaranteed due process rights;
- the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- there is no pending litigation in Peru between the same parties for the same dispute which shall have been initiated before the commencement of the proceeding that concluded with the foreign judgment;
- the foreign judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law unless such foreign judgment was rendered first;
- the foreign judgment is not contrary to public policy (*orden público*) or good morals;
- a proceeding for the recognition and enforcement of the foreign judgment is followed, in which (i) powers of attorney are granted by the party intending to enforce the foreign judgment to its representative in Peru; (ii) an original or a copy of the judgment, authenticated according to the rules of the place where the judgment was issued and duly authenticated or certified by the respective Peruvian Consulate, or apostilled if the country of the court rendering the judgment is a signatory to the Hague Apostille Convention, is filed before the competent court in charge of its enforceability in Peru; (iii) the judgment is filed accompanied by a certified and officially translated copy by a Public Translator registered in Peru if it is not already in Spanish and (iv) the applicable court taxes or filing fees have been paid; and
- there is in effect a treaty between the country where said foreign courts sits and Peru regarding the recognition and enforcement of foreign judgments. In the absence of such a treaty, the reciprocity rule is applicable (such reciprocity rule being presumed), under which a judgment given by a foreign court of competent jurisdiction will be admissible in the Peruvian courts and will be enforced, unless according to such foreign law: (i) judgments issued by Peruvian courts are not admissible in such foreign country or (ii) judgments issued by Peruvian courts are subject to re-examination by such court of competent jurisdiction of the issues considered therein.

We have no reason to believe that any such judgment would be under the exclusive jurisdiction of Peruvian courts or that any of our obligations under the New Indenture and the New Notes and the guarantees, which are governed by the laws of the State of New York, would be contrary to Peruvian public policy (*orden público*) and international treaties binding upon Peru or generally accepted principles of international law. No treaty exists between the United States and Peru for the reciprocal enforcement of foreign judgments. Peruvian courts, however, have enforced judgments rendered in the United States based on legal principles of reciprocity and comity.

We have been advised by our Cypriot counsel, Harneys, Aristodemou Loizides Yiolitis LLC, that a judgment obtained in any U.S. court would not automatically be enforced by the courts of Cyprus. In order to enforce such a judgment in Cyprus, a new legal process must be initiated before a court of competent jurisdiction in Cyprus. A summary judgment may be available, and other considerations of the Cypriot court may include the following:

- that such judgment was not obtained or alleged to have been obtained by fraud;
- that the process and decision of the U.S. court was not contrary to natural or constitutional justice under the laws of Cyprus and the enforcement of such judgment would not be contrary to public policy as understood by the Cypriot courts or constitute the enforcement of a judgment of a penal or taxation nature;
- that such judgment is final and conclusive and is for a debt or a definite sum of money;
- that the jurisdiction of U.S. court has been exercised in circumstances which, as a matter of Cypriot law, a Cypriot court will recognize as justifying enforcement of such judgment;
- that the procedural rules of the U.S. court in relation to the obtaining of such judgment have been observed; and

- that such judgment is not inconsistent with a judgment of a Cypriot court in respect of the same matter.

In connection with the New Indenture and the New Notes and the guarantees, we, Camposol Holding Ltd., Marinazul S.A. and Campoinca S.A. have appointed CT Corporation System as our authorized agent upon whom process may be served in connection with any action instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan in New York arising out of or based upon the New Indenture, the New Notes or the guarantees of Camposol Holding Ltd., Marinazul S.A. and Campoinca S.A. See “Description of the New Notes.”

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Listing Memorandum contains statements that constitute estimates and forward-looking statements, within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, including but not limited to the sections “Summary,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These statements appear in a number of places in this Listing Memorandum and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our financial condition. Our estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to us. Our estimates and forward-looking statements may be influenced by the following factors, among others:

- changes in demand for, and prices of, fruits, vegetables and seafood;
- our ability to obtain, maintain and renew all licenses, permits, quota shares and other authorizations associated with our land, processing plants, fish farms or otherwise required in connection with our business;
- general economic, political and business conditions in Peru, resulting in changes in the economy, tax laws, or in the regulatory environment, including environmental regulations, relating to agriculture in our land or food processing;
- the availability of qualified personnel to work on our land and in our processing plants;
- other governmental policies affecting our business, including agriculture, food and seafood processing and trade policies;
- our ability to generate cash and to obtain sufficient financing for our operations and our future expansion plans;
- changes in currency exchange rates or interest rates;
- our ability to integrate and benefit from our recent acquisitions (Corporación Refrigerados Iny S.A. and Pesquera ABC S.A.C.) as well as other joint ventures and strategic alliances;
- our ability to comply with applicable laws and regulations;
- industry conditions, including the cyclicity of the agricultural industry, and unpredictability of the weather;
- the effects of economic, political or social conditions and changes in foreign exchange policy or other conditions affecting our principal export markets;
- increases in our operating costs or our inability to meet efficiency or cost reduction objectives, including increases in the cost of personnel;
- possible disruptions to commercial activities due to natural and human-induced disasters, including terrorist activities and armed conflict;
- our ability to refinance our existing indebtedness, including the Existing Notes;
- the outcome of pending regulatory and legal proceedings; and
- other factors described under “Risk Factors” and elsewhere in this Listing Memorandum.

The words “believe,” “may,” “may have,” “would,” “estimate,” “continues,” “anticipates,” “intends,” “hopes,” and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made, and neither we nor the Dealer Managers undertake any obligation to update or revise any estimate or forward-looking statement due to new information, future events or otherwise. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations

described in the forward-looking statements. In light of the risks and uncertainties described above, the events referred to in the estimates and forward-looking statements included in this Listing Memorandum may or may not occur, and our business performance and results of operation may differ materially from those expressed in our estimates and forward looking statements, due to factors that include but are not limited to those mentioned above. Investors are warned not to place undue reliance on any estimates or forward-looking statements in making decisions regarding investment in the New Notes and the guarantees.



## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Financial Statements

This Listing Memorandum includes:

- audited consolidated financial statements of Camposol Holding Ltd., as of and for the years ended December 31, 2013, 2014 and 2015;
- audited financial statements of Camposol S.A., as of and for the years ended December 31, 2015, 2014 and 2013;
- interim unaudited financial statements of Camposol Holding Ltd., for the year ended December 31, 2016; and
- interim unaudited financial statements of Camposol S.A., for the year ended December 31, 2016.

Camposol Holding Ltd.'s audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, or IFRS, and its audited consolidated financial statements have been audited in accordance with International Auditing Standards or IAS.

The financial information of Camposol S.A. as of and for the years ended December 31, 2013, 2014 and 2015 has been derived from the audited financial statements of Camposol S.A. The audited financial statements of Camposol S.A. have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB) and effective at December 31, 2015.

Under International Accounting Standard 27, or IAS 27, "Consolidated Financial Statements and Accounting for Investments in Subsidiaries," investments in subsidiaries, associates and jointly controlled entities must be accounted for in the parent's individual financial investments at cost, or at fair value as determined in accordance with International Financial Reporting Standard 9. The "patrimonial" accounting approach is not an accepted valuation method under IFRS. According to the accounting principles generally accepted in Peru, investments may be accounted for in the separate financial statements of the parent company using the "patrimonial" accounting approach.

### Currencies

Unless otherwise specified, references herein to "U.S. dollars," "dollars," "US\$" or "\$" are to United States dollars, the legal currency of the United States; references to "sol", "PEN," "soles" or "S/" are to the sol, the legal currency of Peru; references to "€," "euros" and "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

### Special Note Regarding Non-IFRS Financial Measures

This Listing Memorandum includes certain references to non-IFRS measures such as EBITDA and EBITDA margin. See "Summary—Summary Consolidated Financial and Other Information" for a discussion of our use of EBITDA in this Listing Memorandum, and a reconciliation of EBITDA to our profit. Our management believes that disclosure of certain non-IFRS measures provides useful information to investors and financial analysts in their review of our operating performance and their comparison of our operating performance to the operating performance of other companies in our industry and other industries. These are supplemental financial measures that are not presented in accordance with IFRS.

We define EBITDA as our revenues *minus* cost of sales *minus* administrative expenses *minus* selling expenses *plus* depreciation and amortization, excluding the effect (positive or negative) of net change in fair value of biological assets. For a reconciliation of our profit to our EBITDA, see "Summary—Summary Consolidated Financial and Other Information."

You are cautioned not to place undue reliance on this information and should note that EBITDA and EBITDA margin, calculated by us, may differ materially from similarly titled measures reported by other companies, including our competitors. EBITDA should not be considered as an alternative measure to net income or

operating income or as an indicator of our results of operations or as an alternative to cash flows from operations or as an indicator of liquidity. EBITDA has important limitations as an analytical tool and should not be considered in isolation from, or as a substitute for an analysis of, our operating results as reported under IFRS, because among other things:

- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect our interest expense or the cash requirements to service the interest or principal payments of our debt;
- it does not reflect any cash income taxes we may be required to pay;
- it does not reflect the effect of non-recurring expenses or gains; and
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of changes in financial position.

### **Effect of Rounding**

We have made rounding adjustments to certain figures included in this Listing Memorandum. As a result, numerical figures presented as totals may not always be exact arithmetic aggregations of their components, as presented.

### **Units of Measurement and Prices**

In this Listing Memorandum, unless otherwise indicated:

- “ton” or “MT” means a metric ton which is equal to 1,000 kilograms or 2,204.62 pounds;
- “Has” means a hectare which is equal to 10,000 square meters;
- “m3” means a cubic meter which is equal to 1,000 liters or approximately 35.3 cubic feet;
- “MT/h” refers to MT per hour; and
- references to fruit and vegetable prices are to “free on board,” or FOB, Peru.

## SUMMARY

*This summary highlights selected information described in greater detail elsewhere in this Listing Memorandum. It does not contain all of the information that may be important to you. You should read the entire Listing Memorandum carefully, including the risk factors and financial statements before making an investment decision. The terms “Camposol,” “Camposol S.A.,” “Issuer,” “Company,” “we,” “us,” and “our” in this Listing Memorandum refer to Camposol S.A., together with its subsidiaries. The term “Parent Guarantor” in this Listing Memorandum refers to Camposol Holding Ltd., as guarantor under the New Indenture and the New Notes and the guarantees. Marinazul S.A. and Campoinca S.A., each a New Note guarantor and an indirect subsidiary of Camposol Holding Ltd., are referred to as “Marinazul” and “Campoinca,” respectively, and together as the Subsidiary Guarantors. The financial information of Marinazul and Campoinca is consolidated into the financial statements of Camposol Holding Ltd.*

### Overview

Camposol is the largest agro-industrial company in Peru in terms of revenues and land ownership, the largest independent producer of blueberries in Peru and the largest producer of Hass avocados in Peru in terms of land ownership and area cultivated, as measured by the 1,050 hectares and 2,655 hectares planted, respectively, as of December 31, 2015. Camposol harvests, processes and markets high quality agricultural products that are exported principally to the United States, Europe and Asia. As of December 31, 2015, we owned a total of 28,097 hectares of land, out of which we estimate approximately 18,395 hectares (approximately 11,373 hectares of which have access to irrigation) to be useful for agricultural purposes, of which approximately 5,888 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao and Virú, which are located in the region of La Libertad, and in Piura. In addition, through our subsidiary Marinazul, we own and operate shrimp farms in the region of Tumbes. As of and for the year ended December 31, 2015, we had total revenue of US\$272.7 million and EBITDA of US\$42.4 million. Our gross profit for the year was US\$79.5 million.

We plant, harvest, process, package and export a wide selection of agricultural products, including blueberries, avocados (Hass, Lamb Hass and Ettinger varieties), white asparagus, grapes, mangos, peppers and tangerines. Among these products, blueberries and avocados have been the most important in terms of their contribution to our results of operations over the past three years. Our fruits and vegetables are exported fresh or frozen mainly to markets in the United States, Europe and Asia. We manage our fields using advanced agricultural practices and technology, which have enabled us to consistently increase productivity, achieving in 2015 harvest production volumes of 5,122 MT of blueberries, 26,822 MT of avocados, 8,603 MT of asparagus, 10,575 MT of mangos, 4,875 MT of peppers, and 7,344 MT of grapes. We also focus on minimizing the use of pesticides in our crop development as a means to both make our products more appealing to customers in our principal target markets and to minimize adverse environmental impact.

Our approximately 35,416 m<sup>2</sup> production complex is located in the agro-industrial complex of Chao, where we employ on average approximately 3,400 workers. Our agro-industrial complex includes four state-of-the-art processing plants, all of which are located in a single facility. Of these four plants, three process fresh products and one processes frozen products. Our production facilities are highly flexible, allowing us to adjust our product mix to maximize profitability. We also own a grape packing facility and a portion of the equity in Empacadora de Frutos Tropicales S.A.C (a mango packing plant), both of which are located in Piura, in northern Peru.

We are the largest producer of shrimp in Peru, based on volume and hectares farmed, and process other seafood products such as squid, scallops and mahi-mahi acquired from third parties. Our shrimp are grown on our own farms primarily through semi-intensive farming carried out on approximately 1,300 hectares of ponds. We operate three shrimp processing plants with total processing capacity of approximately 125 MT per day. Access to clean water has allowed us to support increased intensive shrimp production at our facilities without any increased incidence of disease. Currently, only 50 hectares of ponds are operating at intensive production levels and our semi-intensive facilities can be scaled up to increase production as demand requires.

We are a fully integrated company and manage our entire supply chain: fields, processing and distribution. Approximately 77% of the products we processed during 2015 came from our own fields, and we have sufficient production capacity to process each of the various types of products we produce in each of our two formats: fresh and frozen.

Our Camposol Trading division focuses on developing strategic partnerships with retailers and food service companies throughout the world. We have sales offices in the Netherlands and the United States, which we use to strengthen our presence in certain of our key United States and European markets by maximizing our attention and response times to our main customers, while making efforts to promote the Camposol brand as a first-class food producer. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with key export markets such as the United States and the European Union. In particular, our trading division has been able to leverage our logistics infrastructure that has been developed over many years to deliver high quality agricultural products through a well-developed supply chain network.

The following table sets forth key performance metrics for our business for the periods indicated.

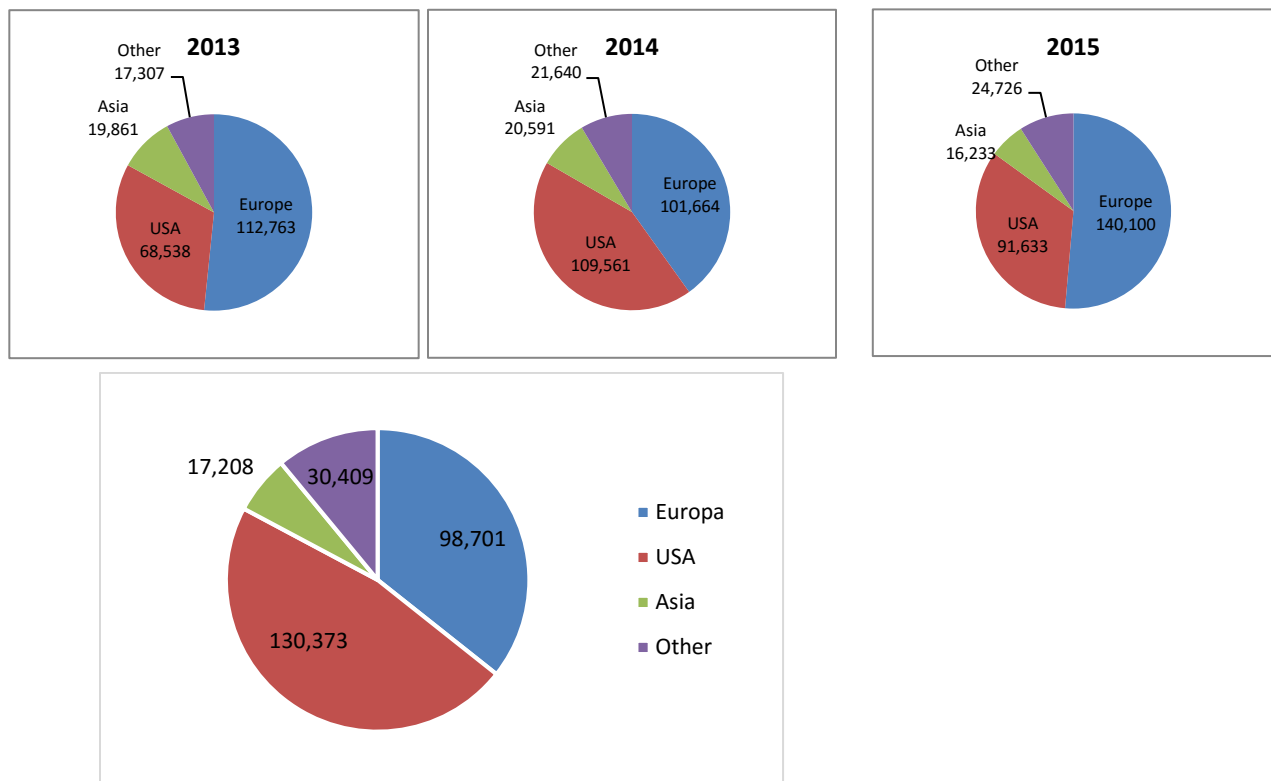
	As of and for the year ended December 31,					
	2013			2014		
	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)
<b>Results by segment:</b>						
Asparagus .....	20,075	2,395	69,955	15,349	1,922	65,222
Avocados .....	24,789	2,643	49,244	38,790	2,653	73,400
Peppers .....	5,964	332	18,730	9,258	--	14,681
Mangos .....	16,005	450	18,689	15,603	527	23,499
Grapes .....	10,146	451	21,245	11,600	451	23,694
Blueberries .....	797	212	8,638	1,037	566	9,542
Tangerines .....	1,764	102	2,451	3,157	102	4,817
Others .....	30	-	2,888	242	-	4,846
Sub-total .....	79,612	6,585	191,840	95,036	6,221	219,701
Shrimps .....	2,326	636	26,629 <sup>(1)</sup>	2,866	1,050	33,755 <sup>(1)</sup>
<b>Total .....</b>	<b>81,938</b>	<b>7,221</b>	<b>218,469</b>	<b>97,902</b>	<b>7,271</b>	<b>253,456</b>
Total land owned (HAs)		26,132			26,789	
Total planted (HAs) ..		6,585			6,221	
Shrimp farms (HAs) .		636			1,335	
<b>Average yield (%):</b>						
Peak phase .....		65%			60%	
Medium phase .....		30%			30%	
Unproductive phase		5%			10%	

	As of and for the year ended December 31,					
	2015			2016		
	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)
<b>Results by segment:</b>						
Asparagus .....	6,559	1,261	42,833	976	151	0
Avocados .....	25,113	2,655	53,678	21,730	2,653	53,413
Peppers .....	4,394	--	21,214	0	20	4,170
Mangos .....	13,935	450	23,082	13,477	448	21,495
Grapes .....	6,720	327	16,844	8,488	391	13,583
Blueberries .....	4,693	1,050	48,071	12,863	1,460	100,202
Tangerines .....	5,047	145	7,263	5,076	167	8,206
Others .....	1,891	-	2,551	--	--	5,449
Sub-total .....	68,352	5,888	215,536	62,610	5,290	206,518
Shrimps .....	5,718	724	57,156 <sup>(1)</sup>	9032	1003	70173
<b>Total .....</b>	<b>74,070</b>	<b>6,612</b>	<b>272,692</b>	<b>71,642</b>	<b>6,293</b>	<b>276,691</b>
Total land owned (HAs)		28,097			24,965	
Total planted (HAs) ..		5,888			5,290	
Shrimp farms (HAs) .		1,338			1,336	
<b>Average yield (%):</b>						
Peak phase .....		57%			63%	
Medium phase .....		34%			13%	
Unproductive phase	6,559	1,261	42,833		24%	

(1) Includes shrimp and seafood.

### ***Geographic distribution of exports based on revenues:***

The following charts set forth, in thousands of US\$, the distribution of our exports by geography for the years indicated:



### **Our Strengths**

We believe that our business strengths include the following:

***Vertically integrated:*** We are a fully integrated agricultural producer and can control the entire value chain of our business, from planting through processing and distribution. Approximately 77% of the fruits and vegetables we sold during 2015 came from our own fields, and we have sufficient production and processing capacity to process all our production. Because we produce most of the products we process and export, we are able to achieve a high degree of traceability of our products, which is essential to guarantee consistent quality to our global food retailing clients. We are also able to offer our global customers access to a broad menu of crops that are consistently top-quality and available year-round. We believe that our production facilities are strategically located in terms of their proximity to highways and ports, reducing our transportation costs and enhancing our ability to deliver fresh products to customers throughout the world.

***Diversified product offerings:*** We produce a range of fruits, vegetables and seafood products, and each of our products has its own pattern of growth and harvest cycles. For example, we harvest avocados from April through September, grapes from October through January and mangos from December through February. We grow blueberries year-round but focus our harvest on periods when prices are highest in the U.S. market, resting our crops in the months of April and May when producers in other countries are at peak production levels. Our product mix permits year-round utilization of labor and production facilities, optimizing certain operational efficiencies. Furthermore, we commercialize our products in fresh and frozen formats to respond to consumer demand and, in the case of frozen products, to mitigate risks associated with lost or spoiled inventory.

**Global reach with a diversified customer base:** Our products are sold by leading retailers in the United States and Europe, and we have a diversified client base, with no single client accounting for more than 10% of our total revenues during 2015. Distributors of our products include Dole, Walmart, General Mills, Rewe, Green Giant, Groupe Casino and Coop, among others. We have strong relationships with all of our key customers, many of which date back over a decade. Our client base in the United States includes 30% of the top ten retailers in the United States for blueberries and avocados.

**Growth potential as existing plantations mature:** As of December 31, 2015, only 103 hectares and 1,197 hectares out of a total of 1,050 hectares and 2,655 hectares of planted blueberries and avocados, respectively, are in their mature production phase. As a result, we believe that our production of blueberries and avocados is likely to grow in coming years as our planted fields reach their period of peak yields. We believe that increased production of planted blueberries and avocados should enable us to take advantage of future growth in exports to the United States, the world's largest market for blueberries and avocados.

## **Business Strategy**

Our strategy is focused on continuing to develop as a global producer of high-quality agricultural products. The principal components of this strategy are the following:

**Focus on high-value crops.** We believe that the long-term price outlook for our products is well-positioned to continue its recent growth trend in the United States, Europe and Asia, as global demand and consumption continues to strengthen and our Camposol-branded products gain greater penetration in these markets. At the same time, we intend to continue diversifying our product mix by further investing in research and development as we explore growth opportunities in other products, as we did with blueberries, which we developed after several years of testing. We will also seek to develop our large tracts of undeveloped land as new sources of water and irrigation projects near our productive parcels come on line. We believe that our portfolio of high-value crops will allow us to continue recent revenue growth trends.

**Improve operating efficiencies and margins.** We seek to improve our operating margins by maximizing the productivity of our existing land, our processing complex, our distribution strategy and our management and operational systems. We completed the implementation of SAP in the areas of payroll and human resources in 2012, and as we employ on average approximately 11,300 workers at any given time, we expect technology and logistics enhancements such as these to contribute significantly to our operating efficiency. In addition, during 2013 we invested over US\$3.4 million in plant automation, such as state-of-the-art asparagus sorting equipment and asparagus peeling equipment, which has reduced our costs and dependence on labor for these types of tasks.

**Focus on long-term customer relationships and brand awareness.** We seek to develop stable and long-term relationships with our customers to offer value-added products and high-quality service that results in increased demand for our products. Our customers include global food distributors with vast operations such as Walmart and Groupe Casino that rely on suppliers like us that can deliver consistent and reliably fresh products. Our strategy is supported by periodic customer visits by our sales representatives designed to promote brand awareness and gain a deeper understanding of our customers' specific needs. Our existing sales offices in the Netherlands and the U.S., further enhance our ability to deliver top quality products and services to these major clients. We will also seek to develop the Camposol brand as a leading provider of reliable quality products throughout the world. As of today, blueberries are the only crop sold entirely under Camposol's brand. We expect that a significant volume growth in the next two years will help further positioning the company's brand.

**Continue our commitment to minimizing the environmental impact of our business.** We recognize that we must partner with the environment to grow our business while minimizing adverse effects that can be caused by our operations. Our production process rigorously seeks to harmonize our use of water by optimizing irrigation systems that minimize water consumption. We also will continue to engage in practices designed to ensure the preservation of the environment, such as furthering environmental education, developing specialized treatment facilities, and deploying quality management systems that minimize the use of pesticides. Furthermore, as part of our commitment to institutionalize a culture of social and environmental awareness, we were the first Peruvian company to present a Sustainability Report—which is aligned with international best practices and the first to adopt

the Global Reporting Initiative (GRI) Indicators—that reflect the development of our environmental and social performance, as well as our social responsibility initiatives.

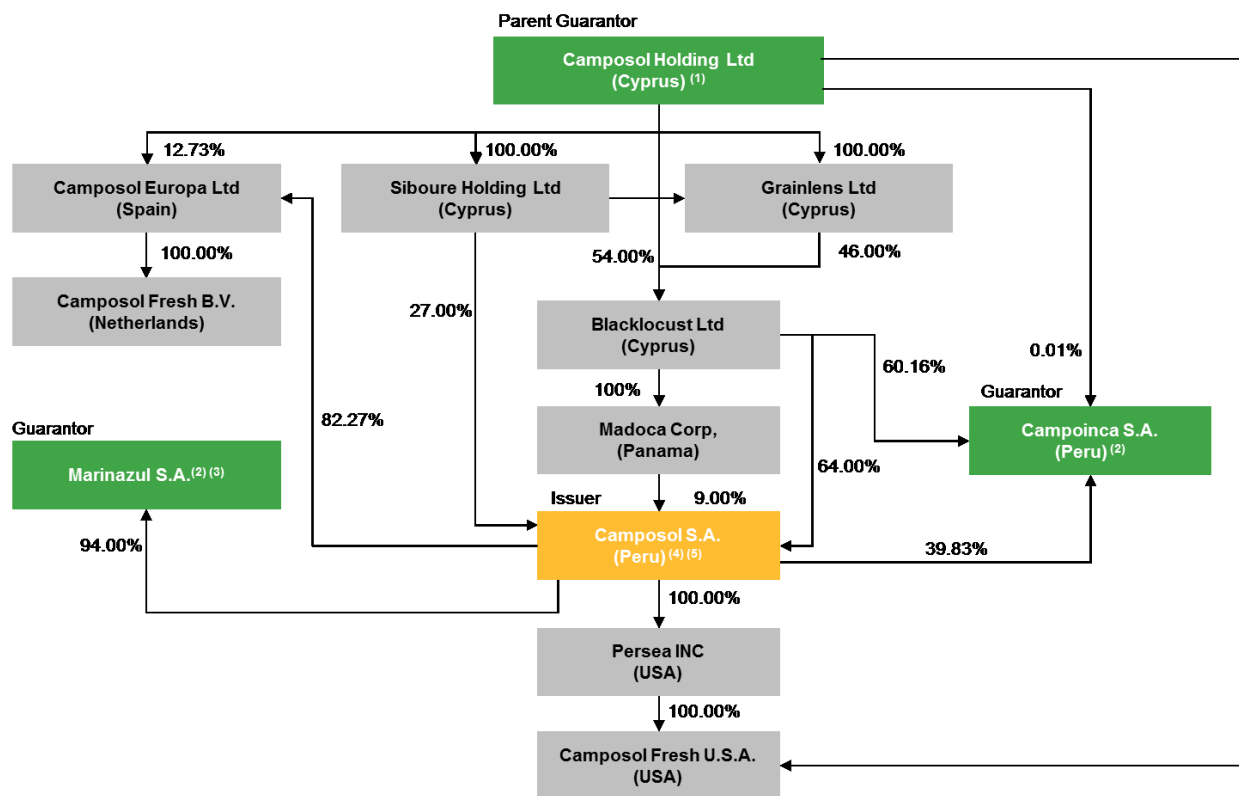
Our business strategy is based on the following three important growth drivers:

- *Mature Fields.* We expect to continue to increase the production volume of our blueberries and avocados as our planted hectares continue to mature, growing from the current 10% and 45% of total planted hectares of blueberries and avocados in 2015 to full maturity by the 2016/2017 harvest. We believe that a continuing focus on our core agricultural business will allow us to take advantage of our industry expertise and economies of scale. In our experience, blueberry volumes take productive significance after only 18 months, thus return on investment is faster. In 2016, We expect that blueberry production volumes will more than double in comparison with 2015.
- *Upstream Expansion.* We will continue to invest in the diversification of our product mix, investing in the further expansion of our upstream development of blueberries, with a goal of reaching 2,000 planted hectares in the coming years, as well as the conversion of up to 400 hectares of our shrimp ponds to intensive production levels.
- *Commercial Strengthening.* We continue to build our own commercial channels and promote direct sales to retailers, with a long term goal of 50% direct sales, as well as building our global customer base by strengthening our own distribution channels.

## **Corporate Structure**

Camposol S.A. is part of the Camposol group of companies, the ultimate parent company of which is Camposol Holding Ltd. which is the Parent Guarantor of the New Notes. Consequently, the information regarding Camposol Holding Ltd. contained in this Listing Memorandum reflects the group as a whole. Camposol S.A. is the primary operating company within the Camposol Holding Ltd. corporate group. Camposol S.A. owns all productive land and is in charge of its operation. In addition, Camposol S.A. owns a series of subsidiary companies which contribute to its consolidated business activities, including Marinazul S.A. and Campoinca S.A., the Subsidiary Guarantors of the New Notes.

Set forth below is a diagram summarizing our corporate structure including our principal subsidiaries:



(1) Parent Guarantor under the New Indenture governing the New Notes and the Indenture governing the Existing Notes.

(2) Subsidiary Guarantor under the New Indenture governing the New Notes and the Indenture governing the Existing Notes.

(3) Includes 100% ownership of Prodex S.A.C., Vegesol S.A. and Persea INC, 99.9% ownership of Inversiones Agrícolas Inmobiliarias S.A.C., Muelles y Servicios Paita S.A.C. and Camposol Trading Peru S.A.C., as well as a 40% stake in Empacadora de Frutos Tropicales S.A. (with the remaining 60% owned by third parties) and 68% stake in Marinazul S.A. (with the remaining 32% owned by Madoca Corp.).

(4) Issuer of the New Notes and the Existing Notes.

(5) Includes 100% ownership of Pacifico Azul S.A., 99.99% ownership of Camarones S.A.C. and Domingo Rodas S.A., as well as a 80% stake in Corporación Refrigerados Iny S.A. and ABC Seafood S.A.C. (with the remaining 20% owned by third parties), a 75% stake in Pesquera ABC S.A.C (with the remaining 25% owned by third parties), and 0.1% ownership of Camposol Trading Peru S.A.C.

### Company and Guarantor Information

Camposol S.A.'s principal executive offices are located at Av. El Derby 250, Piso 4, Urb. El Derby de Monterrico, Santiago de Surco, Lima, Peru, and our telephone number is +511-621-0800. We are incorporated in Peru under the taxpayer registration number 203 405 842 37 and our electronic number entry in the Lima Public Registry is 11009728. Camposol S.A. was incorporated for an indefinite period on January 31, 1997.

The Parent Guarantor's legal address is Kyprianou & Ayiou Andreou, Loukaides Court 5th Floor, 3036 Limassol, Cyprus and its telephone number is +357-2582-0020. Camposol Holding Ltd. is incorporated in Cyprus as a private company limited by shares, under the registration number 12203524C.

The legal address of Marinazul S.A., one of the Subsidiary Guarantors, is Av. El Derby 250, Piso 4, Urb. El Derby de Monterrico, Santiago de Surco, Lima, Peru, and the telephone number is +511-621-0800. Marinazul is involved in the shrimp farming business and was incorporated in Peru on July 13, 2006 under the taxpayer registration number 205 136 325 69 and its electronic number entry in the Lima Public Registry is 11906397. The legal address of Campoinca S.A., the other Subsidiary Guarantor, is Av. El Derby 250, Piso 4, Urb. El Derby de Monterrico, Santiago de Surco, Lima, Peru, and the telephone number is +511-621-0800. Campoinca S.A. is involved in the agricultural business and was incorporated in Peru on April 3, 2007 under taxpayer registration number 205 160 383 40 and its electronic number entry in the Lima Public Registry is 12011271.



## Collateral information

The following table sets forth the commercial and realization values of the Collateral to be granted as security to Eligible Holders of Existing Notes and New Notes in connection with the Exchange Offer, under the conditions described in the Exchange Offer Memorandum. These valuations are based on an appraisal we received from *Asesoría Valuadora S.A. (Binswanger Peru)* and sets forth valuations as of December 31, 2015.

Collateral <sup>(1)</sup>	Location		Total
	Trujillo	Piura (US\$)	
Land value .....	87,895,400.00	16,663,100.00	104,558,500.00
Irrigation equipment .....	10,880,000.00	1,619,600.00	12,499,600.00
Biological asset.....	231,231,200.00	17,768,800.00	249,000,000.00
Commercial value <sup>(2)</sup> .....	330,006,600.00	36,051,500.00	366,058,100.00
Realization value <sup>(3)</sup> .....	264,005,340.00	28,841,000.00	292,846,340.00

(1) Each production unit included land, irrigation equipment and biological assets.

(2) Sum of land value, irrigation equipment and biological asset.

(3) 80% of commercial value.

Appraisals are based on assumptions and judgments and may differ materially from actual market value. Valuations were made on the following basis:

- *Land*: Comparative method, which consists of finding recent values of similar properties in the vicinity of the land being appraised to establish a reasonable basis for the estimated values.
- *Irrigation equipment*: Cost method, which relies on the acquisition value of machinery and equipment, as well as the estimated depreciation or the cost of replacing such machinery and equipment.
- *Biological assets*: Capitalization method, which consists in the capitalization of future cash flows that represent a benefit of economically exploited assets, on an ongoing basis.

Hence, if the Collateral granted as security is foreclosed upon, it is possible that the net realizable cash proceeds may be less than the appraised value and such amount may be insufficient to repay the outstanding principal amount of the Existing Notes and the New Notes. See “Risk Factors—Risks Related to the Collateral.”

## Recent Developments

On February 4, 2016, Camposol Holding Limited’s board of directors approved an expected loan disbursement of US\$10.0 million from its shareholders to fund costs associated with our development of 540 hectares of additional agricultural properties. The board approved the loan to be subordinated to the Existing Notes and the New Notes and to draw on it only if we cannot increase our lines of credit from banks. Although we expect that our current shareholders will execute this loan, as of the date of this Listing Memorandum there is no legal obligation for them to do so. Therefore, we cannot assure you that we will receive any such disbursement from our shareholders to fund costs associated with our planned development of additional agricultural properties.

In March 2016, our shareholders made an equity contribution to Camposol S.A. of US\$5.0 million.

During the first quarter of 2016, we repaid at maturity the balances due under three short-term lines of credit. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” During the first quarter of 2016, we also borrowed US\$27.5 million under our existing short-term lines of credit to fund our operations. Therefore, during the first quarter of 2016, we reduced the aggregate principal amount of indebtedness outstanding under our existing short-term lines of credit by approximately US\$8.6 million. As of March 31, 2016, our total indebtedness (including the Existing Notes) was approximately US\$242.1 million, a net debt reduction of US\$8.8 million, from total indebtedness of approximately US\$250.9 million as of December 31, 2015. See “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Cash Flows from Financing Activities—Indebtedness.

## THE NEW NOTES

*The following is a brief summary of certain terms of the New Notes and the guarantees that we offered in the Exchange Offer. For a more complete description, see "Description of the New Notes" in this Listing Memorandum.*

<b>Issuer .....</b>	Camposol S.A.
<b>Parent Guarantor .....</b>	Camposol Holding Ltd.
<b>Subsidiary Guarantors .....</b>	Marinazul S.A. and Campoinca S.A.
<b>Notes Offered .....</b>	Up to US\$200,000,000 aggregate principal amount of 10.50% Senior Notes due 2021.
<b>Collateral .....</b>	The New Notes are secured by the Real Estate transferred to the Peruvian Trustee and Collateral Agent pursuant to the Peruvian Trust Agreement. The Real Estate transferred to the Peruvian Trustee and Collateral Agent pursuant to the Peruvian Trust Agreement also serves as collateral for the Existing Notes.
<b>Issue Date .....</b>	May 11, 2016.
<b>Maturity Date .....</b>	July 15, 2021.
<b>Interest .....</b>	The New Notes will bear interest from and including the Settlement Date at the rate of 10.50% per year, payable semi-annually in arrears on January 15 and July 15 of each year, commencing on July 15, 2016.
<b>Ranking .....</b>	<p>The New Notes are senior secured obligations and rank senior in right of payment to any existing and future unsecured and unsubordinated Indebtedness of the Issuer to the extent of the value of the Collateral senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the New Notes; rank at least <i>pari passu</i> in right of payment with all existing and future unsecured, unsubordinated Indebtedness of the Issuer (other than obligations preferred by statute or operation of law in excess of the value of the Collateral); are irrevocably and unconditionally guaranteed by the Parent Guarantor and the Subsidiary Guarantors on a senior basis; are subordinated to existing and future secured obligations of the Issuer to the extent of the value of the assets serving as security therefor; and are effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. The New Notes do not have the benefit of any collateral securing any of our existing or future secured indebtedness.</p> <p>The Parent Guarantee is an irrevocable, unconditional and unsecured obligation and ranks senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the New Notes; ranks at least <i>pari passu</i> in right of payment with all existing and future unsecured, unsubordinated Indebtedness of the Parent Guarantor (other than obligations preferred by statute or operation of law);</p>

subordinated to existing and future secured obligations of the Parent Guarantor to the extent of the value of the assets serving as security therefor; and is effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

The Subsidiary Guarantees are irrevocable, unconditional and unsecured obligations and rank senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the New Notes; rank at least *pari passu* in right of payment with all existing and future unsecured, unsubordinated Indebtedness of each of the Subsidiary Guarantors (other than obligations preferred by statute or operation of law); are subordinated to existing and future secured obligations of the Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and are effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

**Proceeds .....**

We did not receive any cash proceeds in connection with the Exchange Offer. All Existing Notes tendered and accepted by us in the Exchange Offer were exchanged for the New Notes and cancelled. Accordingly, the issuance of the New Notes did not result in any increase in our Indebtedness.

**Change of Control .....**

If we experience a Change of Control Triggering Event (as defined in the New Indenture), we must offer to repurchase all outstanding New Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. See “Description of the New Notes—Repurchase of Notes Upon a Change of Control Triggering Event.”

**Additional Amounts .....**

Subject to certain conditions, all payments by us in respect of the New Notes, whether principal or interest, will be made without withholding or deduction for or on account of any Peruvian taxes and duties, unless required by law, in which case, subject to certain exceptions and limitations, we will pay additional amounts as may be required so that the net amount received by the holders of the New Notes in respect of principal, interest or other payments on the New Notes, after such withholding or deduction, will not be less than the amount that would have been received in the absence of any such withholding or deduction. See “Description of the New Notes—Additional Amounts.”

**Optional Redemption .....**

At any time and from time to time on or after July 15, 2018, we may redeem the New Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in “Description of the New Notes—Optional Redemption.”

We may also redeem, at any time prior to July 15, 2019, up to 35.0% of the aggregate principal amount of the New Notes at any time with the net cash proceeds of one or more sales of stock of the Parent Guarantor or us at a redemption price of 110.50% of the principal amount of the New Notes, plus accrued and unpaid interest, if any, to (but not including) the

redemption date; provided that at least 65.0% of the aggregate principal amount of the New Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

We may also redeem the New Notes, at any time prior to July 15, 2018, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

**Redemption for Taxation Reasons .....**

We may redeem the New Notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount, plus any unpaid accrued interest, if any, upon the occurrence of specified events relating to tax law applicable to us. See “Description of the New Notes—Redemption for Taxation Reasons.”

**Certain Covenants .....**

Under the terms of the New Notes and the guarantees and the New Indenture, we have agreed to observe certain covenants, such as limitations on the incurrence of certain liens, restricted payments and limitations on sale and leaseback transactions for so long as the New Notes are outstanding. These covenants are subject to a number of important limitations and exceptions. See “Description of the New Notes—Certain Covenants.”

**Events of Default .....**

The New Indenture governing the New Notes and the guarantees set forth events of default applicable to the New Notes. For a discussion of certain events of default that will permit acceleration of the principal of the New Notes plus accrued interest, see “Description of the New Notes—Events of Default.”

**Denomination, Fractions, Book-Entry Delivery and Form .....**

The New Notes were issued in fully registered form without interest coupons and with a minimum denomination of US\$2,000 and in multiples of US\$1,000 in excess thereof. Tenders of Existing Notes pursuant to the Exchange Offer were accepted only in principal amounts equal to permitted denominations for such Existing Notes.

The Company did not accept any tender of Existing Notes that would have resulted in the issuance of less than US\$2,000 principal amount of New Notes to a participating holder. The aggregate principal amount of New Notes issued to each participating holder for all Existing Notes validly tendered (and not validly withdrawn) were rounded down, when necessary, to US\$2,000 or the nearest whole multiple of US\$1,000 in excess thereof. This rounded amount was the principal amount of New Notes Eligible Holders received, and no additional cash was paid in lieu of any principal amount of New Notes not received as a result of such rounding down.

The New Notes were sold only (i) to qualified institutional buyers in reliance on Rule 144A under the Securities Act and (ii) to certain non-U.S. persons in offshore transactions in

	<p>reliance on Regulation S under the Securities Act. New Notes sold to qualified institutional buyers in reliance on Rule 144A were issued in the form of beneficial interests in one or more permanent global securities in fully registered form and deposited with a custodian for, and registered in the name of a nominee of, DTC. New Notes sold in offshore transactions in reliance on Regulation S were issued in the form of beneficial interests in one or more permanent global securities in fully registered form and deposited with a custodian for, and registered in the name of a nominee of, DTC.</p>
<b>Listing .....</b>	<p>We will apply to list the New Notes on the Official List of the Luxembourg Stock Exchange and to trade the New Notes on the Euro MTF market.</p>
<b>Transfer Restrictions; No Registration Right .....</b>	<p>The New Notes have not been and will not be registered under the Securities Act or any state securities laws. The New Notes may not be offered or sold except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. See “Transfer Restrictions.”</p> <p>We will not be required to, nor do we intend to, register the New Notes and the guarantees for resale under the Securities Act or to offer to exchange the New Notes for notes registered under the Securities Act or the securities laws of any jurisdiction.</p>
<b>Further Issuances .....</b>	<p>Subject to the covenants in the New Indenture, we may from time to time, without the consent of the holders of the New Notes, issue further securities having the same terms and conditions as the New Notes in all respects. Any further issue may be consolidated with, and form a single series with, the New Notes issued in this offering; <i>provided, however</i>, that such further issues of securities that are not fungible for U.S. federal income tax purposes shall have a separate CUSIP number.</p>
<b>Governing Law; Submission to Jurisdiction .....</b>	<p>The New Indenture and the New Notes are governed by New York law. We have submitted to the non-exclusive jurisdiction of the United States federal and state courts located in the Borough of Manhattan in The City of New York, in respect of any action arising out of or based on the New Notes. The Peruvian Trust Agreement is governed by the laws of Peru.</p>
<b>Trustee, Registrar, Transfer Agent and Paying Agent.....</b>	<p>The Bank of New York Mellon.</p>
<b>Luxembourg Listing Agent, Paying Agent and Transfer Agent.....</b>	<p>The Bank of New York Mellon (Luxembourg) S.A.</p>
<b>Peruvian Trustee and Collateral Agent.....</b>	<p>La Fiduciaria S.A.</p>
<b>Risk Factors .....</b>	<p><b>Participating in the Exchange Offer and exchanging Existing Notes for the New Notes involved substantial risks and uncertainties. See</b></p>

**“Risk Factors” and other information included in this Listing Memorandum for a discussion of factors you should carefully consider before deciding to participate in the Exchange Offer.**

## Summary Consolidated Financial and Other Information

The following table presents summary consolidated financial information of the Parent Guarantor, Camposol Holding Ltd., as of and for the years indicated, in each case in accordance with IFRS. This information should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of Camposol Holding Ltd., and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” appearing elsewhere in this Listing Memorandum.

The summary consolidated financial information as of and for the years ended December 31, 2013, 2014 and 2015 has been derived from the audited consolidated financial statements of Camposol Holding Ltd. included elsewhere in this Listing Memorandum, as well as unaudited information for the year ended December 31, 2016. The report of PricewaterhouseCoopers Limited on such audited consolidated financial statements as of and for the years ended December 31, 2013, 2014 and 2015 appears elsewhere in this Listing Memorandum.

The summary consolidated financial information as of and for the years ended December 31, 2011 and 2012 has been derived from audited consolidated financial statements of Camposol Holding Ltd. not included in this Listing Memorandum.

	For the year ended December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
Revenue <sup>(1)</sup> :						
Avocados .....	39,873	31,436	49,244	73,400	53,678	53,413
Asparagus .....	57,870	68,078	69,955	65,222	42,833	0
Peppers .....	20,420	15,299	18,730	14,681	21,214	4,170
Mangos .....	16,021	14,722	18,689	23,499	23,082	21,495
Seafood .....	13,300	21,149	26,629	33,755	57,156	70,173
Grapes .....	14,755	18,178	21,245	23,694	16,844	13,583
Artichokes .....	1,973	9,837				
Blueberries .....			8,638	9,542	48,071	100,202
Other .....	3,598	4,482	5,339	9,663	9,814	13,655
Total revenue .....	167,810	183,181	218,469	253,456	272,692	276,691
Cost of sales .....	(109,543)	(138,299)	(145,974)	(171,300)	(193,203)	(162,208)
Gross profit .....	58,267	44,882	72,495	82,156	79,489	114,483
Net gain (loss) arising from changes in fair value of biological assets .....	34,112	40,367	40,057	(46,807)	39,634	79,718
Gross profit after adjustment for biological assets .....	92,379	85,249	112,552	35,349	119,123	194,201
Selling expenses .....	(20,581)	(22,961)	(25,556)	(37,562)	(30,319)	(27,582)
Administrative expenses .....	(19,050)	(20,115)	(22,389)	(28,703)	(24,904)	(26,610)
Other income .....	868	1,145	1,334	18,431	9,518	5,274
Other expenses .....	(2,302)	(1,736)	(3,415)	(9,411)	(15,534)	(10,144)
Net foreign exchange transactions gain (losses) .....	(1,316)	(2,042)	(2,750)	(3,063)	(5,222)	--
Operating profit (loss) .....	49,998	39,540	59,776	(24,959)	52,662	135,139
Share of profit of investments accounted for using equity method .....	111	66	305	918	253	728
Financial income .....	27	1,557	81	116	13	846
Financial cost .....	(8,502)	(17,879)	(19,465)	(22,798)	(24,969)	(24,717)
Profit (loss) before income tax .....	41,634	23,284	40,697	(46,723)	27,959	(2,455)
Income tax benefit (expense).....	(8,014)	(6,284)	(10,431)	12,623	(11,055)	109,541
Profit (loss) for the year from continuing operations .....	33,620	17,000	30,266	(34,100)	16,904	(12,635)
Profit (loss) for the year from discontinued operations .....	(275)	(147)	1,248	456	514	96,906
Profit for the year .....	33,345	16,853	31,514	(33,644)	17,418	(13,195)

	As of December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION						
Assets						
Current assets:						
Prepaid expenses .....	812	821	1,027	1142	970	988
Current portion of biological assets .....	16,145	16,564	19,187	19,227	14,211	74,377
Inventories .....	44,349	52,696	63,082	95,236	47,102	32,757
Other accounts receivable .....	5,965	9,159	8,721	15,657	14,115	16,029
Income tax credit .....	5,093	6,792	3,907	7,949	7,281	
Trade accounts receivable .....	29,923	40,479	55,170	45,994	40,709	42,799
Cash subject to restriction .....	—	—	—	7,500	—	—
Cash and cash equivalents .....	6,604	28,523	27,240	30,505	26,647	84,700
Total current assets .....	108,891	155,034	178,334	223,210	151,035	251,650
Assets classified as held for sale .....	—	—	—	—	9,058	2,145
	108,891	155,034	178,334	223,210	160,093	253,795
Non-current assets:						
Property, plant and equipment .....	117,354	127,733	128,604	194,102	176,905	
Investment in associate .....	493	559	864	1,782	2,036	188,522
Intangible assets .....	22,610	20,343	18,149	16,584	13,717	2,764
Non-current portion of biological assets .....	193,015	242,536	282,982	237,725	300,783	13,813
Deferred income tax .....	1,200	1,398	1,247	2,667	4,131	314,808
Total non-current assets .....	334,672	392,569	431,846	452,860	497,572	2,360
Total assets .....	443,563	547,603	610,180	676,070	657,665	522,267
Liabilities						
Current liabilities:						
Current portion of long-term debt .....	9,712	2,759	9,898	11,682	9,924	62,761
Trade accounts payable .....	40,074	51,288	60,655	48,315	34,355	37,698
Other accounts payable .....	11,178	18,052	9,715	6,637	5,223	5,616
Income tax payable .....	—	—	971	1,948	1,420	1,613
Provisions .....	—	—	2,477	3,434	3,928	8,819
Bank loans.....	25,797	29,880	26,025	59,603	36,120	40,850
Total current liabilities .....	86,761	101,979	109,741	131,619	90,970	157,357
Non-current liabilities:						
Long-term debt.....	55,031	132,352	133,327	206,117	204,851	155,430
Deferred income tax.....	25,119	31,462	41,371	35,139	46,201	56,432
Provisions .....	—	—	—	4,833	4,930	6,727
Total non-current liabilities.....	80,150	163,814	174,698	246,089	255,982	218,589
Total liabilities.....	166,911	265,793	284,439	377,708	346,952	375,946
Shareholders' equity.....	276,083	281,230	324,935	290,220	302,872	391,691
Non-controlling interests.....	569	580	806	8,142	7,841	8,425
Total equity.....	276,652	281,810	325,741	298,362	310,713	400,116
Total liabilities and equity.....	443,563	547,603	610,180	676,070	657,665	776,062



	For the year ended December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$, except percentages and ratios)					(unaudited)
CONSOLIDATED CASH FLOW DATA						
Net cash generated from:						
Operating activities .....	9,538	(14,547)	5,254	(30,823)	33,589	64,889
Investing activities .....	(19,617)	(24,933)	(12,973)	(62,333)	(9,826)	(22,612)
Financing activities .....	6,768	61,399	6,436	96,421	(27,621)	15,776
Net change (decreases)/increase in cash equivalents .....	(3,311)	21,919	(1,283)	3,265	(3,858)	58,053
OTHER CONSOLIDATED FINANCIAL DATA						
EBITDA <sup>(2)</sup> .....	30,484	16,868	41,401	34,039	42,374	76,620
Gross margin <sup>(3)</sup> .....	34.7%	24.5%	33.2%	32.4%	29.1%	27.69%
Operating margin <sup>(4)</sup> .....	29.8%	21.6%	27.4%	(9.8)%	19.3%	34.36%
Net margin <sup>(5)</sup> .....	19.9%	9.2%	14.4%	13.3%	6.4%	30.25%
Total debt <sup>(6)</sup> .....	90,540	164,991	169,250	277,402	250,895	259,041
Total net debt <sup>(7)</sup> .....	83,936	136,468	142,010	246,897	224,248	174,341
Total debt/EBITDA <sup>(2)(6)</sup> .....	2.97	9.78	4.09	8.15	5.92	3.38
Total net debt/EBITDA <sup>(2)(7)</sup> .....	2.77	8.09	3.43	7.03	5.29	2.28
EBITDA <sup>(2)</sup> /gross interest expense <sup>(8)</sup> .....	3.60	1.03	2.14	1.50	1.70	3.1
Asset coverage .....	4.08	2.78	3.06	2.16	2.39	2.74

(1) Revenues include charges for cost of freight when, at our customer's request, we pay such freight cost.

(2) EBITDA represents revenues *minus* cost of sales *minus* administrative expenses *minus* selling expenses *plus* depreciation and amortization, excluding the net gain (loss) arising from changes in fair value of biological assets. Although EBITDA is a widely used financial indicator of a company's ability to service and incur debt, you should not consider it in isolation, as an alternative to net income, as an indicator of our operating performance or as a substitute for analysis of our results as reported under IFRS, since, among others:

- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect our interest expense or the cash requirements to service the interest or principal payments of our debt;
- it does not reflect any cash income taxes we may be required to pay;
- it does not reflect the effect of non-recurring expenses or gains; and
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of changes in financial position.

Because of the above, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under IFRS and it may not be comparable to similar titled measures presented by other companies in our industry because not all companies use the same definition. As a result, you should rely primarily on our IFRS results in evaluating our financial performance.

The following table presents a reconciliation of our operating profit to our consolidated EBITDA for the periods indicated:

	For the year ended December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
Operating profit .....	49,988	39,540	59,776	(24,959)	52,662	135,139
Depreciation and amortization .....	12,003	15,067	16,851	18,148	18,108	16,329
Stock options expense .....	155	5	—	—	—	—
Net (loss) gain arising from change in fair value of biological assets.....	(34,112)	(40,367)	(40,057)	46,807	(39,634)	79,718
Net foreign exchange transaction losses .....	1,316	2,042	2,750	3,063	5,422	—
Other income .....	(868)	(1,145)	(1,334)	(18,431)	(9,518)	5,274
Other expenses .....	2,302	1,736	3,415	9,411	15,534	(10,144)
EBITDA .....	30,484	16,868	41,401	34,039	42,374	76,620

(3) We define our gross margin as our gross profit divided by our total revenues.

(4) We define our operating margin as our operating profit (loss) divided by our total revenues.

(5) We define our net margin as our net profit (loss) for the year divided by our total revenue.

(6) Total debt includes bank debt and financial lease obligations, reported in our audited financial statements under the captions "Long-term debt", "Current portion of long-term debt" and "Bank loans."

(7) We define net debt as our total debt minus cash and cash equivalents.

(8) We define gross interest expense as the sum of financial expenses and financial income.

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## RISK FACTORS

*You should consider carefully the following risk factors, as well as the other information presented in this Listing Memorandum, before investing in the New Notes and the guarantees. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties may also affect us that we do not know about or that we currently think are immaterial or we do not view as risks. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, financial condition and our ability to service our debt. In that event, the market price and liquidity of the New Notes could be materially adversely affected, and you could lose all or part of your investment in the New Notes.*

### **Risks Related to our Business and Industry**

***We have limited liquidity and are dependent on uncommitted bank lines and short-term debt to operate our business and fund working capital needs to generate sufficient cash flows to service our indebtedness.***

As of December 31, 2015, our liquidity relied on cash on hand of US\$26.6 million and our outstanding indebtedness was of US\$250.9 million, having decreased US\$26.5 million from our outstanding indebtedness as of December 31, 2014, when our liquidity relied on cash on hand of US\$38.0 million, which included US\$7.5 million in restricted cash. See “Summary—Recent Developments.” We currently have no outstanding restricted cash balances. We tend to experience high and low periods of sales revenues, which have a corresponding effect on our liquidity position, due to the nature of our business as an agricultural company.

Our operations and development depend on uncommitted bank lines and short-term debt. Therefore, if we are unable to access such financing in a period of low cash flow generation and liquidity, we will not be able to make necessary capital expenditures and pay our expenses, including debt service, which may have a material adverse effect on our business and impair our ability to make payments under the Existing Notes and the New Notes. See “—Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows,” “—Our seasonal business requires working capital and capital expenditures, and if we are unable to access short-term and long-term financing it would adversely affect our results of operations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality.”

If we are unable to access any of these lines of credit for any reason, our financial condition and results of operations will be adversely affected and, we may not be able to comply with our obligations under the Existing Notes and the New Notes.

As of December 31, 2015, we had US\$250.9 million of outstanding indebtedness, of which US\$200 million is represented by the Existing Notes, which mature in February 2017. The primary purpose of the Exchange Offer was to extend the maturity of our outstanding indebtedness. If the Exchange Offer was not consummated and we were unable to otherwise refinance the Existing Notes prior to its stated maturity, we would have not been able to comply with our payment obligations under the Existing Notes in February 2017. By entering in default, our business and financial condition would have been materially and adversely affected and we may have not been able to continue as a going concern.

***We have had recent net losses and negative cash flow from operations and we may not be able to generate sufficient cash flow to service all of our indebtedness, including the Existing Notes and the New Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.***

Our operating cash flow generation depends on both our operating fields and our substantial growth from young fields. Moreover, common stress to this cash flow are the adverse climatic conditions, which could represent diminished, or even negative, cash flow from operations. The most common stress on our operating cash flow generation has come from negative working capital variations and an increase in interest paid, due to higher levels of outstanding debt. We tend to experience high and low periods of sales revenues, which have a corresponding effect on our cash flows, due to the nature of our business as an agricultural company. See “—Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows,” “Our seasonal business requires working capital and capital expenditures, and if we are unable to access short-term and long-term financing it would adversely affect our results of

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operations” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Seasonality.”

In November 2014, we acquired three seafood processing plants in order to increase productivity of our shrimp ponds, and invested in additional hectares of blueberries. We made these investments in order to generate additional revenues. If we are not able to generate such revenues and improve our cash flows from operations, our financial condition and results of operations will be materially and adversely affected.

Our existing level of indebtedness and the requirements and limitations imposed by our debt instruments could adversely affect our financial condition and results of operations. The terms of the Existing Indenture governing the Existing Notes restrict our ability, and the ability of our subsidiaries, to: (i) incur additional debt; (ii) grant liens; (iii) pledge assets; (iv) sell or dispose of assets; and (v) make certain acquisitions, mergers and consolidations. The New Indenture governing the New Notes offered in the Exchange Offer contains similar restrictions. Additionally, the instruments governing a substantial portion of our indebtedness contain cross-default or cross-acceleration clauses and the occurrence of an event of default under one of these instruments could trigger an event of default under other indebtedness or enable the creditors under other indebtedness to accelerate that indebtedness.

We are subject to certain financial covenants that limit our ability to incur additional debt. As of December 31, 2015, we had total debt of US\$250.9 million and a ratio of total debt to EBITDA of 5.91x. See “Summary—Summary Consolidated Financial and Other Information.” If we are unable to incur additional debt, we may be unable to invest in our business and make necessary or advisable capital expenditures, which could reduce future net operating revenue and adversely affect our profitability. In addition, cash required to serve our existing indebtedness reduces the amount available to us to make capital expenditures.

Our ability to make scheduled payments on or to refinance our indebtedness depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Existing Notes and the New Notes, or to fund our other liquidity needs.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the New Notes. Our ability to restructure or refinance our indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the New Indenture may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The failure to generate sufficient cash flow or to achieve any of these alternatives could significantly adversely affect the value of the Existing Notes and the New Notes and our ability to pay the amounts due under the Existing Notes and/or the New Notes.

***We depend on continuing global demand for fruits, vegetables and seafood products.***

Our business and revenues depend on continued demand in our primary export markets for the products which we grow, package and sell, including avocados, asparagus, blueberries, grapes, mangos, peppers, tangerines and shrimp. Overall consumption of our products has expanded in recent years, but this trend may not continue and present or projected consumption levels may not be maintained in the future. Demand for fruits, vegetables and seafood products is affected by numerous factors beyond our control, including fluctuations resulting from adverse changes in general economic conditions and evolving consumer preferences in our main export markets. Accordingly, decreases in demand for our products could materially and adversely affect our business, results of operations and financial condition.

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***Calculation of fair value of biological assets relies on several assumptions which, if changed, could have an impact in our results of operations.***

IAS 41, “Biological Assets”, requires that we measure our biological assets and agriculture produce at the point of harvest at fair value. Therefore, we are required to make assumptions and estimates relating to, among other things, future agricultural commodity yields, prices, and production costs extrapolated through a discounted cash flow method. These assumptions rely on historical data, market information and trends, as well as management best estimates. The assumptions and estimates used to determine the fair value of biological assets, and any changes to such prior estimates, directly affect our reported results of operations. If actual market conditions differ from our estimates and assumptions, there could be material adjustments to our results of operations. Likewise, if as a result of our distressed financial condition biological assets are not maintained, fair value could decrease significantly.

In addition, the use of such discounted cash flow method utilizing these future estimated metrics differs from generally accepted accounting principles in the United States (“U.S. GAAP”). As a result, our financial statements and reported earnings are not directly comparable to those of similar companies in the United States. For further detail regarding the assumptions made and sensitivity analysis, please see note 9 to our consolidated financial statements included elsewhere in this Listing Memorandum.

***Our fruits, vegetables and seafood products are subject to price fluctuations.***

Our financial performance and future development depend to a considerable extent on the market prices of the fruits, vegetables and seafood products that we produce and sell. Most of the products we sell are soft commodities, and market prices generally follow a cyclical pattern. In particular, the consumption level of fruits and vegetables is an important force that drives prices. The current consumption level is impacted by the nutritional value of fruits and vegetables and the global trend towards vegetable consumption and healthy living. Short term supply, and therefore pricing, is mainly threatened by climactic events that could affect field yields. Also, supply and pricing of crops annually and long term are driven in the short term by the amount of cultivated area. Our fresh products are more price sensitive than our frozen products, mainly due to the ability to store frozen products for longer periods. The prices for fresh products vary according to the amount of volume supplied of the same product as well as the prices of other fresh products being offered during the same period of time.

The availability and price of agricultural and seafood products are subject to wide fluctuations due to unpredictable factors such as weather, acreage planted, government farm programs and policies, changes in foreign exchange rates, changes in global demand resulting from population growth and changes in standards of living, global production of similar and competitive crops and outbreaks of disease which produce temporary imbalances in demand and supply. These factors have historically caused volatility in the agricultural and seafood products industry and, consequently, in the availability and price of the agricultural and seafood products we originate and distribute. Reduced supply of agricultural and seafood products due to any of the foregoing factors could adversely affect our business, financial condition and operating results by increasing the cost of the agricultural and seafood products we grow.

In addition, future declines in agricultural and seafood products, such as the ones we produce and sell, could have an adverse impact on our results of operations and financial condition.

***Growth in the sale and distribution of some of our products, including blueberries, depends in part on infrastructure improvements, which may not occur on a timely basis, if at all.***

In contrast to the well-established logistical operations and infrastructure supporting avocado and asparagus exports, blueberries exports demand more complex preparation and means of distribution, including outlets from our facilities to airports and shipping to other countries. Substantial infrastructure development by persons and entities outside our control is required for our operations to grow. Areas requiring expansion include, but are not limited to, additional airport cargo capacity and additional storage facilities. Any delay or failure in making the changes in or expansion of infrastructure may hurt the demand for or prices of our products, prevent our products’ delivery, impose additional costs on us or otherwise have an adverse effect on our business, financial condition and operating results. Our business relies on the continuing availability of infrastructure, and any infrastructure disruptions may have a material adverse effect on our business, financial condition and operating results.

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***Our operations may be affected by climatic events such as El Niño and La Niña.***

Although the Peruvian lands on which our products are grown generally enjoy favorable growing conditions due to stable weather patterns and absence of extreme weather patterns such as frost or heavy rain, when a natural phenomenon such as El Niño or La Niña occurs, supply can be threatened for that season. Such phenomena affect each crop differently because we produce a variety of fruits and vegetables, and it is difficult to predict the consequences of any such phenomena on our operations as a whole, as changes in weather patterns can have both a positive or negative effects on us, depending on the particular crop. However, as an agricultural business, we are subject to inherent risks associated with changes in weather patterns, and natural phenomena such as these can disrupt and adversely affect our operations.

La Niña can disrupt our operations. “La Niña” generally means that the winter is colder than usual, and this can result in either a positive or negative repercussion on our activities, depending on the particular crop. For example, in the case of avocados, the cold weather reduces the growth rate of the fruit, and by harvest time the fruit is at a lower weight than usual. In the case of asparagus, however, although growth slows during cold periods, the plants that are maturing and will be harvested at the end of the year typically yield volumes in excess of the average. Based on the applicable theory and common weather conditions under which blueberries fields are managed, in the case of this fruit we can assume that cold periods might help improve yields as the crop’s origin is in lands of cold weather. However, since as of the date of this Listing Memorandum we have not experienced “La Niña” with his crop yet, we cannot confirm so.

“El Niño”, which can usually be predicted some months in advance, increases both summer and winter temperatures, and heightens the risk of flooding and infrastructure damage in the Northern part of Peru where Camposol’s plantations and shrimp ponds are located. El Niño reduces avocado and asparagus volumes depending on the time of the year in which it occurs and has a moderated effect on semi intensive shrimp ponds due to its exposure to changing weather patterns. In addition, blueberries and intensive shrimp ponds that do not have direct exposure to changing weather conditions (like semi intensive shrimp ponds), have shown almost no alteration on its harvest levels to weak and moderate El Niño events. The last two important El Niño events occurred in 1983 and 1998. Other relatively significant El Niño events occurred in 1988, 1992, 2002, 2010, 2015 and during the first quarter of 2016. The effects of El Niño on production can also negatively affect the cash flow of agri-businesses such as ours during the harvest season in which the phenomenon occurs.

***Our sales may be affected by economic developments in our destination countries.***

Exports account for a considerable proportion of our total sales. Lower economic growth, and/or a downturn in our primary export markets, in particular the European Union, the U.S. and Asia, could have a negative effect on our business and profitability. Likewise, depreciation of the currency in the markets to which we export against the U.S. dollar could also have an adverse impact on us as long as we are collecting revenues in such applicable currency. This could take the form of reduced demand, losses on receivables resulting from customers’ inability to pay their debts, or other factors. Negative economic developments in our export markets could have a material negative impact on our sales, profitability and results of operations.

***We are dependent on exports to the European Union, the United States and our other main export markets.***

In recent years, the principal markets for our products have been United States, Spain, Germany, Netherlands and France. In particular, our business has been highly dependent on the European Union, as it traditionally has been the largest importer of our products. We expect this trend to shift toward a dependency on the U.S., mainly due to our decision to exit the preserved business and focus on fresh products. This shift in trend is supported by increasing sales of Hass avocados to the U.S. which we believe will have significant importance to our future operations, and which commenced materially in August 2011, along with our increasing sales of blueberries to the U.S., the largest importer of blueberries in the world. The imposition of tariffs, quotas, trade barriers, import bans or any other restrictions in the European Union, the United States or any of our export countries would affect our pricing structure, competitiveness and our ability to sell into these countries, and it may be difficult to place our products in other countries.

Our ability to compete effectively in our export markets could be materially and adversely affected by a number of factors beyond our control, including deterioration in macroeconomic conditions, exchange rate volatility or government subsidies. Moreover, the demand for our products may decrease

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materially if there are any unforeseen events such as outbreak of wars, terrorist attacks or other political, economic or social events in our principal markets that lead to a protracted economic downturn. If our ability to sell our products competitively in one or more of our significant export markets were impaired by any such development, we might not be able to reallocate our products to other markets on equally favorable terms, and our business, financial condition and results of operations might be adversely affected.

***Changes in laws and regulations (or the interpretations thereof) in Peru or any of our principal export markets may adversely affect our business, financial condition and results of operations.***

Our industry is subject to numerous statutes, rules, and regulations, both within Peru and internationally, including health regulations. To operate our land and production plants, for example, we must comply with certain administrative requirements, such as acquiring appropriate permits, licenses, concessions, authorizations, certifications and registrations, some of which are granted for fixed terms and therefore require periodic renewal. Changes to any of the laws, regulations, rules, or policies regarding the licensing, harvesting, production, processing, preparation, distribution, restrictions on exports, packaging, or labeling of our products, or environmental matters, or a stricter interpretation or enforcement thereof, may increase our operating costs or impose restrictions on our operations which, in turn, could have a material adverse impact on our business, results of operations, financial condition and ability to repay the Existing Notes and the New Notes.

Furthermore, we depend substantially on a large labor force to operate our business. As in most countries, labor is subject to regulation in Peru, and such regulation is subject to changes which may or may not be foreseeable. Future changes in labor regulations applicable to us could have a material adverse effect on our business or results of operations.

In addition to being required to comply with Peruvian regulations, the governments of countries in which we sell our products, including the European Union, the U.S., China, Japan and Canada, from time to time consider new regulatory proposals relating to raw materials, food safety and environmental regulations. If adopted, such regulations could lead to disruptions in the distribution of our products and increase our operational costs, which, in turn, could affect our results of operations and cash flows. To the extent that we increase our product prices as a result of such changes, our sales volume and revenues may be adversely affected. Furthermore, governments may change regulations or impose taxes or duties on certain imports, which may have an adverse effect on our financial condition and results of operations.

Failure by us to comply with current or future laws, regulations, rules, or policies that apply to us may subject us to revocation of licenses or to civil or regulatory proceedings, including fines, injunctions, recalls, suspension of operations, imposition of criminal liability for non-compliance or seizures, which may have a material adverse effect on our financial condition and results of operations.

***Illegal occupations may affect the use of our agricultural properties which could adversely affect our operations and results of operations.***

Invasions or illegal occupations of rural land by residents members of certain communities is a common occurrence in certain regions of Peru, including those where we currently operate. Remedies such as police protection or eviction procedures are often inadequate, insufficient or take a long time to be resolved. As a result, we cannot assure you that our agricultural properties will not be subject to invasion or occupation. Any invasion or occupation may materially impair the use of our lands and adversely affect our operations and the value of such land.

For instance, since 2011, approximately 400 hectares of our 1090 hectares “Fundo Huangala” parcel, located in Piura, were invaded by a group of local residents. Although the local prosecutor filed criminal proceedings in local courts against the leader of the occupying group in 2011, the situation has not yet been resolved and we do not expect it to be resolved within the next five years. We cannot assure you that future invasions to our agricultural properties will not occur. Any invasion of a significant portion of our agricultural properties could have a material adverse effect on our financial condition and results of operations. See “Risks Related to the Collateral—Any future illegal invasion or occupation of our agricultural properties that are part of the Collateral will negatively affect its realizable value and the ability of the Peruvian Trustee and Collateral Agent to foreclose on the affected portion of the Collateral.”

***We face competition from other fruit and vegetable producers located throughout the world and are subject to consumer product substitution.***

We have several competitors for our products in Peru and around the world. Some competitors for certain products are larger than we are and have greater financial resources than we do. Competition is

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based on price, logistics, service offerings and geographic location. With respect to our main products, we face competition from producers in diverse parts of the world. For example, our primary competitors for asparagus are located in China, our main competition in the avocados market is from producers located in California, Mexico and South Africa, and our main competition in the blueberries market are Peruvian producers, and producers located in Chile and Argentina. Accordingly, our competitors operate in diverse regions characterized by different weather patterns, geographies and regulatory regimes, as well as varying labor, production, transportation and other costs. Many of the risks associated with the agribusiness industry are inherently local; for example a natural disaster or labor disruption in Peru may affect our crop yields, but are unlikely to affect simultaneously those of our North American, Asian or African competitors.

Furthermore, the market for our products is highly price-competitive and sensitive to product substitution. Consumers have been shown to change their fruit and vegetable purchasing preferences based on material changes in price. For example, consumers may substitute peaches for mangos, or broccoli for asparagus, depending on the prices offered to end users. Competition could cause us to lose market share, exit certain lines of business, or reduce prices, each of which could adversely affect our business, financial condition and operating results.

In addition, potential changes to international trade regulations and agreements, as well as other political and economic arrangements (including direct or indirect subsidies) may benefit agro-industrial companies or traders operating in countries other where our operations are currently located or adversely affect our export costs when we engage in international transactions. We cannot assure you that we will be able to compete on the basis of price or other factors with companies that in the future may benefit from favorable regulations, trading or other agreements or that we will be able to maintain our export costs.

***Government policies affecting the agricultural industry could adversely affect our business, financial condition and operating results.***

Agricultural production and trade are subject to extensive government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence which crops are planted, the location and size of crop production, trade in unprocessed or processed commodity products, the volume and types of imports and exports, and industry profitability. In addition, international trade disputes can adversely affect agricultural commodity trade by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply of, demand for, and prices of products we originate and distribute, restrict our ability to do business in our existing and target markets, reduce our access to water to irrigate our fields and otherwise adversely affect our business, financial condition and operating results.

Compliance with such government policies and regulations may require us to incur costs and capital expenditures on an ongoing basis. Such regulations may require us to obtain and maintain authorizations, permits and licenses for, among other things, the use of water for irrigation purposes, construction of new facilities, the installation and operation of new equipment used in our operations. Such authorizations, permits and licenses may be subject to periodic renewal and challenge from third parties. In this regard regulatory agencies may take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance.

***Government policies affecting the seafood industry could adversely affect our business, financial condition and operating results.***

Seafood production and trade are subject to extensive government policies and regulations. Governmental policies affecting the seafood industry, such as taxes, tariffs, duties, subsidies and import and export restrictions on seafood commodities and commodity products, can influence which ponds are exploited, the location ponds and size of seafood production, trade in unprocessed or processed commodity products, the volume and types of imports and exports, and industry profitability. In addition, international trade disputes can adversely affect seafood commodity trade by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply of, demand for, and prices of products we originate and distribute, restrict our ability to do business in our existing and target markets, among others.

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Compliance with such government policies and regulations may require us to incur costs and capital expenditures on an ongoing basis. Such regulations may require us to obtain and maintain authorizations, permits and licenses for, among other things, the use of water for irrigation purposes, construction of new facilities, the installation and operation of new equipment used in our operations. Such authorizations, permits and licenses may be subject to periodic renewal and challenge from third parties. In this regard regulatory agencies may take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance.

***Water shortages or any failure to maintain existing licenses for water rights could adversely affect our business.***

We grow our crops in an arid, desert region of northern Peru that is characterized by low levels of rainfall. Therefore, the continued supply of water is essential for our business. We obtain the vast majority of the water used to irrigate our crops pursuant to licenses granted to us by the Peruvian Water National Authority (*Autoridad Nacional del Agua*, or the “ANA”). These rights permit us to use a system of canals that diverts water from major rivers that are fed by melting snow in the Andes Mountains. These licenses generally do not have an expiration date.

Water rights, including licenses, may be terminated by government authorities or courts under certain circumstances, including: (i) a titleholder’s resignation; (ii) nullification of the resolution approving the corresponding permit, authorization and/or license, declared by the ANA, based on certain infringements of applicable laws and regulations; and (iii) failure to pay an applicable water rights fee. Under Peruvian law, authorities may grant temporary water rights, as well as rights for indefinite periods, such as those licenses that have been granted to us as of the date of this Listing Memorandum. Our licenses are subject to our compliance with certain customary legal conditions related to the permitted use of the water. For example, Peruvian law requires that water rights must be used efficiently without adversely affecting water quality or the environment, and taking into account primary uses (such as water for food preparation, human direct consumption, agricultural activities and personal hygiene) and rights for the use of water previously granted.

Although we continue to seek alternative sources of water to minimize the risk of any disruption, the available water supply may be adversely affected by shortages or changes in governmental regulations that may reduce the available volumes of water to which we currently have access. We cannot assure you that water will be available in sufficient quantities to meet our future needs or will prove sufficient to meet our water supply needs. In addition, we cannot assure you that our existing licenses related to water rights will be maintained. If our water supply is reduced, this could adversely affect our business, results of operations, financial condition and ability to repay the New Notes. See “Regulatory Environment—Water Supply Law.”

***Environmental regulation may adversely affect our business.***

We are subject to a broad range of environmental laws and regulations which require us to incur costs and capital expenditures on an ongoing basis and expose us to substantial liabilities in the event of non-compliance. These laws and regulations apply mainly to our land, seafood farms and plants and cover, among other things, emissions into the atmosphere, disposal of solid waste and water effluents, management, transportation and disposal of hazardous wastes, and other activities incidental to our business. These laws and regulations also require us to obtain and maintain environmental permits, licenses and authorizations for the construction of new facilities or the installation and operation of new equipment required for our activities. Such permits, licenses and authorizations are subject to periodic renewal. In this regard, government environmental agencies could take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of permits, licenses and authorizations, suspension of operations or imposition of criminal liability for non-compliance.

In addition, any change to environmental regulations will likely include environmental compliance costs. Compliance with new or modified environmental regulations could require us to make significant capital investments in additional pollution controls or process modifications. These expenditures may not be recoverable and may consequently divert funds away from planned investments in a manner that could adversely affect our business, results of operation, financial condition and ability to repay the New Notes. See “Regulatory Environment—Environmental Matters.”



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***Disruption of transportation and logistics services could adversely affect our operating results.***

Our products are delivered by truck to ports and shipped in chartered container vessels to markets in Europe, the U.S. and Asia, among other destinations. If there is any disruption in the shipping delivery due to weather conditions, port or union strikes, social unrest or any other factors, our sales may be adversely affected. Any disruptions in our supply chain may potentially increase our operating costs and impact our business, results of operations and financial condition.

Our operations rely on dependable and efficient transportation services. These services require continuing expansion, improvement and maintenance of the highway and shipping infrastructure we use. Due to the location of our fields, we rely heavily on one main highway in Peru, the Panamerican highway. Additionally, we use the services provided by port terminal operators who are exposed to changes in law and port regulations that may, for example, require the hiring of additional, more expensive unionized workers. We also purchase and sell ocean freight services globally.

A disruption in any of these transportation services could adversely impact our origination, transportation, and distribution operations. A natural disaster, an accident, human error, rising fuel costs, port congestion, a strike, work slowdown or other labor action, or other circumstances could result in disruptions in regional and international transportation systems that could materially and adversely affect our logistics and distribution operations and ultimately could adversely affect our business, financial condition and operating results.

***Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows.***

We produce a diverse range of fruits and vegetables, each of which is subject to its own pattern of planting, growth and harvesting. For example, we harvest white asparagus during every month of the year, while avocados are harvested in April through September, blueberries from October to March and mangos are harvested from December through February. We tend to experience high and low periods of sales revenues, which have a corresponding effect on our cash flows, due to the nature of our business as an agricultural company. Any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows.

***Our seasonal business requires working capital and capital expenditures, and if we are unable to access short-term and long-term financing it would adversely affect our results of operations.***

We have ongoing working capital needs to operate our seasonal business, and we could need additional financing in the future, which may be substantial, to support our working capital and capital expenditures. In addition, our land, production facilities, machinery, equipment and our compliance with applicable laws and regulations require ongoing capital expenditures. Currently, we seek to meet our working capital needs from our ongoing operations and from financing pursuant to non-committed lines of credit when needed. These lines may no longer be available to us if there is an adverse change in our business, results of operations or prospects. The availability of future debt and equity financing is subject to many uncertainties beyond our control, including, among others, international and regional macroeconomic, political and capital market conditions. The cost and availability of financing for Peruvian companies such as us are influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the cost and availability of financing to issuers in other countries, including Peru. As a result, additional capital or other types of financing may not be available when needed or, if available, the terms of such financing may not be favorable to us. Failure to obtain sufficient financing on attractive terms may result in postponing needed improvements or expansions of our production facilities and/or increase in our financial expense which would adversely affect our results of operations.

***Restrictive covenants under the New Indenture governing the New Notes will restrict the manner in which we can operate our business.***

The New Indenture governing the New Notes contains covenants that impose substantial limitations on, among other things, our ability to:

- incur additional debt;
- make restricted payments;
- pay dividends or distributions on our capital stock, repurchase our capital stock, or sell or transfer property or assets;

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- guarantee indebtedness;
  - enter into transactions with our affiliates;
  - create liens on our assets to secure debt;
  - enter into sale and leaseback transactions;
  - sell assets;
  - make investments; and
  - merge or consolidate with another company.

Such covenant restrictions could impair our ability to respond on a timely basis to changes in the business or regulatory environment in which we operate, to take advantage of business opportunities that arise in our sector or to make strategically essential investments, any of which could materially and adversely affect our business, results of operations, financial condition and prospects. See “Description of the New Notes—Certain Covenants.” In addition, our agreements with respect to future indebtedness may contain additional affirmative and negative covenants that could be more restrictive than those contained in the New Indenture governing the New Notes.

***The land farms and processing plants we operate or manage may suffer loss or damage which may not be covered by our insurance policies.***

We may experience property and casualty loss, or the operation of our land seafood farms or processing plants may be temporarily interrupted, arising from a number of causes, including adverse weather, collision, stranding, fire, mechanical failure and human error. Any such event could result in direct losses and liabilities, loss of income or increased costs. We believe that we maintain insurance at reasonable levels and in line with other companies in our industry. However, if any of the above-mentioned or similar events occurs, our insurance may not compensate us for all of our losses and our contingency plan may be inadequate. If so, such events could have a material adverse effect on our business, results of operations and financial condition.

***We are exposed to foreign exchange rate risk.***

Management has determined that the functional currency of our principal operating entities is the U.S. dollar. These entities sell their products in international markets to customers in a number of countries, and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in U.S. dollars and the price of certain raw materials and supplies are influenced by the U.S. dollar. The borrowings and cash balances of these entities are held in U.S. dollars. Management has used its judgment to determine our functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the U.S. dollar. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars and euros. During the year ended December 31, 2015, 26% of our production costs were related to labor, which are incurred in *soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *sol*. Furthermore, 16% of our sales are made to customers in Europe, with such sales being made in euros. Because our functional currency is the U.S. dollar, our financial results are affected by the exchange rate between the euro and the U.S. dollar and between those currencies and the Peruvian *sol*. Fluctuations in exchange rates could have a significant impact on the portion of our costs denominated in *soles*, or the portion of our sales denominated in Euros, thus affecting our results of operations. For example, an appreciation of the *sol* against the euro and/or the U.S. dollar could have a material adverse effect on our margins.

During the past year the Peruvian *sol* has depreciated against the U.S. dollar. Regarding the euro and the U.S. dollar, after the decision to exit the preserved business, we expect to reduce our sales to Europe, therefore reducing our exposure to fluctuation in the exchange rate between the euro and the U.S. dollar. For more information, see “Exchange Rate.”

***We may incur additional indebtedness in the future that could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding debt obligations.***

After the offering of the New Notes, we may incur additional indebtedness that may have the following direct or indirect effects on you. Such debt may:

- limit our ability to satisfy our obligations under the New Notes and other debt;

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- increase our vulnerability to adverse general economic and industry conditions;
  - require us to dedicate a portion of our cash flow from operations to servicing and repaying our indebtedness which may place us at a competitive disadvantage to our competitors with less debt;
  - limit our flexibility in planning for or reacting to changes in our business and the industry in which we operate;
  - limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds, and
  - increase the cost of additional financing.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditure, selling assets, restructuring or refinancing our indebtedness, or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

In addition, certain of our financing arrangements impose operating and financial restrictions on our business. Our ability to meet our financial ratios, such as those under the New Indenture, may be affected by events beyond our control. These provisions may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in our business. Any of these could materially and adversely affect our ability to satisfy our obligations under the New Notes and the ability of our parent company to satisfy its obligations under its guarantee of the New Notes.

In the future, we may from time to time incur substantial additional indebtedness. Although the New Indenture governing the New Notes restricts us and our subsidiaries from incurring additional debt, these restrictions are subject to important exceptions and qualifications. For instance, under the New Indenture, we may incur indebtedness if, immediately after giving effect on a *pro forma* basis to the incurrence of such indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio of the Parent Guarantor is less than 3.25 to 1.00. As of December 31, 2015, the Consolidated Leverage Ratio of the Parent Guarantor was 5.28 to 1.00. In addition, we will have a general basket for indebtedness not to exceed the greater of (a) US\$30.0 million and (b) 5.0% of the Parent Guarantor's consolidated total assets (which as of December 31, 2015 was US\$32.9 million) and a basket for inventory or receivables financing in an aggregate principal amount outstanding not to exceed 25.0% of total sales (which as of December 31, 2015 was approximately US\$68.1 million). See "Description of the New Notes—Certain Covenants—Limitation on Indebtedness and Disqualified Stock." If we or our subsidiaries incur additional debt, the risks that we face as a result of our existing indebtedness could further intensify.

***Our products may be subject to contamination, as a result of which we may be subject to product recalls or other liabilities that could cause us to incur significant additional costs.***

The sale of food products for human consumption involves the risk of injury to consumers. We are subject to risks that include, but are not limited to, spoilage, contamination (including, without limitation, the presence of bacteria, pathogens, foreign objects, substances, chemicals, other agents, or residues introduced during the growing, storage, handling or transportation phases), tampering or other adulteration of products, product recalls, governmental regulations, and potential product liability claims, especially contaminants. We cannot assure you that consumption of our products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Any contamination, recall or other such event affecting any of our products could lead to significant harm to our corporate image, business interruption or unforeseen liabilities, each of which could have a material adverse effect on our financial condition and results of operations. Moreover, claims or liabilities of this nature might not be covered by any rights of indemnity or contribution that we may have against others, which could have a material adverse effect on our business, results of operations or financial condition.

***We are subject to labor risks and a dispute with one or more of our labor unions could have an adverse effect on our results of operations.***

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Our business is labor intensive with labor costs being a significant cost for our production. Changes in labor regulations and increases in labor costs would have a significant effect on our operations.

Approximately 70% of our employees are covered by collective bargaining agreements with labor unions. A work slowdown, work stoppage, strike or other labor dispute may occur prior to or upon the expiration of our other labor agreements, and we are unable to estimate the adverse effect of any such work slowdown, stoppage or strike or other dispute on our production and sales. Given our high concentration and dependency of labor in specific tasks, work slowdowns, stoppages, strikes or other labor-related developments affecting us could have an adverse effect on our business, financial condition, and results of operations or prospects.

We require large numbers of workers and future expansion of our operations will require additional workforce, including in regions of Peru where agricultural workers are not readily available. If we are unable to hire, train and retain qualified employees, our business could be harmed and we may be unable to implement our growth plans.

***We have a highly skilled senior management team, as well as other key personnel, and our business may be disrupted if we lose their services.***

Our senior management team possesses extensive operating experience and industry knowledge. We rely upon our senior management to set our strategic direction and manage our business, both of which are crucial to our success. Furthermore, our continued success depends upon our ability to attract and retain a large group of experienced professionals. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of experienced personnel could have an adverse effect on our operations and profitability. We do not maintain any key person insurance on any of our senior management or employees. Our ability to retain senior management as well as experienced personnel will in part depend on us having in place appropriate staff remuneration and incentive schemes. The remuneration and incentive schemes we have in place may not be sufficient in retaining the services of our experienced personnel.

***Our shareholders may have interests that differ from those of the holders of the New Notes.***

Generación del Pacífico Grupo S.L. (formerly Dyer Coriat Holding S.L., and which is controlled by the Dyer Coriat family) is the main shareholder of Camposol Holding Ltd., our parent company (and Parent Guarantor under the New Indenture governing the New Notes), with the rest of the shareholders members of the Dyer family. The interests of the Dyer family may not be the same as those of the holders of our New Notes. In circumstances involving a conflict of interest between our shareholders and the holders of the New Notes, our shareholders may seek to cause us to act in a manner that would benefit them to the detriment of the holders of the New Notes. See “Shareholders.”

***An increase in our production expenses relating to the cost of packaging materials, fuel, fertilizers or crop protection products could reduce our profitability.***

Changes in our production expenses have a major impact on our profitability. Other than labor, our main production expenses relate to the cost of packaging materials such as cans and glass jars, fuel, fertilizers and crop protection products, which represent a significant portion of our cost of production. Changes in the prices of such materials (which may be linked to changes in global commodity prices), as well as general price inflation, may lead to increases in production expenses. Such increases could have a material adverse impact on our profitability. If we are unable to pass on any increases in our raw materials or other production expenses through higher product prices, or if increases in prices of packaging materials, fuel, fertilizer and/or crop protection products impair our ability to package our products in a cost effective manner or increase or maintain our crop yields, this could have a material adverse effect on our business, results of operations and financial condition.

***We would be adversely affected by any significant or prolonged disruption to our production facilities.***

Any prolonged and/or significant disruption to our production facilities, whether due to repair, maintenance or servicing, industrial accidents, mechanical equipment failure, human error or otherwise, would disrupt and adversely affect our operations. Further, any major or sustained disruptions in the supply of utilities such as water or electricity or any fire, flood or other natural calamities or communal unrest or acts of terrorism may disrupt our operations or damage our production facilities or inventories and adversely affect our business, financial performance and prospects.

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***Various diseases, pests and adverse weather conditions could affect quality and quantity of our agricultural products.***

Various diseases, pests, fungi, viruses, drought, floods or frosts and certain other weather conditions could affect the quality and quantity of our agricultural and seafood products, decreasing the supply of our products and negatively impacting profitability. Adverse weather conditions may be exacerbated by the effects of climate change. The effects of adverse weather conditions may reduce yields of our agricultural activities. Additionally, higher than average temperatures and rainfall can contribute to an increased presence of pest and insects that may adversely impact our agricultural production. The occurrence and effects of disease and plagues can be unpredictable and devastating to agricultural products, potentially rendering all or a substantial portion of the affected harvests unsuitable for sale. Our agricultural products are also susceptible to fungus and bacteria. Even when only a portion of the production is damaged, our results of operations could be adversely affected because all or a substantial portion of the production costs have been incurred. Although some diseases are treatable, the cost of treatment is high, and we cannot assure you that such events in the future will not adversely affect our operating results and financial condition. In recent years, for example, we have been adversely affected by lower crop yields that have resulted from the *El Niño* and *La Niña* weather phenomenon. See “—Our operations may be affected by climatic events such as *El Niño* and *La Niña*.” Furthermore, if we fail to control a given plague or disease and our production is threatened, we may be unable to supply our main customers, which could affect our results of operations and financial condition. We cannot guarantee that we will succeed in preventing contamination in existing or future fields or farms we may acquire or build, as applicable. Future government restrictions regarding the use of certain materials used in agricultural production may increase maintenance costs and/or reduce production.

***Our facilities are located near known earthquake fault zones and the occurrence of an earthquake or other catastrophic disaster could cause damage to our facilities and equipment that could require us to cease or curtail operations.***

Peru has experienced severe earthquakes in the past that have caused damage to buildings and other infrastructure and have interrupted commerce. Most recently, in 2007 a 6.9 (Richter scale) earthquake affected a large area on the Peruvian coast near the region of Ica. Substantially all of our offices and plants are located in Peru and could be materially adversely affected or disrupted by an earthquake or other natural disasters.

***IFRS accounting standards require us to make numerous estimates in the compilation and preparation of our financial results and limit the comparability of our financial statements to similar issuers using U.S. GAAP.***

IFRS accounting standards for agricultural companies require that we make assumptions and estimates relating to, among other things, future agricultural commodity yields, prices, and production costs extrapolated through a discounted cash flow method. For example, the value of our biological assets with a production cycle lasting more than one year generated initial recognition and changes in fair value of biological assets amounting to US\$39.6 million for the year ended December 31, 2015. These assumptions and estimates, and any changes to such prior estimates, directly affect our reported results of operations. If actual market conditions differ from our estimates and assumptions, there could be material adjustments to our results of operations. In addition, the use of such discounted cash flow method utilizing these future estimated metrics differs from U.S. GAAP. As a result, our financial statements and reported earnings are not directly comparable to those of similar companies in the United States.

***We are exposed to interest rate risk.***

Interest rates are a source of risk for us, as an increase in interest rates raises the cost of funding and, in turn, the cost of our developments. An increase in prevailing interest rates applicable to our debt could also have a negative impact on the demand of potential clients, increasing their borrowing costs and therefore decreasing the attractiveness of their investment in our products when compared to alternative investments.

***Our production and revenues are highly concentrated on seafood products, avocados and blueberries.***

As of December 31, 2015, seafood products, avocados and blueberries accounted for approximately 58.3% of Camposol’s total sales revenue (21.0% seafood products, 19.7% avocados, and 17.6% blueberries, being an important part of Camposol’s income. A decrease in the global consumption of these products would substantially affect our revenues.

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Camposol's competitors are located throughout the world and any improvement in their operations, production, distribution systems or offer of asparagus, avocados and blueberries could incentivize our customers to switch to another provider, affecting Camposol's business.

Similarly, we are exposed to natural disasters and changes in climate conditions that may affect the production of seafood products, avocados and blueberries, and this could result in a breach of our obligations with our customers, generating economic responsibility and damage our reputation.

***We are subject to legal and regulatory proceedings.***

We are subject to a variety of legal and regulatory proceedings and legal compliance risks. We, our representatives, and the industries in which we operate are at times subject to review or investigation by regulators and other governmental authorities, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims and damages. While we believe that we have adopted appropriate risk management and compliance programs, the global and diverse nature of our operations means that legal, regulatory and compliance risks will continue to exist and additional legal and regulatory proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time. Legal and/or regulatory proceedings initiated against us, even those without merit and/or ultimately decided in our favor, may affect our reputation and business standing. See "Business—Legal Proceedings."

**Risks Related to Peru**

***Economic and political developments in Peru could affect our business, financial condition and results of operations.***

The vast majority of our operations is conducted in Peru and is dependent upon the performance of the Peruvian economy. As a result, our business, financial condition and results of operations may be affected by the general conditions of the Peruvian economy, price instability, inflation, interest rates, regulation, taxation, social instability, political unrest and other developments in or affecting Peru, over which we have no control. In the past, Peru has experienced periods of weak economic activity and deterioration in economic conditions. If such conditions return it may have a material and adverse effect on our business, financial condition or results of operations.

During the past several decades, Peru has experienced political instability that has included a succession of regimes with differing economic policies. Previous governments have imposed controls on prices, exchange rates, local and foreign investment and international trade, restricted the ability of companies to dismiss employees, expropriated private sector assets and prohibited the remittance of profits to foreign investors. We cannot assure you whether the Peruvian government, will continue to pursue open market economic policies that are designed to foster and stimulate economic growth and social stability.

During the 1980s and the early 1990s, Peru experienced severe terrorist activity targeted against, among others, the government and the private sector. Despite the suppression of terrorist activity, we cannot assure you that a resurgence of terrorism in Peru will not occur, or that if there is resurgence, it will not disrupt the economy and our business. In addition, Peru has, from time to time, experienced social and political turmoil, including riots, nationwide protests, strikes and street demonstrations. Despite Peru's ongoing economic growth and stabilization over the past several years, the social and political tensions and high levels of poverty and unemployment continue. Future government policies to preempt or respond to social unrest could include, among other things, expropriation, nationalization, suspension of the enforcement of creditors' rights and new taxation policies. These policies could adversely and materially affect the Peruvian economy and our business.

Several presidential candidates from different political parties participated in presidential elections held on April 10, 2016. Based on preliminary results, it is expected that the elections will go into a second round to be held in early June 2016, with the first and second place finishers from the first round of voting competing for the presidency. A new administration may pursue policies that are detrimental to the Peruvian economy and/or negatively affect our industry in general, and our results of operations, in particular. In the past, the possibility of a political outsider being elected president has been a source of political instability in Peru, with negative economic consequences. Increased political turmoil or an electoral victory by a presidential candidate perceived to come from outside the traditional political party system in Peru could increase the volatility of the Peruvian stock market adversely affecting the exchange rate and may have an adverse effect on investors' perception of the country's risk.

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***The implementation of certain laws by the Peruvian government, most notably restrictive exchange rate policies, could have an adverse effect on our business, financial condition and results of operations.***

Since 1991, the Peruvian economy has undergone a major transformation from a highly protected and regulated system to a free-market economy. During this period, protectionist and interventionist laws and policies have been gradually dismantled to create a liberal economy dominated by private sector and market forces. The Peruvian economy has, in general, responded well to this transformation, growing at an average annual rate of over 4.8% during the period from 1998 to 2015. Currently, there are no exchange controls or restrictions on remittances of profits, dividends and royalties in effect. Prior to 1991, Peru exercised control over the foreign exchange markets by imposing multiple exchange rates and placing restrictions on the possession and use of foreign currencies. In 1991, the presidential administration of Alberto Fujimori eliminated all foreign exchange controls and unified exchange rates. Currently, foreign exchange rates are determined by market conditions, with regular operations by the Central Bank of Peru in the foreign exchange market to reduce volatility in the value of Peru's currency against the U.S. dollar.

The Peruvian government may institute restrictive exchange rate policies in the future. Any such restrictive exchange rate policy could affect our ability to access foreign currency or to engage in foreign exchange activities and make payments on the New Notes in U.S. dollars, and could also have a material adverse effect on our business, financial condition and results of operations.

***Inflation could adversely affect our financial condition and results of operations.***

As a result of reforms initiated in the early 1990s, Peruvian inflation has decreased significantly in recent years from triple-digit inflation during the 1980s. Over the five-year period ended on December 31, 2015, the Peruvian economy experienced annual inflation averaging approximately 3.4% per year, as measured by the Peruvian Consumer Price Index, or CPI. The CPI is calculated by the *Instituto Nacional de Estadística e Informática* (the National Institute of Statistics and Information, or INEI) and measures variations in prices of a selected group of goods and services typically consumed by Peruvian families. Inflation may not remain at these levels. The Peruvian Central Bank establishes annually a target inflation rate for each fiscal year and announces this target rate in order to shape market expectations.

If Peru experiences substantial inflation in the future, our costs may increase, our operating and net margins may decrease, which may adversely affect our business and results of operations. An effect on our value may also result in a decrease in the value of the New Notes.

Inflationary pressures may also curtail our ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Peruvian economy. Our operating results and the value of our securities, including the New Notes, may be adversely affected by higher inflation.

***Market volatility generated by distortions in the international financial markets may affect the Peruvian capital markets and the Peruvian banking system.***

The volatility in the international markets may adversely affect the Peruvian capital markets as well. The Peruvian banking system has not experienced any significant liquidity problems as a result of the international liquidity environment, primarily because the major source of funds for local banks is represented by the deposit base. However, we cannot assure you that future market volatility will not affect the Peruvian banking system or that such volatility will not have an adverse effect on our business, financial condition or results of operations.

***Changes in tax laws may increase our tax burden and, as a result, negatively affect our profitability.***

Peru may adopt new tax laws or modify existing laws to increase taxes applicable to our business. These changes may include modifications in the rate of assessments and, on occasion, enactment of temporary taxes. For example, a decrease in the rate of drawback (benefit to recover import or custom duties previously paid) may affect our financial performance.

Historically, the rate for drawback has been 5.0%. However, this rate was temporarily increased to 8.0% in 2009, before being reduced to 6.5% in July 2010 and reduced again to its historic rate of 5.0% at the beginning of 2011. During 2014 the rate for drawback was reduced to 3%, and it remains the same as of the date of this Listing Memorandum.

Additionally, under current Peruvian law, an individual or a legal entity that grows crops is entitled to a reduced income tax rate of 15%, compared to a general income tax rate, as it is shown in the following table:

	Reduced income tax	Ordinary income tax
2014 .....	15.0%	30.0%
2015 .....	15.0%	28.0%
2016 .....	15.0%	28.0%
2017 .....	15.0%	27.0%
2018 .....	15.0%	27.0%
2019 .....	15.0%	26.0%
2020 .....	15.0%	26.0%
2021 .....	15.0%	26.0%

Peru may impose new taxes or increase taxes in the agro-industry business or cease favorable tax treatment for the agricultural industry. The imposition of new taxes or increases on the rates of existing taxes could negatively affect our overall financial performance.

### **Risks Related to the New Notes**

#### ***The New Notes are structurally subordinated to the existing and future liabilities of our non-guarantor subsidiaries.***

At issuance, the New Notes were guaranteed by only two of our subsidiaries, Marinazul and Campoinca, and therefore are structurally subordinated to all existing and future liabilities of our subsidiaries other than Marinazul and Campoinca. As of December 31, 2015, the aggregate amount of indebtedness of our non-guarantor subsidiaries was US\$11.6 million (excluding intercompany liabilities and the liabilities of Marinazul and Campoinca) and they are permitted to incur additional debt. As of December 31, 2015, the non-guarantor subsidiaries represented 4% of the Parent Guarantor's consolidated total assets. For the year ended December 31, 2015, the non-guarantor subsidiaries' revenues and gross profits represented 19% of the Parent Guarantor's consolidated revenues and 17% of the Parent Guarantor's consolidated gross profits, respectively. Our operating cash flow and our ability to service our indebtedness, including the New Notes, is dependent to a large extent on the operating cash flow of our subsidiaries and the payment of funds by such subsidiaries to us through loans, dividends or otherwise. The subsidiaries, however, are separate legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the terms of the New Notes or to make any funds available for such purpose. The payment of dividends by such subsidiaries will be subject to legal and, in certain instances, contractual restrictions and will depend upon the earnings and cash flow of each subsidiary, which are speculative. In the event of a bankruptcy, liquidation or dissolution of one or more of our subsidiaries, following payment by such subsidiaries of their liabilities, they may not have sufficient assets to make payments to us.

#### ***Our obligations under the New Notes are subordinated to certain statutory liabilities.***

Under Peruvian bankruptcy law, our obligations under the New Notes are subordinated to certain statutory preferences. In the event of our liquidation, such statutory preferences, including claims for salaries, wages, secured obligations (to the extent of the value of the assets serving such obligations) social security, taxes and fees and expenses related to the liquidation proceeding, will have preference over any other claims, including claims by any investor in respect of the New Notes.

In addition, creditors of the Company and/or the Guarantors may hold negotiable instruments or other instruments governed by local law that grant rights to attach the assets of the Company and/or the Guarantors at the inception of judicial proceedings in the relevant jurisdiction, which attachment if granted would likely result in priorities benefitting those creditors when compared to the rights of holders of the New Notes.

#### ***The credit rating assigned to the New Notes may not reflect all risks of an investment in the New Notes.***

The credit rating assigned to the New Notes reflects the relevant rating agency's assessment of our ability to make payments on the New Notes when due. Consequently, real or anticipated changes in this credit rating will generally affect the market value of the New Notes. This credit rating, however, may not reflect the potential impact of risks related to structure, market or other factors related to the value of the New Notes.



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***Our corporate credit ratings and/or the ratings assigned to the New Notes or the Existing Notes may be lowered or withdrawn depending on various factors, including the rating agencies' assessments of our financial strength and Peruvian sovereign risk.***

Any downgrade in or withdrawal of our corporate or senior debt ratings may adversely affect the rating and trading prices of the New Notes and the Existing Notes. We cannot assure that the ratings of the New Notes or the Existing Notes or our corporate rating will continue for any given period of time or that such rating will not be lowered or withdrawn, including to a selective default credit rating. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of our financial strength, as well as its assessment of Peruvian risk generally. Any downgrade in or withdrawal of the rating of the New Notes or the Existing Notes or our corporate rating, may adversely affect the trading prices of the New Notes and the Existing Notes.

***Eligible Holders and prospective purchasers of New Notes may find it difficult to sell the New Notes or to sell them at a price they deem sufficient because there is no existing trading market for the New Notes. An active trading market for the New Notes may not develop.***

The New Notes are new securities for which no established trading market currently exists. The liquidity of any market for the New Notes and pricing for the New Notes will depend upon various factors, including:

- the number of holders of the New Notes;
- the interest of securities dealers in making a market for the New Notes;
- the overall market for similar securities;
- our financial performance and prospects;
- political and economic developments in and affecting Peru;
- the prospects for companies in our industry generally; and
- prevailing interest rates.

We cannot assure you that an active trading market will develop for the New Notes. We cannot assure you regarding the future development of a market for the New Notes, the ability of holders of the New Notes to sell their New Notes or the prices at which holders may be able to sell their New Notes. If a trading market develops for the New Notes, the New Notes may trade at prices that may be higher or lower than the initial offering price depending on various factors, such as those outlined above. The Dealer Managers have advised us that they currently intend to make a market in the New Notes but they are not under any obligation to do so, and any market-making with respect to the New Notes may be discontinued at any time without notice at the sole discretion of the Dealer Managers.

***The New Notes are subject to transfer restrictions that could limit your ability to resell your New Notes.***

The New Notes have not been registered under the Securities Act or any U.S. state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. These exemptions include those for offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Transfer Restrictions."

***We may not be able to fulfill our repurchase obligations with respect to the New Notes upon a Change of Control Triggering Event.***

If we experience certain change of control events, we are required by the New Indenture governing the New Notes to offer to repurchase all outstanding New Notes at a repurchase price equal to 101% of the principal amount of New Notes repurchased, plus accrued and unpaid interest and special interest, if any, to the applicable repurchase date. See "Description of the New Notes—Repurchase of Notes Upon a Change of Control Triggering Event." If a change of control event were to occur, we may not have sufficient funds to repay any New Notes that we would be required to offer to purchase or that would become immediately due and payable as a result of such change of control event. We may require additional financing from third parties to fund any such repurchases, and we cannot assure you that we

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would be able to obtain additional financing on satisfactory terms or at all. Our failure to repay holders who tender New Notes for repurchase following a change of control event could result in an event of default under the New Indenture governing the New Notes.

***Developments in other emerging markets may adversely affect the market price of the New Notes.***

The market price of the New Notes may be adversely affected by downturns in the international financial markets and global economic conditions. The market for securities of Peruvian issuers is influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities markets and demand for, and the prices of, securities of issuers in other countries, including Peru. As a result, developments in regional or other financial markets may adversely affect the market value of the New Notes.

***We may redeem the New Notes prior to maturity.***

The New Notes may also be redeemable at our option for certain reasons, and with certain limitations, as specified in "Description of the New Notes—Optional Redemption." We may choose to redeem those New Notes at times when prevailing interest rates may be relatively low. Accordingly, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the New Notes.

***Our compliance with corporate governance standards is based on the laws of Peru and Cyprus applicable to private companies, which may not be comparable to the standards of companies in certain other countries or that have shares listed on a stock exchange.***

The shares of our parent company and the guarantor of the New Notes, Camposol Holding Ltd., were listed on the Oslo Stock Exchange until December 20, 2013, and we continue to maintain the corporate governance standards of a listed company on that Exchange. Notwithstanding, the corporate governance standards of the Oslo Stock Exchange (to which we voluntarily comply) and of the Luxembourg Stock Exchange may be less stringent than those imposed by securities exchanges in other countries, such as the United States. Also, because we are no longer listed on the Oslo Stock Exchange, our compliance with that Exchange's corporate governance standards is voluntary, and we may discontinue our compliance at any time.

At the same time, we are subject to certain reporting obligations in respect of the New Notes, both under the New Indenture and as a result of the New Notes going to be listed on the Official List of the Luxembourg Stock Exchange. Notwithstanding, the level of information about us, the Parent Guarantor and the Subsidiary Guarantor may be less than that available for publicly traded companies and less than what an investor is accustomed to.

**Risks Related to the Exchange Offer**

***Most of our outstanding indebtedness, which consists of the Existing Notes, matures in February 2017. If we are unable to secure refinancing on favorable terms or at all, we may not be able to comply with our upcoming payment obligations.***

As of December 31, 2015, without giving effect to the issuance of the New Notes or the Exchange Offer, we had approximately US\$250.9 million of outstanding indebtedness, of which approximately US\$36 million matures during 2016 and approximately US\$200 million (consisting of the Existing Notes) matures in February 2017. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Flows from Financing Activities—Indebtedness" and "—Financial Contractual Obligations and Commitments."

If we are unable to make payments on our indebtedness as it matures in the coming months, or refinance or extend maturities of our indebtedness, including the Existing Notes, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our financial condition and operations.

***We may have to undertake additional capital raising and/or debt reduction transactions in the future, including exchange offers for the New Notes, in order to ensure the viability of the Company on a going forward basis, which may require us to incur substantially more indebtedness in the future, and which could exacerbate the risks associated with our Company.***

We have substantial indebtedness. As of December 31, 2015, our total debt outstanding was

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approximately US\$250.9 million. As a result, we have significant cash requirements to meet scheduled payment obligations under such indebtedness. We intend to fund our anticipated cash requirements through the end of 2016 primarily with cash on hand and cash flows from operations, existing working capital lines, by seeking an increase in our credit lines, and, if such lines are not available or insufficient and we cannot increase them, by agreeing the terms of the contemplated subordinated loan from our shareholders, although these sources may not be sufficient to fund such requirements. See “Management Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures.” If available sources of cash flows and credit lines are not sufficient to meet our capital expenditure needs, we intend to seek funding from the contemplated subordinated loan disbursement from our shareholders, although, as of the date of this Listing Memorandum we have not agreed the terms of any such subordinated financing nor entered into a subordinated loan agreement with our shareholders and there is no legal obligation for our shareholders to extend the subordinated loan to us. We cannot assure you that we will be able to increase our credit lines and/or receive any loan disbursement from our shareholders. If we are not successful in arranging these sources of financing and are faced with a funding shortfall, we may be forced to sell assets, seek additional capital or restructure or refinance our indebtedness, including the New Notes. If we are unable to consummate such transactions, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. If we fail to generate sufficient cash flow, increase our credit lines, and, if such lines are not available and for whatever reason, we cannot agree with our shareholders on the terms of the contemplated subordinated loan, our financial condition and result of operations, the value of the Existing Notes and the New Notes, and our ability to pay the amounts due under the Existing Notes and the New Notes could be materially adversely affected.

In addition, despite our expected level of indebtedness, we may incur substantial additional indebtedness in the future. Although the New Indenture restricts our ability to incur additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness we may incur in compliance with these restrictions could be significant. For instance, under the New Indenture, we may incur indebtedness (including acquired indebtedness) if, immediately after giving effect on a *pro forma* basis to the incurrence of such indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio of the Parent Guarantor is less than 3.25 to 1.0. As of December 31, 2015, the Consolidated Leverage Ratio of the Parent Guarantor was 5.28 to 1.00. In addition, we will have a general basket for indebtedness not to exceed the greater of (a) US\$30.0 million and (b) 5.0% of the Parent Guarantor’s consolidated total assets (which as of December 31, 2015 was approximately US\$32.9 million) and a basket for inventory or receivables financing in an aggregate principal amount outstanding not to exceed 25.0% of total sales (which as of December 31, 2015 was approximately US\$68.1 million). See “Description of the New Notes—Certain Covenants—Limitation on Indebtedness and Disqualified Stock.” We and our subsidiaries may not be able to generate the significant amount of cash flow needed to pay interest and principal amounts on all of our debts as they become due, including principal and interest on the Existing Notes and the New Notes and any future indebtedness, which could result in our inability to fulfill our obligations under the Existing Notes and/or the New Notes.

***We may pay certain dividends and make other restricted payments even when highly levered, which may have a negative impact on the value of the New Notes.***

The New Indenture governing the New Notes restricts the ability of the Parent Guarantor and its Restricted Subsidiaries to make restricted payments, including (i) declaring or paying any dividend or making any distribution on or with respect to its capital stock, (ii) purchasing, redeeming, retiring or otherwise acquiring for value any shares of its capital stock, (iii) making any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of indebtedness that is expressly subordinated in right of payment to the New Notes or any Note Guarantees, and (iv) making investments. However, these restrictions have exceptions, including: the option of making restricted payments of up to US\$15 million (provided that no default shall have occurred and be continuing or would occur as a consequence of the relevant payment); the option of making investments in Permitted Businesses up to 10% of the consolidated total assets of the Parent Guarantor and its Restricted Subsidiaries (which as of December 31, 2015 was approximately US\$65.8 million) and the ability to make investments (that need not be in a Permitted Business) up to US\$10 million. See “Description Of the New Notes—Certain Covenants—Limitation on Restricted Payments.” The indenture governing the Existing Notes contains similar and additional exceptions to the limitations on restricted payments. Such payments could occur even if we had significant leverage or were in a situation of financial distress. Such a payment would reduce the funds available for our operations, capital expenditures or debt service and could have a material impact on the value of the notes.

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## **Risks Related to the Collateral**

### ***The transfer of assets to the Peruvian Trust as collateral of the New Notes may be challenged by creditors under Peruvian fraudulent conveyance laws.***

Under Peruvian fraudulent conveyance laws, the transfer of assets to the Peruvian Trust as collateral for the New Notes could be voided as fraudulent if such transfer was made with the intent of hindering, delaying or defaulting on other creditors of the Company. The statute of limitation for creditors to file such action is the earliest of (a) six (6) months from the date the notices to make public the formation of the Peruvian Trust are published in the Peruvian Official Gazette or (b) two (2) months from the date the Company communicates in writing to the creditors regarding the formation of the Peruvian Trust.

If a court were to find that the transfer of the assets to the Peruvian Trust was fraudulent, the court could void such transfer and, therefore, your ability to foreclose on the Peruvian Trust may be impeded. We cannot be certain as to the standards a Peruvian court would use to determine whether the transfer of the assets to the Peruvian Trust was fraudulent.

### ***The transfer of assets to the Peruvian Trust as collateral for the New Notes may be challenged by creditors under Peruvian bankruptcy laws.***

Under Peruvian bankruptcy laws, the transfer of the assets to the Peruvian Trust as collateral of the New Notes could be voided if (a) the transfer of the assets qualifies as a transaction made outside the ordinary course of business of the Company, (b) the transfer of the assets is made within 12 (twelve) months before an insolvency proceeding relating to the Company is initiated by the Company or its creditors and (c) the net worth of the Company is rendered insufficient by reason of the transfer of the assets.

If a court were to find that the transfer of the assets to the Peruvian Trust was voided under Peruvian bankruptcy laws, the court could void such transfer and, therefore, your ability to foreclose on the Peruvian Trust may be impeded. We cannot be certain as to the standards a Peruvian court would use to determine whether the transfer of the assets to the Peruvian Trust is voided under Peruvian bankruptcy laws.

### ***The value of the collateral securing the New Notes and the remaining Existing Notes may not be sufficient to satisfy our obligations under such notes.***

We cannot assure you of the value of the Collateral or that the net proceeds received upon a sale of the Collateral would be sufficient to repay all, or would not be substantially less than, amounts due on the New Notes and the remaining Existing Notes following a foreclosure upon the Collateral (and any payments in respect of prior liens) or a liquidation of our assets or the assets of the Guarantors that may grant these security interests. Further, the Peruvian Trust Agreement sets forth a waterfall of payment in case of foreclosure of the Collateral in which claims for taxes relating to the assets and claims for fees and expenses of the trust have preference over claims under the New Notes and the remaining Existing Notes.

The rights to the Collateral of holders of New Notes and Existing Notes under the Peruvian Trust Agreement are governed by the laws of Peru as to the creation, perfection and foreclosure of the liens, and we cannot assure you that you will be able to effectively enforce your rights in any bankruptcy, insolvency or similar proceedings related to the Company. In the event of a liquidation, foreclosure, bankruptcy or similar proceeding, we cannot assure you that the Collateral will be sold in a timely and orderly manner and that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the New Notes or the remaining Existing Notes following consummation of the Exchange Offer in full or at all.

None of the Dealer Managers has performed an independent appraisal of the value of the Collateral. The market value of the Collateral assigned by the appraiser engaged by us may not accurately reflect the true realizable value of the Collateral in the event of a sale of the Collateral and/or liquidation. The value of the Collateral in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. Also, the value of the Collateral is subject to fluctuations based on factors that include general economic conditions, the actual fair market value of the Collateral at such time, the timing and the manner of the sale and the availability of suitable buyers and similar factors. The value of the Collateral also could be impaired in the future as a result of our failure to implement our business strategy, competition or other future trends.

By its nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that the Collateral will be saleable or, if saleable, that there

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will not be substantial delays in its liquidation. A portion of the Collateral includes assets that require significant irrigation to maintain its value and assets that may only be usable, and thus retain value, as part of our existing operating business. Accordingly, any such sale of the Collateral separate from the sale of certain of our operating businesses may not be feasible or of significant value. We cannot assure you that the proceeds from the sale of the Collateral would be sufficient to satisfy the amounts outstanding under the New Notes and the Existing Notes. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the New Notes or the remaining Existing Notes, the investors in such notes (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against our remaining assets. Any claim for the difference between the amount, if any, realized by investors in the New Notes and the remaining Existing Notes from the sale of the collateral and the obligations under such Notes will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables.

***The foreclosure of the Collateral is subject to certain limitations pursuant to the Peruvian Trust Agreement and Peruvian laws.***

As the issuance of the New Notes, the Issuer and the Peruvian Trustee and Collateral Agent entered into the Peruvian Trust Agreement in order to create the Peruvian Trust. The Peruvian Trust Agreement is governed by Peruvian laws. Subject to the conditions described below and the provisions of the Peruvian Trust Agreement, the Trustee under the New Indenture governing the New Notes and the trustee under the Existing Indenture governing the Existing Notes have the right (upon instruction from the holders of the New Notes and Existing Notes) to jointly direct the Peruvian Trustee and Collateral Agent to take action to enforce the security interests in the Collateral, and the Peruvian Trustee and Collateral Agent will act in accordance with the instructions received from the Trustees, subject to the provisions of the Peruvian Trust Agreement. The Holders and the holders of Existing Notes do not have any right to take part in any action to foreclose on, or otherwise exercise remedies with respect to, the Collateral or otherwise have any enforcement rights with respect to the Collateral. Nonetheless, the Holders and holders of Existing Notes are beneficiaries under the Peruvian Trust Agreement and, as such, if the security interest in the Collateral is enforced in accordance with the Peruvian Trust Agreement, the Holders and holders of Existing Notes will be entitled to receive payments from the proceeds thereof on a *pro rata* and *pari passu* basis.

If an Event of Default under the New Indenture governing the New Notes occurs and is continuing and holders representing at least a majority of the aggregate principal amount outstanding under such Indenture instruct the Trustee under the New Indenture governing the New Notes to enforce on the Collateral, the Trustee shall then instruct the Peruvian Trustee and Collateral Agent to enforce the security interest in the Collateral and, following receipt of such instruction, the Peruvian Trustee and Collateral Agent may foreclose on the Collateral. If an event of default under the indenture governing the Existing Notes occurs and is continuing and holders representing at least a majority of the aggregate principal amount outstanding under such indenture instruct the Trustee under the indenture governing the Existing Notes to enforce on the Collateral, the Trustee shall then instruct the Peruvian Trustee and Collateral Agent to enforce the security interest in the Collateral; *provided, however*, that following receipt of such instruction, the Peruvian Trustee and Collateral Agent shall not proceed to enforce the security interest in the Collateral unless it has also received an instruction from the Trustee under the New Indenture governing the New Notes to enforce the security interest in the Collateral, in which case the Peruvian Trustee and Collateral Agent may foreclose on the Collateral. See “Description of the New Notes—The Peruvian Trust Agreement.”

***We will continue to exercise our rights over the Collateral while the liens are in place.***

Although the New Notes and the remaining Existing Notes are secured by the Collateral pursuant to the Peruvian Trust Agreement, holders of the New Notes will not be able to exercise any control over decisions regarding the Collateral. The Peruvian Trust Agreement defining the terms of the collateral allows us to continue to take actions with respect to such Collateral with which the Holders of the New Notes may disagree or that may be contrary to the interests of Holders of the New Notes.

***Any future illegal invasion or occupation of our agricultural properties that are part of the Collateral will negatively affect its realizable value and the ability of the Peruvian Trustee and Collateral Agent to foreclose on the affected portion of Collateral.***

Invasions or illegal occupations of rural land by residents members of certain communities is a common occurrence in certain regions of Peru, including those where we currently operate. Remedies such as police protection or eviction procedures are often inadequate, insufficient or take a long time to be

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resolved. As a result, we cannot assure you that our agricultural properties will not be subject to invasion or occupation. Any invasion or occupation may materially impair the use of our lands and adversely affect us. See “Risks Related to Our Business and Industry—Illegal occupations may affect the use of our agricultural properties which could adversely affect our operations and results of operations.” We cannot assure you that future invasions to our agricultural properties, like the one affecting a portion of our “Fundo Huangala” parcel, will not affect a portion of our agricultural properties that are part of the Collateral. Any future illegal invasion or occupation of our agricultural properties that are part of the Collateral will negatively affect its realizable value and the ability of the Peruvian Trustee and Collateral Agent to foreclose on the affected portion of the Collateral.

### **Risks Relating to the Guarantees**

#### ***Camposol Holding Ltd. does not currently have significant operations or assets.***

Our parent company Camposol Holding Ltd. has guaranteed the New Notes but is a holding company that does not have significant operations or assets other than its shareholding in us. As a result, we cannot assure you that Camposol Holding Ltd. will have the funds necessary to satisfy our financial obligations under the New Notes if we are unable to do so.

#### ***You may not be able to enforce civil liabilities against Camposol Holding Ltd., the Company, the Subsidiary Guarantors or its directors, officers and controlling persons.***

Camposol Holding Ltd. is organized under the laws of Cyprus, the Company and the Subsidiary Guarantors are organized under the laws of Peru, and a majority of their directors, officers and controlling persons reside in Peru (with a substantial majority of them residing outside the U.S.). In addition, substantially all of their assets and the assets of their directors, officers and controlling persons are located outside of the U.S. As a result, it may be difficult for investors to effect service of process on such persons outside of Peru or to enforce judgments against them, including in any action based on civil liabilities under foreign laws, including the U.S. federal securities laws. There is no guarantee that a judgment against such persons in Cyprus and Peru will be enforceable, whether in original actions or in actions to enforce judgments of U.S. courts or other foreign courts, based solely on the U.S. federal securities laws or other foreign laws. In addition, punitive damages related to actions brought in the United States or elsewhere may be unenforceable in Cyprus and Peru. (See Section “Enforceability of Civil Liabilities”)

#### ***The Parent and Subsidiary Guarantees may be challenged under applicable insolvency or fraudulent transfer laws, impairing its enforceability.***

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in Cyprus, Peru and other jurisdictions where future guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- issued such guarantee by means of misrepresentation;
- incurred the indebtedness with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor’s insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor’s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, indebtedness beyond its ability to repay it upon its maturity.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the jurisdiction which are being applied. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less

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than the amount that would be required to pay its probable liabilities on its existing debt as they became absolute and matured.

Under Cypriot law, in the event of liquidation of the Parent Guarantor, obligations under the guarantee would be subordinated to statutory preferences in the mandatory statutory order of distribution of assets upon winding up.

Under Peruvian law, in the event of liquidation of the Subsidiary Guarantors, obligations under their guarantees would be subordinated to statutory preferences in the mandatory statutory order of distribution of assets upon winding up. Such statutory preferences, including claims for salaries, wages, secured obligations (to the extent of the value of the assets serving such obligations) social security, taxes and fees and expenses related to the liquidation proceeding, will have preference over any other claims, including claims by any investor in respect of the New Notes.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration.

If a court voided the guarantee, subordinated such guarantee to other indebtedness of Camposol Holding Ltd., Marinazul S.A. and/or Campoinca S.A. or held the guarantee unenforceable for any other reason, holders of the New Notes would cease to have a claim against Camposol Holding Ltd., Marinazul S.A. and/or Campoinca S.A. based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of Camposol Holding Ltd., Marinazul S.A. and/or Campoinca S.A. and would solely be creditors of us. After providing for all prior claims, there may not be sufficient assets to satisfy the claims of the holders of the New Notes.

***The Parent Guarantee may be challenged under Contract Law Cap. 149 of Cyprus, impairing its enforceability.***

Under Cyprus law, the following sections of the Contracts Law Cap. 149 (as amended) of Cyprus, would prevail over any provision in a document providing a guarantee and/or securing a third party obligation. Provisions in any such document inconsistent with the below would not be enforceable under Cyprus law:

“91. Any variance, made without the guarantor’s consent, in the terms of the contract between the principal and the creditor, discharges the guarantor as to transactions subsequent to the variance.

92. The guarantor is discharged by any contract between the creditor and the principal debtor, by which the principal debtor is released, or by any act or omission of the creditor, the legal consequence of which is the discharge of the principal debtor.

93. A contract between the creditor and the principal debtor, by which the creditor makes a composition with, or promises to give time to, or not to sue, the principal debtor, discharges the guarantor, unless the guarantor assents to such contract.

94. Where a contract to give time to the principal debtor is made by the creditor with a third person, and not with the principal debtor, the guarantor is not discharged.

95. Mere forbearance on the part of the creditor to sue the principal debtor or to enforce any other remedy against him does not, in the absence of any provision in the guarantee to the contrary, discharge the guarantor.

96. Where there are co-guarantors, a release by the creditor of one of them does not discharge the others; neither does it free the guarantor so released from his responsibility to the other guaranties.

97. If the creditor does any act which is inconsistent with the rights of the guarantor, or omits to do any act which his duty to the guarantor requires him to do, and the eventual remedy of the guarantor himself against the principal debtor is thereby impaired, the guarantor is discharged.

98. Where a guaranteed debt has become due, or default of the principal debtor to perform a guaranteed duty has taken place, the guarantor, upon payment or performance of all that he is liable for, is invested with all the rights which the creditor had against the principal debtor.

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99. A guarantor is entitled to the benefit of every security which the creditor has against the principal debtor at the time when the contract of suretyship is entered into, whether the guarantor knows of the existence of such security or not; and, if the creditor loses or, without the consent of the guarantor, parts with such security, the guarantor is discharged to the extent of the value of the security.



## EXCHANGE RATES

### ***Peruvian Sol/U.S. Dollar***

There have been no exchange controls in Peru since 1991, and since that time foreign exchange transactions have been based on free market exchange rates. However, during the previous two decades the Peruvian currency had experienced a significant number of large appreciations and depreciations. Therefore, Peru Central Bank is used to intervene to stabilize the currency, generating a managed float. Investors are allowed to purchase foreign currency at free market exchange rates through any member of the Peruvian banking system.

The following table shows, for the periods indicated, certain information regarding the exchange rates for U.S. dollars expressed in nominal *soles* per U.S. dollar. The Federal Reserve Bank of New York does not report a noon buying rate for *soles*.

	<b>Low <sup>(1)</sup></b>	<b>High <sup>(1)</sup></b>	<b>Period Average<sup>(2)</sup></b>	<b>Period End</b>
Year:				
2011 .....	2.694	2.836	2.751	2.697
2012 .....	2.584	3.245	2.638	2.552
2013 .....	2.274	2.815	2.693	2.799
2014 .....	2.765	2.994	2.839	2.980
2015 .....	2.982	3.414	3.186	3.414
2016 .....	3.243	3.531	3.375	3.356
2017 (through March 31) .....	3.241	3.394	3.288	3.249

(1) Exchange rates are actual high / low, on a day-by-day basis, for each period.

(2) Calculated as the average of daily exchange rates over the relevant period.

Source: Bloomberg.

### **Euro/U.S. dollar**

A material portion of our sales are made to customers in Europe, with such sales being made in euros. Because our functional currency is the U.S. dollar, our financial results are affected by the exchange rate between the euro and the U.S. dollar. The table below shows, for the periods indicated, certain information regarding the exchange rates for U.S. dollars expressed in U.S. dollars per euro.

	<b>Low <sup>(1)</sup></b>	<b>High <sup>(1)</sup></b>	<b>Period Average<sup>(2)</sup></b>	<b>Period End</b>
Year:				
2011 .....	1.294	1.483	1.401	1.296
2012 .....	1.206	1.346	1.286	1.319
2013 .....	1.278	1.380	1.328	1.374
2014 .....	1.210	1.393	1.329	1.210
2015 .....	1.050	1.210	1.110	1.086
2016 .....	1.039	1.153	1.107	1.052
2017 (through March 31) .....	1.041	1.086	1.065	1.065

(1) Exchange rates are actual high / low, on a day-by-day basis, for each period.

(2) Calculated as the average of daily exchange rates over the relevant period.

Source: Bloomberg.

## CAPITALIZATION

The following table sets forth the capitalization and indebtedness of Camposol Holding Ltd. (i) on an actual basis as of December 31, 2015 and (ii) on an as adjusted basis to give effect to (A) the consummation of the Exchange Offer assuming 100% participation before April 22, 2016 and the corresponding issuance of US\$200.0 million of New Notes in exchange for the Existing Notes, (B) the equity contribution of US\$5.0 million from current shareholders (prorated based on current participation) in the first quarter of 2016 as described under “Summary—Recent Developments,” and (C) cash disbursements to cover transaction cost, as if such events had occurred on December 31, 2015.

On February 4, 2016, Camposol Holding Limited’s board of directors approved an expected loan disbursement of US\$10.0 million from its shareholders to fund costs associated with our development of 540 hectares of additional agricultural properties. The board approved the loan to be subordinated to the Existing Notes and the New Notes and to draw on it only if we cannot increase our lines of credit from banks. Although we expect that our current shareholders will execute this loan agreement, as of the date of this Listing Memorandum there is no legal obligation for them to do so. As a result, the table below does not include an adjustment to give effect to the expected subordinated loan disbursement

This table should be read in conjunction with, and is qualified in its entirety by reference to, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Selected Financial and Other Information” and the audited consolidated financial statements and related notes of Camposol Holding Ltd. included elsewhere in this Listing Memorandum.

	<b>As of December 31, 2015</b>	
	<b>Actual</b>	<b>As adjusted</b>
	<b>(in thousands of U.S. dollars)</b>	
Cash and cash equivalents .....	26,647	28,017 <sup>(1)</sup>
Bank loans .....	36,120	36,120
Current portion of long-term debt .....	9,924	9,924
Total short-term debt and current portion of long-term borrowings .....	46,044	46,044 <sup>(2)</sup>
Existing Notes .....	200,000	—
New Notes .....	—	200,000
Other long-term debt .....	4,851	2,913 <sup>(3)</sup>
Long-term debt .....	204,851	202,913 <sup>(4)</sup>
Total debt .....	250,895	248,957 <sup>(5)</sup>
Shareholders’ equity .....	302,872	307,872 <sup>(6)</sup>
Non-controlling interests .....	7,841	7,841
Total equity .....	310,713	315,713 <sup>(7)</sup>
Total capitalization .....	561,608	564,670 <sup>(8)</sup>
EBITDA .....	42,374	42,374
Total debt to equity .....	0.81	0.79 <sup>(9)</sup>

- (1) Cash and cash equivalents increased by US\$1.4 million, which comprises an equity contribution of US\$5.0 million, net of payments of US\$3.6 million corresponding to the estimated transaction costs related to the Exchange Offer.
- (2) Sum of bank loans and current portion of long-term debt.
- (3) Other long-term debt includes amortized cost. After the Exchange Offer is completed, US\$1.7 million (amortized cost of Existing Notes) will be added to other long-term debt and US\$3.6 million, corresponding to estimated transaction costs, will be recognized as amortized cost, and therefore will be deducted from other long-term debt.
- (4) Sum of Existing Notes, New Notes and other long-term debt.
- (5) Sum of total short-term debt and current portion of long-term borrowings and long-term debt.
- (6) Includes the equity contribution of US\$5.0 million received from our shareholders.
- (7) Sum of shareholders’ equity and non-controlling interests.
- (8) Sum of total debt and total equity.
- (9) Total debt / total equity.

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## RECENT RESULTS OF OPERATIONS

SET FORTH BELOW ARE THE KEY RESULTS OF OUR OPERATIONS FOR THE FOURTH QUARTER PERIOD CLOSED DECEMBER 31, 2016.

- For the year ended December 31, 2016, EBITDA from continuing operations amounted to US\$76.6 million, up 121.1% from 2015. EBITDA margin from continuing operations increased to 27.7% from 14.6% in 2015. EBITDA margin from discontinued operations decreased to -17.3% from 15.5% in 2015. During 4Q-16, EBITDA from continuing operations was US\$35.4 million, up 118.7% from the same period last year. During 4Q-16, EBITDA margin from continuing operations increased to 34.7% from 20.9% in the same period last year.
- Volume sold during 4Q-16, including discontinued operations volume, was 21,454 net MT, down 14.6% from 4Q-15 mainly explained by a decrease in volumes of asparagus, artichokes, peppers, net of an increase in volumes of blueberries and grapes. For the full year 2016, volume sold, including discontinued operations volume, was 82,009 net MT.
- Average realized price during 4Q-16, including discontinued operations sales, was US\$4.77 per net KG, up 38.7% from 4Q-15 mainly explained by higher prices of shrimp and other seafood products and higher prices of grapes. For the full year 2016, average realized price, including discontinued operations sales, was US\$3.66 per net KG.
- Sales during 4Q-16, including discontinued operations sales, were US\$102.3 million, up 18.4% from 4Q-15, mainly due to higher volumes of blueberries and higher volumes and higher prices of shrimp and other seafood products. For the full year 2016, sales, including discontinued operations sales, were US\$300.5 million.
- Average cost of goods sold during 4Q-16, including discontinued operations costs, was US\$2.82 per net KG, up 12.1% from 4Q-15 mainly explained by higher costs of other seafood products, asparagus and blueberries. For the full year 2016, average cost of goods sold, including discontinued operations costs, was US\$2.58 per net KG.
- On December 2016, Camposol obtained a mid-term facility from a local bank for up to US\$15 million dollars, these funds were used to pay in part the outstanding Senior Secured Notes due 2017.
- As of December 31, 2016, the Company maintained a cash balance of US\$84.7 million.
- On February 2<sup>nd</sup>, 2017, Camposol successfully made the maturity payment of its 9.875% Senior Secured Notes due 2017. As a consequence, Camposol now only has its 10.5% Senior Secured Notes due 2021 trading on the financial markets, these notes represent US\$147,490,000.

The following table presents our results of operations for the periods indicated.

	Fourth Quarter		Through December 31 <sup>st</sup>		For the year ended December 31,
<i>US\$thousands (if not otherwise stated)</i>	2016*	2015*	2016*	2015**	2015***
Volume sold (MT 000)	21.5	25.1	82.0	99.7	104.2
Sales					
From continued operations	102,075	77,364	276,691	236,638	272,692
From discontinued operations	245	9,037	23,856	52,692	16,637
	102,320	86,401	300,547	289,330	289,329
Gross profit					
From continued operations	42,195	24,409	95,084	54,890	79,489
From discontinued operations	(472)	(1,339)	(6,511)	3,459	514
	41,723	23,070	88,573	58,349	80,003
Operating profit					
From continued operations	86,073	45,699	135,139	60,881	57,884
From discontinued operations	(155)	(1,339)	(6,697)	3,459	514
	85,918	44,360	128,442	64,340	58,398
Loss / Profit before income tax					
From continued operations	78,179	40,239	109,541	30,956	27,959
From discontinued operations	(472)	(1,339)	(6,511)	3,459	514
	77,707	38,900	103,030	34,415	28,473
<b>Loss / Profit for the period</b>					
From continued operations	65,421	24,680	96,906	19,939	16,904
From discontinued operations	(8,004)	(1,339)	(13,195)	(2,521)	514
	57,417	23,341	83,711	17,418	17,418
<b>EBITDA From continued operations</b>	<b>35,436</b>	<b>16,203</b>	<b>76,620</b>	<b>34,658</b>	<b>42,888</b>
<b>EBITDA From discontinued operations</b>	<b>351</b>	<b>3,099</b>	<b>(4,130)</b>	<b>8,192</b>	
<b>EBITDA</b>	<b>35,787</b>	<b>19,302</b>	<b>72,490</b>	<b>42,850</b>	<b>42,888</b>
Gross Margin**	41.3%	31.6%	34.4%	23.2%	29.1%
EBITDA b.f.v.a. Margin**	34.7%	20.9%	27.7%	14.6%	15.7%

All figures according to IFRS

\* Non audited

\*\* Non Audited – Considers artichoke business and asparagus business as discontinued operations

\*\*\* Audited – Considers only artichoke business as discontinued operations

## Financial Review for the Fourth Quarter and Full Year 2016

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*The figures below describe developments in the fourth quarter and the preliminary full year 2016, with figures for the corresponding periods of 2015 in parenthesis.*

## **Results**

Revenue for the fourth quarter of 2016, without discontinued operations revenue, was US\$102.0 million (77.4), up 31.9% from the same period last year. For the full year 2016, revenues without discontinued operations revenue, was US\$276.7 million (236.6), up 16.9% from the year before, an increase mainly explained by higher volume sold of blueberries and grapes as well as higher prices of shrimp and other seafood products.

Average realized price for the fourth quarter of 2016, without discontinued operations sales, was US\$4.85 per net KG, up 26.5% from 2015. For the full year 2016, average realized price, without discontinued operations sales, was US\$3.66 per net KG, up 29.9% from the year before, an increase mainly explained by higher prices of shrimp and other seafood product, avocados, mangos and grapes.

Gross profit for the fourth quarter of 2016, without discontinued operations, was US\$42.2 million (24.4). For the full year 2016, gross profit, without discontinued operations, was US\$95.1 million (54.9), which resulted in a gross margin of 34.4% (23.2%). EBITDA margin for the fourth quarter 2016, without discontinued operations, was 34.7% (20.9%). For the full year 2016, EBITDA margin, without discontinued operations, was 27.7% (14.6 %).

During fourth quarter 2016, administrative expenses amounted to US\$8.6 million (6.0), and fixed selling expenses amounted to US\$2.5 million (2.5). For the full year 2016, administrative expenses amounted to US\$26.6 million (24.9), and fixed selling expenses amounted to US\$8.2 million (8.7).

As a result, operating profit from continuing operations was US\$86.1 million during the fourth quarter of 2016 (45.7). For the full year 2016, operating profit from continuing operations was US\$135.1 million (60.9).

Financial costs amounted to US\$6.1 million during the fourth quarter of 2016 (6.0). For the full year 2016, financial cost amounted to US\$24.7 million (25.0), the decrease is mainly explained by lower use of working capital credit lines.

Profit from continuing operations was US\$65.4 million during the fourth quarter of 2016 (24.7). For the full year 2016, profit from continuing operations was US\$96.9 million (19.9).

For the fourth quarter of 2016, the Company recorded an EBITDA of US\$35.8 million (19.3). For the year ended of 2016, EBITDA increased to US\$72.5 million (42.9). EBITDA margin increased to 24.1% for the full year 2016 (14.8%).

## **Balance Sheet and Cash Flow**

At the end of 2016, non-current assets increased to US\$522.3 million compared to US\$497.6 million at the end of 2015, mainly due to investment in property, plant and equipment.

Inventories decreased to US\$32.8 million at the end of 2016, compared to US\$47.1 million at the end of 2015, mainly due to a decrease in finished products inventory such as asparagus and peppers.

Trade accounts receivable increased to US\$42.8 million at the end of 2016 from US\$40.7 million at the end of 2015.

Trade accounts payables increased to US\$37.8 million at the end of 2016, from US\$34.4 million at the end of 2015. As a result, total working capital (accounts receivable + inventories - accounts payable) decreased to US\$37.9 million at the end of 2016, from US\$53.4 million at the end of 2015. Current working capital as of December 31, 2016 was 12.6% of total last twelve month sales, including discontinued operations sales. Such significant reduction is the result of the company's effort to improve working capital needs.

Total liabilities decreased to US\$376.0 million at the end of 2016, compared to US\$347.0 million at the end of 2015.

The Company's debt, gross of capitalized fees, increase to US\$264.2 million at the end of the fourth quarter 2016, compared to US\$252.6 million at the end of 2015, mainly due to an increase of working capital credit lines. The Company's debt includes US\$147.5 million of senior secured notes due 2021 (0.0), US\$46.8 million of senior secured notes due 2017 (200.0), US\$9.2 million interest of long term debt (8.4), US\$40.9 million of working capital credit lines (36.1), US\$4.7 million in leasing and other (8.0), and US\$15.0 million in mid-term debt (0.0).

At the end of 2016, the Company generated US\$64.9 million (generated US\$33.6 million at the end of 2015) from operations, made a net investment of US\$22.6 million (net investment US\$9.8 million at the end of 2015) in property, plant and equipment, and in financing activities the Company recorded a net cash inflow of US\$15.7 million (payment of US\$27.6 million at the end of 2015), resulting in a net increase in cash of US\$58.1 million (decrease of US\$3.9 million at the end of 2015). The Company ended the year 2016 with US\$84.7 million in cash (US\$26.6 at the end of 2015).

#### Fourth Quarter 2016 Results Period ended December 31, 2016

	Blueberries	Avocados	Shrimp & other SP.	Mangos	Grapes	Peppers	Other	Asparagu s (*)	Artichokes (*)	Total
<i>US\$thousands</i>										
<b>Revenues</b>	62,919	1,497	17,489	1,257	12,772	525	5,616	218	27	102,320
<b>Gross profit</b>	38,380	321	2,080	78	445	(228)	1,119	(469)	(3)	41,723
<b>Gross margin %</b>	<b>61.0%</b>	<b>21.4%</b>	<b>11.9%</b>	<b>6.2%</b>	-	<b>-43.4%</b>	<b>19.9%</b>	<b>-215.1%</b>	<b>-11.1%</b>	<b>40.8%</b>
<i>Net million tons</i>										
<b>Volume produced</b>	7,824	1	2,945	3,907	8,209	-	(155)	-	-	22,731
<b>Volumes sold</b>	6,807	378	2,182	1,069	6,884	1,633	2,095	315	91	21,454
<i>US\$/kg</i>										
<b>Weighted avg. price</b>	9.24	3.96	8.02	1.18	-	0.32	2.68	0.69	0.30	4.77

(\*) Discontinued operations

#### Year ended December 31, 2016

	Blueberries	Avocados	Shrimp & other SP.	Mangos	Grapes	Peppers	Other	Asparagus (*)	Artichokes (*)	Total
<i>US\$thousands</i>										
<b>Revenues</b>	100,202	53,413	70,173	21,495	13,583	4,170	13,655	20,640	3,216	300,547
<b>Gross profit</b>	61,417	19,674	6,389	4,329	(1)	(527)	3,803	(6,568)	57	88,573
<b>Gross margin %</b>	<b>61.3%</b>	<b>36.8%</b>	<b>9.1%</b>	<b>20.1%</b>	<b>0.0%</b>	<b>-12.6%</b>	<b>27.9%</b>	<b>-31.8%</b>	<b>1.8%</b>	<b>29.5%</b>
<i>Net million tons</i>										
<b>Volume produced</b>	12,863	21,730	9,032	13,477	8,488	-	5,076	976	-	71,642
<b>Volumes sold</b>	10,941	22,947	8,876	12,328	7,475	7,397	5,661	4,980	1,404	82,009
<i>US\$/kg</i>										
<b>Weighted avg. realized price</b>	9.16	2.33	7.91	1.74	1.82	0.56	2.41	4.14	2.29	3.66

(\*) Discontinued operations

### Blueberries

Blueberries are currently the most profitable crop in the portfolio, on which the most important investments were made during the last three years. THE COMPANY sold 10,941 net MTs of fresh blueberries during 2016, at an average price of US\$9.16 per net KG. This represents an increase of 146.6% in volume sold and a decrease of 15.5% in price compared to the same period last year. During 2016, total gross margin for blueberries was 61.3%, down 4.9 pp (percentage points) compared to 2015.

### Avocados

Avocados are one of the most important products in the portfolio of the Company, with a gross margin of 36.8% during 2016. THE COMPANY sold 20,921 net MTs of fresh avocados during 2016, at an average price of US\$2.18 per net KG representing a decrease of 17.5% in volume sold and an increase of 20.6% in price compared to the 2015. THE COMPANY sold 2,026 net MTs of frozen avocados during 2016, at an average price of US\$3.57 per net KG, representing an increase of 5.0% in volume sold and a decrease of 9.2% in price compared to 2015. During the 2016, total gross margin for avocados was 36.8%, down 0.6 pp (percentage points) from 2015.

### Shrimp and other seafood products

THE COMPANY sold 8,876 net MTs of shrimp and other seafood products during 2016, at an average price of US\$7.91 per net KG. This represents a decrease of 13.9% in volume sold and an increase of 42.6% in price compared to 2015. During 2016 total gross margin for shrimp and other seafood products was 9.1%, up 11.9 pp (percentage points) from same period last year.

### Mangos

THE COMPANY sold 7,774 net MTs of fresh mangos during the 2016, at an average price of US\$1.26 per net KG. This represents a decrease of 22.7% in volume sold and a decrease of 14.9% in price compared to 2015. THE COMPANY sold 4,359 net MTs of frozen mangos during 2016, at an average price of US\$2.21 per net KG. This represents an increase of 28.0% in volume sold and an increase of 4.2% in price compared to 2015. THE COMPANY sold 195 net MTs of preserved mangos during 2016, at an average price of US\$1.91 per net KG. This represents a decrease of 31.2% in volume sold and a decrease of 0.9% in price compared to the 2015. During the 2016 total gross margin for mango was 20.1%, down 1.4 pp (percentage points) from 2015.

### Grapes

THE COMPANY sold 7,475 net MTs of fresh grapes during 2016, at an average price of US\$1.82 per net KG, representing an increase of 95.1% in volume sold and an increase of 5.8% in price compared to 2015.

During 2016, total gross margin for grapes was -0.0%, up 12.0 pp (percentage points) from 2015.

## Investment Program

During 2016, the Company invested US\$24.8 million, of which US\$14.3 million were invested in blueberries (for permanent plantations, 540 has 2016 investment program and part of 252 has which are the 2016 second blueberries' investment program), US\$4.6 million in machinery and equipment (for plant and fields), US\$2.4 million for other crops' permanent plantations and other (tangerines, grapes, avocados and mangos), US\$2.0 million in shrimp and other seafood products segment and US\$1.5 million in technological and administrative improvements, among other.

## Age of Fields / Net Has Planted by Segment

As of December 31, 2016

Age (years)	Blueberries (Has)	Avocados (Has)	Mangos (Has)	Grapes (Has)	Tangerines (Has)	Asparagus (Has)	Total (Has)
0-1	791	97	-	126	64	6	1,307
1-2	384	10	-	-	-	1	251
2-3	182	-	-	-	-	-	150
3-4	49	149	33	-	-	-	235
4-5	54	-	-	34	-	-	34
5-6	-	242	-	150	-	-	392
6-7	1	1,130	-	-	103	-	1,234
7-8	-	269	-	82	-	1	352
8-9	-	24	-	-	-	59	83
9-10	-	-	-	-	-	84	84
10-11	-	11	-	-	-	-	11
11-12	-	-	11	-	-	1	12
12-13	-	721	404	-	-	-	1,125
<b>Total Has</b>	<b>1,460</b>	<b>2,653</b>	<b>448</b>	<b>391</b>	<b>167</b>	<b>151</b>	<b>5,270</b>



## SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following table presents selected consolidated financial information of the Parent Guarantor, Camposol Holding Ltd., as of and for the years indicated, in each case in accordance with IFRS. This information should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of Camposol Holding Ltd., and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” appearing elsewhere in this Listing Memorandum.

The summary consolidated financial information as of and for the years ended December 31, 2013, 2014 and 2015 has been derived from the audited consolidated financial statements of Camposol Holding Ltd. included elsewhere in this Listing Memorandum, as well as unaudited information for the year ended December 31, 2016. The report of PricewaterhouseCoopers Limited on such audited consolidated financial statements as of and for the years ended December 31, 2013, 2014 and 2015 appears elsewhere in this Listing Memorandum.

The summary consolidated financial information as of and for the years ended December 31, 2011 and 2012 has been derived from audited consolidated financial statements of Camposol Holding Ltd. not included in this Listing Memorandum.

	For the year ended December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
Revenue <sup>(1)</sup> :						
Avocados .....	39,873	31,436	49,244	73,400	53,678	53,413
Asparagus .....	57,870	68,078	69,955	65,222	42,833	0
Peppers .....	20,420	15,299	18,730	14,681	21,214	4,170
Mangos .....	16,021	14,722	18,689	23,499	23,082	21,495
Seafood .....	13,300	21,149	26,629	33,755	57,156	70,173
Grapes .....	14,755	18,178	21,245	23,694	16,844	13,583
Artichokes .....	1,973	9,837				
Blueberries .....			8,638	9,542	48,071	100,202
Other .....	3,598	4,482	5,339	9,663	9,814	13,655
Total revenue .....	167,810	183,181	218,469	253,456	272,692	276,691
Cost of sales .....	(109,543)	(138,299)	(145,974)	(171,300)	(193,203)	(162,208)
Gross profit .....	58,267	44,882	72,495	82,156	79,489	114,483
Net gain (loss) arising from changes in fair value of biological assets .....	34,112	40,367	40,057	(46,807)	39,634	79,718
Gross profit after adjustment for biological assets .....	92,379	85,249	112,552	35,349	119,123	194,201
Selling expenses .....	(20,581)	(22,961)	(25,556)	(37,562)	(30,319)	(27,582)
Administrative expenses .....	(19,050)	(20,115)	(22,389)	(28,703)	(24,904)	(26,610)
Other income .....	868	1,145	1,334	18,431	9,518	5,274
Other expenses .....	(2,302)	(1,736)	(3,415)	(9,411)	(15,534)	(10,144)
Net foreign exchange transactions gain (losses) .....	(1,316)	(2,042)	(2,750)	(3,063)	(5,222)	--
Operating profit (loss) .....	49,998	39,540	59,776	(24,959)	52,662	135,139
Share of profit of investments accounted for using equity method .....	111	66	305	918	253	728
Financial income .....	27	1,557	81	116	13	846
Financial cost .....	(8,502)	(17,879)	(19,465)	(22,798)	(24,969)	(24,717)
Profit (loss) before income tax .....	41,634	23,284	40,697	(46,723)	27,959	(2,455)
Income tax benefit (expense).....	(8,014)	(6,284)	(10,431)	12,623	(11,055)	109,541
Profit (loss) for the year from continuing operations .....	33,620	17,000	30,266	(34,100)	16,904	(12,635)
Profit (loss) for the year from discontinued operations .....	(275)	(147)	1,248	456	514	96,906
Profit for the year .....	33,345	16,853	31,514	(33,644)	17,418	(13,195)

	As of December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>						
Assets						
Current assets:						
Prepaid expenses .....	812	821	1,027	1142	970	988
Current portion of biological assets .....	16,145	16,564	19,187	19,227	14,211	74,377
Inventories .....	44,349	52,696	63,082	95,236	47,102	32,757
Other accounts receivable .....	5,965	9,159	8,721	15,657	14,115	16,029
Income tax credit .....	5,093	6,792	3,907	7,949	7,281	—
Trade accounts receivable .....	29,923	40,479	55,170	45,994	40,709	42,799
Cash subject to restriction .....	—	—	—	7,500	—	—
Cash and cash equivalents .....	6,604	28,523	27,240	30,505	26,647	84,700
Total current assets .....	108,891	155,034	178,334	223,210	151,035	251,650
Assets classified as held for sale .....	—	—	—	—	9,058	2,145
	108,891	155,034	178,334	223,210	160,093	253,795
Non-current assets:						
Property, plant and equipment .....	117,354	127,733	128,604	194,102	176,905	—
Investment in associate .....	493	559	864	1,782	2,036	188,522
Intangible assets .....	22,610	20,343	18,149	16,584	13,717	2,764
Non-current portion of biological assets .....	193,015	242,536	282,982	237,725	300,783	13,813
Deferred income tax .....	1,200	1,398	1,247	2,667	4,131	314,808
Total non-current assets .....	334,672	392,569	431,846	452,860	497,572	2,360
Total assets .....	443,563	547,603	610,180	676,070	657,665	522,267
Liabilities						
Current liabilities:						
Current portion of long-term debt .....	9,712	2,759	9,898	11,682	9,924	62,761
Trade accounts payable .....	40,074	51,288	60,655	48,315	34,355	37,698
Other accounts payable .....	11,178	18,052	9,715	6,637	5,223	5,616
Income tax payable .....	—	—	971	1,948	1,420	1,613
Provisions .....	—	—	2,477	3,434	3,928	8,819
Bank loans.....	25,797	29,880	26,025	59,603	36,120	40,850
Total current liabilities .....	86,761	101,979	109,741	131,619	90,970	157,357
Non-current liabilities:						
Long-term debt.....	55,031	132,352	133,327	206,117	204,851	155,430
Deferred income tax.....	25,119	31,462	41,371	35,139	46,201	56,432
Provisions .....	—	—	—	4,833	4,930	6,727
Total non-current liabilities.....	80,150	163,814	174,698	246,089	255,982	218,589
Total liabilities.....	166,911	265,793	284,439	377,708	346,952	375,946
Shareholders' equity.....	276,083	281,230	324,935	290,220	302,872	391,691
Non-controlling interests.....	569	580	806	8,142	7,841	8,425
Total equity.....	276,652	281,810	325,741	298,362	310,713	400,116
Total liabilities and equity.....	443,563	547,603	610,180	676,070	657,665	776,062

	For the year ended December 31,					2016
	2011	2012	2013	2014	2015	(unaudited)
	(in thousands of US\$, except percentages and ratios)					
<b>CONSOLIDATED CASH FLOW DATA</b>						
Net cash generated from:						
Operating activities .....	9,538	(14,547)	5,254	(30,823)	33,589	64,889
Investing activities .....	(19,617)	(24,933)	(12,973)	(62,333)	(9,826)	(22,612)
Financing activities .....	6,768	61,399	6,436	96,421	(27,621)	15,776
Net change (decreases)/increase in cash equivalents .....	(3,311)	21,919	(1,283)	3,265	(3,858)	58,053
<b>OTHER CONSOLIDATED FINANCIAL DATA</b>						
EBITDA <sup>(2)</sup> .....	30,484	16,868	41,401	34,039	42,374	76,620
Gross margin <sup>(3)</sup> .....	34.7%	24.5%	33.2%	32.4%	29.1%	27.69%
Operating margin <sup>(4)</sup> .....	29.8%	21.6%	27.4%	(9.8)%	19.3%	34.36%
Net margin <sup>(5)</sup> .....	19.9%	9.2%	14.4%	13.3%	6.4%	30.25%
Total debt <sup>(6)</sup> .....	90,540	164,991	169,250	277,402	250,895	259,041
Total net debt <sup>(7)</sup> .....	83,936	136,468	142,010	246,897	224,248	174,341
Total debt/EBITDA <sup>(2)(6)</sup> .....	2.97	9.78	4.09	8.15	5.92	3.38
Total net debt/EBITDA <sup>(2)(7)</sup> .....	2.77	8.09	3.43	7.03	5.29	2.28
EBITDA <sup>(2)</sup> /gross interest expense <sup>(8)</sup> .....	3.60	1.03	2.14	1.50	1.70	3.1
Asset coverage .....	4.08	2.78	3.06	2.16	2.39	2.74

(1) Revenues include charges for cost of freight when, at our customer's request, we pay such freight cost.

(2) EBITDA represents revenues *minus* cost of sales *minus* administrative expenses *minus* selling expenses *plus* depreciation and amortization, excluding the net gain (loss) arising from changes in fair value of biological assets. Although EBITDA is a widely used financial indicator of a company's ability to service and incur debt, you should not consider it in isolation, as an alternative to net income, as an indicator of our operating performance or as a substitute for analysis of our results as reported under IFRS, since, among others:

- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect our interest expense or the cash requirements to service the interest or principal payments of our debt;
- it does not reflect any cash income taxes we may be required to pay;
- it does not reflect the effect of non-recurring expenses or gains; and
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of changes in financial position.

Because of the above, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under IFRS and it may not be comparable to similar titled measures presented by other companies in our industry because not all companies use the same definition. As a result, you should rely primarily on our IFRS results in evaluating our financial performance.

The following table presents a reconciliation of our operating profit to our consolidated EBITDA for the periods indicated:

	For the year ended December 31,					
	2011	2012	2013	2014	2015	2016
	(in thousands of US\$)					(unaudited)
Operating profit .....	49,988	39,540	59,776	(24,959)	52,662	135,139
Depreciation and amortization .....	12,003	15,067	16,851	18,148	18,108	16,329
Stock options expense .....	155	5	—	—	—	—
Net (loss) gain arising from change in fair value of biological assets .....	(34,112)	(40,367)	(40,057)	46,807	(39,634)	79,718
Net foreign exchange transaction losses .....	1,316	2,042	2,750	3,063	5,422	—
Other income .....	(868)	(1,145)	(1,334)	(18,431)	(9,518)	5,274
Other expenses .....	2,302	1,736	3,415	9,411	15,534	(10,144)
EBITDA .....	30,484	16,868	41,401	34,039	42,374	76,620

(3) We define our gross margin as our gross profit divided by our total revenues.

(4) We define our operating margin as our operating profit (loss) divided by our total revenues.

(5) We define our net margin as our net profit (loss) for the year divided by our total revenue.

(6) Total debt includes bank debt and financial lease obligations, reported in our audited financial statements under the captions "Long-term debt", "Current portion of long-term debt" and "Bank loans."

(7) We define net debt as our total debt minus cash and cash equivalents.

(8) We define gross interest expense as the sum of financial expenses and financial income.

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### Unaudited Combined Financial Information of Subsidiary Guarantors

The following table sets forth certain condensed combining financial information of the Subsidiary Guarantors, Marinazul and Campoinca, for the periods indicated. The unaudited combined selected financial information of Subsidiary Guarantors is presented for illustrative purposes only and should not be considered as audited consolidated financial information prepared in accordance with IFRS for these periods. The table does not reflect any transactions occurring after December 31, 2015.

	<b>As of and for the year ended December 31,</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(in thousands of US\$)</b>			<b>(unaudited)</b>
Revenue .....	26,711	32,927	25,213	50,551
Gross profit (loss) .....	8,865	8,548	(5,090)	8,482
Profit (loss) for the period.....	3,528	507	(5,006)	3,941
Total assets .....	35,181	60,828	70,442	78,344
Total long-term debt .....	183	496	266	104

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read together with Camposol Holding Ltd.'s audited consolidated financial information, including the notes thereto, beginning on page 54 in this Listing Memorandum.*

### Overview

Camposol is the largest agro-industrial company in Peru in terms of revenues and land ownership, the largest independent producer of blueberries in Peru and the largest producer of Hass avocados in Peru in terms of land ownership and area cultivated, as measured by the 1,050 hectares and 2,655 hectares planted, respectively, as of December 31, 2015. Camposol harvests, processes and markets high quality agricultural products that are exported principally to the United States, Europe and Asia. As of December 31, 2015, we owned a total of 28,097 hectares of land, out of which we estimate approximately 18,395 hectares (approximately 11,373 hectares of which have access to irrigation) to be useful for agricultural purposes, of which approximately 5,888 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao and Virú, which are located in the region of La Libertad, and in Piura. In addition, through our subsidiary Marinazul, we own and operate shrimp farms in the region of Tumbes. As of and for the year ended December 31, 2015, we had total revenue of US\$272.7 million and EBITDA of US\$42.4 million. Our gross profit for the year was US\$79.5 million.

We plant, harvest, process, package and export a wide selection of agricultural products, including blueberries, avocados (Hass, Lamb Hass and Ettinger varieties), white asparagus, grapes, mangos, peppers and tangerines. Among these products, blueberries and avocados have been the most important in terms of their contribution to our results of operations over the past three years. Our fruits and vegetables are exported fresh or frozen mainly to markets in the United States, Europe and Asia. We manage our fields using advanced agricultural practices and technology, which have enabled us to consistently increase productivity, achieving in 2015 harvest production volumes of 5,122 MT of blueberries, 26,822 MT of avocados, 8,603 MT of asparagus, 10,575 MT of mangos, 4,875 MT of peppers, and 7,344 MT of grapes. We also focus on minimizing the use of pesticides in our crop development as a means to both make our products more appealing to customers in our principal target markets and to minimize adverse environmental impact.

We are the largest producer of shrimp in Peru, based on volume and hectares farmed, and process other seafood products such as squid, scallops and mahi-mahi acquired from third parties. Our shrimp are grown on our own farms primarily through semi-intensive farming carried out on approximately 1,300 hectares of ponds. We operate three shrimp processing plants with total processing capacity of approximately 125 MT per day. Access to clean water has allowed us to support increased intensive shrimp production at our facilities without any increased incidence of disease. Currently, only 50 hectares of ponds are operating at intensive production levels and our semi-intensive facilities can be scaled up to increase production as demand requires.

Our Camposol Trading division focuses on developing strategic partnerships with retailers and food service companies throughout the world. We have sales offices in the Netherlands and the United States, which we use to strengthen our presence in certain of our key United States and European markets by maximizing our attention and response times to our main customers, while making efforts to promote the Camposol brand as a first-class food producer. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with key export markets such as the United States and the European Union. In particular, our trading division has been able to leverage our logistics infrastructure that has been developed over many years to deliver high quality agricultural products through a well-developed supply chain network.

### Principal factors affecting our results of operations and financial condition

The primary factors affecting our results of operations include the following:

- **The maturity of our crops and resulting yields.** The productive curve of a plant, determined as volume of harvested product per hectare (MT/Ha) in a year, depends on the plant's age. This curve starts low and increases as plants reach peak years, during which it remains stable before declining during old age. The productive curve varies by crop. As a result, our production increases as new investments approach their period of maximum

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yields and decreases when they pass that point. Because the cost of maintaining a plant remains fairly stable during its lifetime, costs per unit decrease sharply as yields increase. We achieved increasing volumes of avocados for the period between 2014 and 2015, since we planted a significant number of avocado trees in 2009. In Peru avocado plants typically take three years to grow and begin production, and another three years to mature and achieve peak stable yields. By 2015, 45% of our avocado plants entered their fully productive stage. In Peru, theoretical studies state that blueberries plants take 1.5 years to grow and begin production, and 2 years to mature and achieve normalized yields. By 2015, 54% of our blueberries plants are expected to enter their productive stage.

- **The effects of supply and demand on the prices of our products.** Our results of operations depend substantially on the sales prices of the fruits and vegetables we produce. Our main export competitors are primarily based outside of Peru. For example, we compete with Californian and Mexican exporters in the fresh avocados market in the United States and South African exporters in the European market. Due to the global nature of our business, any event which has a positive or negative effect on production levels in a competitor's home country may have the opposite effect on our sales and profitability. For example, adverse climatic conditions in South Africa would reduce the amount of fresh avocados available for Europe and increase the price at which we sell our fruit in this market, or vice versa. Furthermore, shifts in consumer demand for certain products can affect our results.

Additionally, the opening of the U.S. avocado market to Peruvian imports without quarantine treatment in 2011 not only had the direct effect of opening a major new market to our avocados, but also reduced the supply of imported avocados in Europe, thereby raising the price at which we sold avocados to our traditional European customers. Since then, increasing volumes from Peruvian exporters of avocado have raised the Peruvian avocado supply during our export window, forcing us to implement new commercial strategies. Hence, in 2015 we decided to work directly with retailers in order to achieve more stable export prices.

- **Free trade agreements, the lifting of import barriers and access to our principal export markets.** We derive our revenues from the export of our products to several countries around the world. Our results have benefited significantly in recent years from the execution by Peru of free trade agreements with both the United States and China. Further, a free trade agreement was signed with the European Union in April 2011. In addition, the USDA amended its regulations to allow the import into the U.S. of Hass avocados from Peru, and in July 2010 we exported our first containers of avocados to the U.S. In August 2011, Peruvian avocados were cleared for full entry to the U.S. market without quarantine treatment. The opening of the U.S. market had an immediate and significant positive impact on the global price of avocados, and accordingly on our profitability. Because the U.S. market was not open until August 2011, we were only able to export 24% of our avocados crop to that market in 2011. In the following years this share increased to 31%, 33%, 66% and 45% for 2012, 2013, 2014 and 2015, respectively. Furthermore, the opening of the U.S. market to increased imports and the resulting diversion of supply from Europe to the U.S. has caused the price of avocados in Europe to increase. In 2015, China gave phytosanitary clearance for Peruvian Hass avocados into its market, allowing Peruvian exports from 2016. Even though China is a small market for avocados – mainly acquired from Mexico and Australia – it has shown a significant growth in the past five years. Moreover, avocados are becoming a common products in restaurant menus and juice bars. The Chinese consumer is aware of the healthy benefits that this fruit offers to adults and, specially, children. We anticipate a high double digit compound annual growth rate (CAGR) over the next years, and we believe China could represent an important third market for Peruvian exports along with USA and Europe.

- **Seasonality.** Agriculture is inherently seasonal in nature. Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocados are harvested in April through September and mangos are harvested from December through February. We maintain a strategically diversified mix of export products that are characterized by varying harvest seasons, largely to mitigate risks associated with seasonality. However, significant periodic variations in our working capital needs, revenues and cash flows depend on the crop cycles of our products. In 2015, approximately 25% of our sales were generated in the first quarter, 20% in the second quarter, 26% in the third quarter and 29% in the fourth quarter. In the following years as our products reach peak yields, we expect that the breakdown of sales by quarter will vary. Any circumstance that adversely affects our business during our harvesting seasons can have a disproportionate effect on our annual results of operations and cash flows. As a result of the foregoing, we may not achieve steady quarterly cash flows and are particularly vulnerable to any adverse events or other unforeseen circumstance which may impact our activities during the harvesting seasons. See “Risk Factors—Risks Related to

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our Business and Industry—Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows.”

- **Inventory carry requirements.** As of 2015, we commercialized our products in a variety of forms designed to optimize responsiveness to consumer demand: fresh, preserved and frozen. Fresh, preserved and frozen products represented approximately 56%, 15% and 27% of our sales during the year ended December 31, 2015, respectively. Fresh products, because of their very nature, have a much quicker rotation and almost no inventory of finished products. Frozen products remain in our inventory on average between 60 and 90 days. Fresh products tend to be more profitable, followed by frozen products and finally preserved goods.

Following the strategy of focusing in fresh and frozen products, by the end of 2015 the Company decided to exit the preserved products business, which was the lower in terms of profitability and the most demanding in terms of working capital needs (long inventory positions of supplies and long periods to collect account receivables).

- **Economic situation globally, and in particular in our main export markets.** Our business and results of operations are directly affected by developments in the global economy, and in particular in Europe and the U.S., where our primary export markets are located. While we have been increasing the portion of our total exports directed to the Americas (primarily the U.S.) in recent years, Europe has continued to be our primary export market. Our total sales to Europe in 2013, 2014, and 2015 represented 51.6%, 40.1% and 51.4% of our total sales, respectively. Sales to the Americas represented 31.4%, 43.2% and 33.6% of our total sales during such years, respectively. Customer demand in these countries is directly tied to the prevailing economic situation. The global economic crisis directly affected our results of operations in 2009. The lower availability of credit and economic difficulties in Europe, particularly in 2008, led to reduced demand for our preserved asparagus in the distribution chain, as markets sought to reduce their inventory levels. This resulted in an abnormally large inventory that we carried over into 2009 in both volume, as explained above, and costs, due to a combination of high supply costs in 2008 and low yields of the asparagus fields, as a large portion of our asparagus fields were young. In order to reduce our inventory carry costs in 2009, we sold this surplus preserved asparagus inventory at a lower price than we would typically achieve. During December 2015 we signed a contract with Sociedad Agrícola Virú, which will allow us to focus on fresh and frozen products. Cease of preserved operations will improve our working capital needs and will increase exports to U.S.

- **Exchange rates between the U.S. dollar and the Peruvian *sol*, and the U.S. dollar and the euro.** Notwithstanding the fact that substantially all of our assets are located in Peru, our functional currency is the U.S. dollar, primarily as a result of our export driven business and the fact that our primary revenues and costs are denominated in U.S. dollars. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. During the year ended December 31, 2015, 26% of our production costs were related to labor, which are incurred in *soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *sol*. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in euros. Because our functional currency is the U.S. dollar, our financial results are affected by the exchange rate between the euro and the U.S. dollar.

- **Climate-related risk.** Even though our operations are located in a region characterized by limited fluctuations in temperature, such fluctuations may affect both the yields and the quality of our products. The latest ENFEN (*Comité Multisectorial Encargado del Estudio Nacional del Fenómeno del Niño*) reports that the El Niño is in its declining phase with decreasing temperatures during April, 2016 and tending to neutral by June, 2016.

### Significant Accounting Policies

A summary of our significant accounting policies is included in Note 2 to our audited consolidated financial statements included elsewhere in this Listing Memorandum.

The presentation of our financial condition and results of operation in conformity with IFRS requires us to make certain judgments and estimates regarding the effects of matters that are inherently uncertain and that impact the carrying value of our assets and liabilities. Actual results could differ from those estimates. To provide an

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understanding about how we form our judgments and estimates about certain future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, we have summarized the critical accounting policies set forth below under IFRS that may be impacted by our judgments and estimates.

### ***Basis of preparation***

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and IFRIC Interpretations.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value, investment in associate recognized under the equity method accounting and assets of disposal group classified as held for sale recognized at the lower of their carrying amount and fair value less costs to sell. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

The consolidated financial statements have been prepared using three years presentation and the same accounting policies have been applied for all three years presented.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 of the consolidated financial statements.

### ***Segment information***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assess performance of the operating segments and make strategic decisions has been identified as the Board of Directors.

### ***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful life of individual assets, as follows:



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	Years
Buildings and other constructions .....	Between 10 and 33
Irrigation infrastructure .....	70
Plant and equipment.....	Between 5 and 10
Furniture and fixtures.....	10
Other equipment.....	Between 3 and 10
Vehicles .....	5

Depreciation commences when assets are available for use as intended by management.

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end. At December 31, 2015, there were no changes resulting from the review.

An asset's carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income' or 'other expenses', respectively, in the consolidated statement of comprehensive income.

#### ***Impairment of non-financial assets***

Goodwill, intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Fair value is the price received to sell an asset in an orderly transaction between market participants at measurement date. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

#### ***Biological assets***

Biological assets are living animals or plants managed for sale. These are avocados, asparagus, blueberries, mangos, grapes, peppers, tangerines and shrimp, which are to be harvested as agricultural produce or as aquaculture products.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangos, avocados and grapes). Cost that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals and fertilizers are capitalized. Administrative, selling and other expenses not related to the production of the biological assets are expended in the consolidated statement of comprehensive income. Bearer biological assets are classified as current and non-current depending on their maturity period.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date. The fair value of biological assets excludes the land upon which the biological assets are

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harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

- (i) the productive life of the asset;
- (ii) the period over which the asset will mature;
- (iii) the expected future sales price;
- (iv) the cost expected to arise through the life of the asset;
- (v) a pre-tax discount rate; and
- (vi) volume produced.

The application of factors mentioned above requires the use of estimates and judgments by management.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise. Agricultural produce and aquaculture production harvested from the biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the consolidated statement of comprehensive income for the period in which it arises. The cost of the agricultural produce and aquaculture production included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

### ***Trade accounts receivable***

Trade accounts receivable are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, trade accounts receivable are classified as current assets, otherwise, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the consolidated statement of comprehensive income in 'other expenses'. Accounts receivable provided for are written-off when they are assessed as uncollectible.

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### ***Current and deferred income tax***

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets are recognized on deductible temporary differences, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group did not recognize any deferred income tax liability for unremitted earnings from Peruvian subsidiaries to Cyprus companies, since there is no legal obligation to pay income tax to the tax authorities of Cyprus and Peru until dividends are distributed. Additionally, it is unlikely a distribution of dividends to take place in the foreseeable future based on the decision of the board of directors.

### ***Provisions***

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

### ***Employee benefits***

#### ***Workers' profit sharing and other employee benefits***

In accordance with Peruvian Legislation, Peruvian entities of the Group are required to provide for workers' profit sharing equivalent to 10% of taxable income in Peru of each year. This amount is charged to the consolidated statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

#### ***Statutory bonuses***

The Peruvian Group Companies recognizes the expense in bonuses and the related liabilities under Peruvian legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year.

#### ***Employees' severance indemnities***

Employees' severance indemnities of Peruvian Group Companies personnel comprise indemnities determined under Peruvian laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employees' severance indemnities equal one-month salary. The Group does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

### ***Revenue recognition***

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### ***Contingent liabilities and assets***

Contingent liabilities are not recognized in the financial statements but disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements, unless virtually certain, and are disclosed only if their realization is assessed as probable.

### ***Custom duties refunds***

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government by means of which the Group is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the consolidated statement of comprehensive income when the Group has the right to claim the refund (when the export is completed).

### ***Reclassification of items***

In 2015, the Company reclassified "net foreign exchange transactions losses" of US\$5.2 million in the consolidated statement of comprehensive income from financial results to operating results. The Company considers

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that classification of this item is more appropriate based on their nature, as it has generated from operating activities. The net foreign exchange reclassified in 2014 and 2013 amounted to US\$3.1 million US\$2.8 million, respectively.

In 2015, the Company reclassified “payable interest” in the consolidated statement of financial position from other accounts payable to long-term debt. The Company considers that classification of this item is more appropriate based on their nature, as it has generated from long-term debt. The interest payable transferred in 2015, 2014 and 2013 amounted to US\$8.4 million, US\$8.7 million and US\$5.6 million, respectively.

## **Factors Affecting Comparability of Results of Operations**

### ***Acquisition of Pacífico Azul***

In February 2014, we acquired 100% of Pacífico Azul S.A.C., a shrimp farming company, for an aggregate purchase price of approximately US\$4.3 million. As a result of this acquisition, we added 222 Hectares to our shrimp farming capacity, which allows us to expand our shrimp production capacity by 20% compared to the capacity we had available prior to this acquisition.

### ***Acquisition of Corporación Refrigerados INY S.A. and Pesquera ABC S.A.C.***

In November 2014, we acquired an 80% ownership stake in Corporación Refrigerados INY S.A., a company engaged in shrimp farming and in seafood industrial processing and distribution, for an aggregate purchase price of approximately US\$9.9 million. In November 2014, we also acquired a 75% ownership stake in Pesquera ABC S.A.C., a company engaged in purchasing, processing and selling seafood products, for an aggregate purchase price of approximately US\$3.9 million.

As a result of these two acquisitions, we integrated our supply chain for purchasing, processing and distributing our seafood products and increased our shrimp production and processing capacity which contributed to our increase in shrimp volumes sold in 2014. Likewise, these acquisitions added to Camposol 91 shrimp ponds of around 414.7 Has and three processing plants with a combined frozen processing capacity of 223 MT/day.

### ***Sale of preserved line of business***

In line with our strategy of focusing on fresh and frozen products, by the end of 2015 we exited the preserved products business, which was the lowest contributor to our profitability and the most capital intensive (long inventory positions of supplies and long periods to collect account receivables). This decision we believe will reduce our exposure to European markets and, therefore, mitigate our exposure to the exchange rate between the euro and the U.S. dollar.

## **Segment Information**

We have eight operating segments which represent different cash-generating business units. Our operating segments consist of asparagus, avocado, artichoke, pepper, mango, seafood, grapes and blueberries, tangerines and other. Our seafood segment includes our shrimp business unit and our shellfish business unit.

The table below provides a breakdown of our revenues by operating segment for the periods indicated.

Year ended December 31,												
2013					2014				2015			
Revenues	% of Revenues	Gross Profit	Gross Margin	Revenues	% of Revenues	Gross Profit	Gross Margin	Revenues	% of Revenues	Gross Profit	Gross Margin	
(in thousands of US\$, except percentages)												
Revenues:												
Asparagus.....	69,955	32.0%	18,447	26.4%	65,222	25.7%	13,936	21.4%	42,833	15.7%	5,498	12.8%
Avocados ....	49,244	22.5%	22,784	46.3%	73,400	29.0%	38,490	52.4%	53,678	19.7%	26,547	49.5%
Peppers.....	18,730	8.6%	3,014	16.1%	14,681	5.8%	606	4.1%	21,214	7.8%	367	1.7%
Mangos .....	18,689	8.6%	4,267	22.8%	23,499	9.3%	8,137	34.6%	23,082	8.5%	7,278	31.5%
Shrimp <sup>(1)</sup> .....	26,629	12.2%	9,802	36.8%	33,755	13.3%	9,412	27.9%	57,156	21.0%	877	1.5%
Grapes .....	21,245	9.7%	7,277	34.3%	23,694	9.3%	4,313	18.2%	16,844	6.2%	(115)	(0.7%)
Blueberries ..	8,638	4.0%	7,065	81.8%	9,542	3.8%	6,786	71.1%	48,071	17.6%	36,092	75.0%
Tangerines...	2,451	1.1%	1,383	56.4%	4,817	1.9%	2,497	51.8%	7,263	2.7%	4,160	57.3%
Other .....	2,888	1.3%	(1,544)	(53.5)%	4,846	1.9%	(2,021)	(41.7)%	2,551	0.9%	(1,215)	(47.6)%
Total .....	218,469	100%	72,495	33.2%	253,456	100%	82,156	32.4%	272,692	100%	79,489	29.1%

(1) Includes shrimp and seafood.

The table below provides a breakdown of our assets by operating segment as of the dates indicated.

(in thousands of US\$)	Asparagus	Mango	Blueberry	Avocado	Pepper	Seafood	Grapes	Artichoke	Total
(in thousands of US\$)									
2015:									
Current portion of biological assets .....	1,214	434	3,298	2,042	—	5,714	1,510	—	14,212
Non-current portion of biological assets .....	7,451	3,502	161,617	100,038	—	—	7,018	—	279,626
Goodwill .....	—	—	—	9,219	—	885	—	—	10,104
Finished products .....	11,211	2,896	1,879	2,141	3,139	8,686	639	3,888	34,479
Property, plant and equipment .....	1,475	7,350	11,848	52,732	—	56,581	10,768	—	140,754
Total assets by segment .....	21,351	14,182	178,642	166,172	3,139	71,866	19,935	3,888	479,175
Area (Has) .....	1,261	450	1,050	2,655	—	724	327	—	6,467
2014:									
Current portion of biological assets .....	3,012	331	676	2,892	—	8,307	4,009	—	19,227
Non-current portion of biological assets .....	18,505	2,679	33,136	144,971	—	—	18,262	—	217,553
Goodwill .....	3,778	—	—	9,219	—	1,009	—	—	14,006
Finished products .....	20,115	1,123	1,221	1,276	12,978	7,739	3,012	10,202	57,666
Property, plant and equipment .....	21,471	13,341	1,374	48,391	16,252	56,384	14,513	—	171,726
Total assets by segment .....	66,881	17,474	36,407	206,749	29,230	73,439	39,796	10,202	480,178
Area (Has) .....	1,922	527	566	2,653	—	1,050	451	—	7,169
2013:									
Current portion of biological assets .....	3,760	467	448	3,878	570	6,193	3,871	—	19,187
Non-current portion of biological assets .....	30,487	3,783	23,268	194,429	—	—	22,029	—	273,996
Goodwill .....	3,778	—	—	9,219	—	—	—	—	12,997
Finished products .....	17,309	1,268	298	935	6,725	1,758	2,536	6,305	37,134
Property, plant and equipment .....	28,902	7,585	493	40,758	4,026	15,847	6,024	—	103,635
Total assets by segment .....	84,236	13,103	24,507	249,219	11,321	23,798	34,460	6,305	446,949
Area (Has) .....	2,395	450	212	2,643	332	636	451	—	7,119

## Results of Operations

The following table shows Camposol Holding Ltd.'s results of operations, and such information as a percentage of revenues, for the periods indicated.

	Year ended December 31,					
	2013	% of 2013 revenues	2014	% of 2014 revenues	2015	% of 2015 revenues
	(in thousands of US\$, except for percentages)					
<b>Continued operations:</b>						
Revenue .....	218,469	100%	253,456	100%	272,692	100%
Cost of sales <sup>(1)</sup> .....	(145,974)	(67)%	(171,300)	(68)%	(193,203)	(71)%
Gross profit .....	72,495	33%	82,156	32%	79,489	29%
Net gain (loss) arising from changes in fair value of biological assets .....	40,057	18%	(46,807)	(18)%	39,634	15%
Gross profit after adjustment for biological assets.....	112,552	52%	35,349	14%	119,123	44%
Selling expenses.....	(25,556)	(12)%	(37,562)	(15)%	(30,319)	(11)%
Administrative expenses.....	(22,389)	(10)%	(28,703)	(11)%	(24,904)	(9)%
Other income.....	1,334	1%	18,431	7%	9,518	3%
Other expenses.....	(3,415)	(2)%	(9,411)	(4)%	(15,534)	(6)%
Net foreign exchange transactions losses .....	(2,750)	(1)%	(3,063)	(1)%	(5,222)	(2)%
Operating profit (loss) .....	59,776	27%	(24,959)	(10)%	52,662	19%
Shares of profit of investments accounted for using the equity method .....	305	0%	918	0%	253	0%
Financial income .....	81	0%	116	0%	13	0%
Financial cost .....	(19,465)	(9)%	(22,798)	(9)%	(24,969)	(9)%
Profit (loss) before income tax .....	40,697	19%	(46,723)	(18)%	27,959	10%
Income tax benefit / (expense).....	(10,431)	(5)%	12,623	5%	(11,055)	(4)%
Profit (loss) for the year from continuing operations .....	30,266	14%	(34,100)	(13)%	16,904	6%
Profit for the year from discontinued operations .....	1,248	1%	456	0%	514	0%
Profit (loss) for the year.....	31,514	14%	(33,644)	(13)%	17,418	6%

(1) Sales include charges for cost of freight when, at our customers' request, we pay such freight cost.

## Years Ended December 31, 2014 and 2015

### Revenues

In 2015, our revenues were US\$272.7 million, which represented an increase of US\$19.2 million, or 7.6%, compared to revenues of US\$253.5 million in 2014. This increase was primarily a result of a US\$38.6 million increase in 2015 revenues from our blueberries segment and a US\$23.4 million increase in 2015 revenues from our shrimp segment, partially offset by a US\$22.4 million decrease in 2015 revenues from our asparagus segment and US\$19.7 million decrease in 2015 revenues from our avocados segment, in each case as described below.

(in thousands of US\$)	Year ended December 31,			
	2014		2015	
	Revenues	% of Revenues	Revenues	% of Revenues
Asparagus .....	65,222	25.7%	42,833	15.7%
Avocados .....	73,400	29.0%	53,678	19.7%
Peppers .....	14,681	5.8%	21,214	7.8%
Mangos .....	23,499	9.3%	23,082	8.5%
Seafood .....	33,755	13.3%	57,156	21.0%
Grapes .....	23,694	9.3%	16,844	6.2%
Blueberries .....	9,542	3.8%	48,071	17.6%
Tangerines .....	4,817	1.9%	7,263	2.7%
Other .....	4,846	1.9%	2,551	0.9%
Total .....	253,456	100.0%	272,692	100%

### Asparagus

In 2015, revenues from our asparagus segment were US\$42.8 million, which represented a decrease of US\$22.4 million, or 34.3%, from US\$65.2 million in 2014. In 2015, revenues from our asparagus segment represented 15.7% of our total revenues, compared to 25.7% of our total revenues in 2014. White asparagus is our

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principal asparagus product, which in 2015 represented 11.9% of our total sales, and 75.6% of our total asparagus sales.

The decrease in revenues from our asparagus segment in 2015 was primarily a result of:

- a 35.8% decrease in volumes sold, from 16,600 net MTs in 2014 to 10,653 net MTs in 2015, due to both the presence of a weak El Niño phenomenon during 2014 and a moderate El Niño phenomenon during 2015, and a reduction of average yields as a result of older fields. The lower harvested volumes resulted in lower volumes of white asparagus sold and lower volumes of preserved asparagus sold; partially offset by
- a 3.1% increase in average prices for asparagus in 2015, from US\$3.90 per net kg in 2014 to US\$4.02 per net kg in 2015, due to (i) lower sold volumes of preserved asparagus compared to sold volumes of fresh asparagus, (ii) a 4.9% increase in average prices for fresh white asparagus and (iii) a 2.1% increase in preserved white asparagus. Specifically, the overall increase on asparagus prices is explained by the reduction of Peru's total sold volume.

#### *Avocados*

In 2015, revenues from our avocados segment were US\$53.7 million, which represented a decrease of US\$19.7 million, or 26.9%, from US\$73.4 million in 2014. In 2015, revenues from our avocados segment represented 19.7% of our total revenues, compared to 29.0% of our total revenues in 2014. Fresh avocados are our principal avocado product, which in 2015 represented 16.8% of our total sales, and 85.5% of our total avocado sales.

The decrease in revenues from our avocados segment in 2015 was primarily a result of:

- a 32.2% decrease in volumes sold, from 40,204 net MTs in 2014 to 27,274 net MTs in 2015, due to (i) both the presence of a weak El Niño phenomenon during 2014 and a moderate El Niño phenomenon during 2015, which took place during months in which the plant required cold temperatures to secure its natural flowering process, and (ii) a reduction of expected yields as a result of seasonality; partially offset by
- a 8.8% increase in average prices for avocados in 2015, from US\$1.81 per net kg in 2014 to US\$1.97 per net kg in 2015, due to (i) the implementation of our new commercial strategy which increased the participation of retail channels, (ii) a 5.0% increase in average prices for fresh avocados and (iii) a 2.6% increase in average prices for frozen avocados.

#### *Peppers*

In 2015, revenues from our peppers segment were US\$21.2 million, which represented an increase of US\$6.5 million, or 44.5 %, from US\$14.7 million in 2014. In 2015, revenues from our peppers segment represented 7.8% of our total revenues, compared to 5.8% of our total revenues in 2014. Frozen and preserved peppers were our principal pepper product, which in 2015 represented 13.5% and 83.4%, respectively, of our total peppers sales.

The increase in revenues from our peppers segment in 2015 was primarily a result of:

- a 54.7% increase in volumes sold, from 6,505 net MTs in 2014 to 10,066 net MTs in 2015, due to acceleration in the sale of our stock from 2014 campaigns; partially offset by
- a 12.8% decrease in average prices for peppers in 2015, from US\$2.26 per net kg in 2014 to US\$21.1 per net kg in 2015, due to an increase in sold preserved product presentations with lower prices.

#### *Mangos*

In 2015, revenues from our mangos segment were US\$23.1 million, which represented a decrease of US\$0.4 million, or 1.8%, from US\$23.5 million in 2014. In 2015, revenues from our mangos segment represented



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8.5% of our total revenues, compared to 9.3% of our total revenues in 2014. Fresh and frozen mangos are our principal mango products, which in 2015 represented 64.4% and 31.3%, respectively, of our total mango sales.

The decrease in revenues from our mangos segment in 2015 was primarily a result of:

- a 12.9% decrease in volumes sold, from 15,790 net MTs in 2014 to 13,753 net MTs in 2015, due to (i) both the presence of a weak El Niño phenomenon during 2014 and a moderate El Niño phenomenon during 2015, affecting harvested volumes, and (ii) a reduction in third party purchased volumes; partially offset by
- a 13.5% increase in average prices for mangos in 2015, from US\$1.48 per net kg in 2014 to US\$1.68 per net kg in 2015, due to (i) a supply reduction from Peru due to the occurrence of El Niño phenomenon, (ii) a 12.8% increase in average prices for fresh mangos and (iii) a 2.1% increase in average prices for frozen mangos.

### *Seafood*

In 2015, revenues from our seafood segment were US\$57.2 million, which represented an increase of US\$23.4 million, or 69.3%, from US\$33.8 million in 2014. In 2015, revenues from our seafood segment represented 21.0% of our total revenues, compared to 13.3% of our total revenues in 2014. Fresh and frozen shrimp are our principal seafood products, which represented 14.3% of our total sales, and 68.3% of our total seafood sales, in 2015.

The increase in revenues from our seafood segment in 2015 was primarily a result of:

- a 244.4% increase in volumes sold, from 2,993 net MTs in 2014 to 10,309 net MTs in 2015, due to (i) an increase in shrimp production following our acquisition of INYSA, and (ii) the incorporation of other seafood products purchased from third parties and processed in Pesquera ABC S.A.C. in our offer. The increase in production due to acquisitions compensated the reduction in yields observed in semi intensive shrimp ponds as a result of the occurrence of a moderate El Niño phenomenon during 2015; partially offset by
- a 50.9% decrease in average prices in 2015, from US\$11.28 per net kg in 2014 to US\$5.54 per net kg in 2015, mainly due to a decrease in shrimp prices of 26.0%, from US\$9.80 per net kg in 2014 to US\$7.25 per net kg in 2015. The decrease in prices corresponds to the recovery of global production after the effect of EMS on shrimp ponds around the world.

### *Grapes*

In 2015, revenues from our grapes segment were US\$16.8 million, which represented a decrease of US\$6.9 million, or 28.9 %, from US\$23.7 million in 2014. In 2015, revenues from our grapes segment represented 6.2% of our total revenues, compared to 9.3% of our total revenues in 2014. Fresh grapes are our principal grape product, which in 2015 represented 6.1% of our total sales, and 99.5% of our total grapes sales.

The decrease in revenues from our grapes segment in 2015 was primarily a result of:

- a 12.9% decrease in volumes sold, from 11,798 net MTs in 2014 to 9,806 net MTs in 2015, due to both the presence of a weak El Niño phenomenon during 2014 and a moderate El Niño phenomenon during 2015, affecting harvested volumes; and
- a 14.4% decrease in average prices for grapes in 2015, from US\$2.01 per net kg in 2014 to US\$1.72 per net kg in 2015, due to an increase in sold fresh product presentations with lower prices.

### *Blueberries*

We began commercializing blueberries in significant volumes in 2013. In 2015, revenues from our blueberries segment were US\$48.1 million, which represented an increase of US\$38.6 million, or 404.0 %, from US\$9.5 million in 2014. In 2015, revenues from our blueberries segment represented 17.6% of our total revenues, compared to 3.8% of our total revenues in 2014. Fresh blueberries are our principal product, which in 2015 represented 17.5% of our total sales, and 99.3% of our total blueberries sales.

The increase in revenues from our blueberries segment in 2015 was primarily a result of:

- a 386.4% increase in volumes sold, from 912 net MTs in 2014 to 4,436 net MTs in 2015, due to increased production in 532 has; and
- a 3.6% increase in average prices for blueberries in 2015, from US\$10.46 per net kg in 2014 to US\$10.84 per net kg in 2015, due to the implementation of our new commercial strategy, which increased the participation of retail channels.

### *Tangerines*

As of December 31, 2015, only 32% of total planted hectares have reach its high yield phase. In 2015, revenues from our tangerines segment were US\$7.3 million, which represented an increase of US\$2.5 million, or 50.8%, from US\$4.8 million in 2014. In 2015, revenues from our tangerines segment represented 2.7% of our total revenues, compared to 1.9% of our total revenues in 2014. Fresh tangerines are our only tangerine product.

The increase in revenues from our blueberries segment in 2015 was primarily a result of:

- a 108.4% increase in volumes sold, from 3,282 net MTs in 2014 to 6,839 net MTs in 2015, due to 46 has reached its high yield phase; despite of
- a 6.5% decrease in average prices for tangerines in 2015, from US\$1.47 per net kg in 2014 to US\$1.07 per net kg in 2015, due to the low demand for some of our presentation.

### *Other*

In 2015, revenues from our “other” segment were US\$2.5 million, which represented a decrease of US\$2.3 million, or 47.8%, from US\$4.8 million in 2014. In 2015, revenues from our “other” segment represented 0.9% of our total revenues, compared to 1.9% of our total revenues in 2014.

The decrease in revenues from our “other” segment in 2015 was primarily a result of the decision to allocate the cost related to our factory dining room into the cost of each crop.

### *Cost of Sales*

Our cost of sales consists primarily of inventories recognized as expenses and personnel expenses. The table below sets forth our cost of sales for the periods indicated.

	For the year ended December 31,	
	2014	2015
	(in thousands of US\$)	
Cost of inventories recognized as expenses .....	120,930	139,005
Personnel expenses .....	48,934	50,192
Depreciation.....	9,122	11,259
Custom duties refund .....	(7,686)	(7,253)
Total cost of sales .....	171,300	193,203

In 2015 our cost of sales was US\$193.2 million, which represented an increase of US\$21.9 million, or 12.8%, over our cost of sales of US\$171.3 million in 2014. This increase was primarily as a result of an increase on volumes sold in 2015.

### ***Gross profit***

In 2015 our gross profit was US\$79.5 million, which represented a decrease of US\$2.7 million, or 3.3%, under gross profit of US\$82.2 million in 2014. This resulted in gross margin of 29.1% for 2015, compared to a gross margin for 2014 of 32.4%, primarily as a result of an improved gross margin in our Blueberries and other segments, partially offset by a lower gross margin in our Avocado, Asparagus, Peppers, Mangos, Grapes and Seafood segments, in each case as described below.

	Year ended December 31,			
	2014		2015	
	Gross Profit (US\$'000s)	Gross Margin	Gross Profit (US\$'000s)	Gross Margin
Avocados .....	38,490	52.4%	26,547	49.5%
Asparagus .....	13,936	21.4%	5,498	12.8%
Peppers .....	606	4.1%	367	1.7%
Mangos .....	8,137	34.6%	7,278	31.5%
Seafood .....	9,412	27.9%	877	1.5%
Grapes .....	4,313	18.2%	(115)	(0.7%)
Blueberries .....	6,786	71.1%	36,092	75.0%
Tangerines .....	2,497	51.8%	4,160	57.3%
Other .....	(2,021)	(41.7%)	(1,215)	(47.6%)
Total .....	82,156	32.4%	79,489	29.1%

### ***Asparagus***

In 2015, the gross profit of our asparagus segment was US\$5.5 million, which represented a decrease of US\$8.4 million, or 60.4%, over the gross profit of US\$13.9 million from our asparagus segment in 2014.

This resulted in a gross margin of 12.8% for our asparagus segment in 2015, compared to a gross margin of 21.4% in 2014, primarily as a result of the effect of higher temperatures and diminishing yields from older fields on 2015 production.

### ***Avocados***

In 2015, the gross profit of our avocados segment was US\$26.5 million, which represented a decrease of US\$12.0 million, or 31.0%, over the gross profit of US\$38.5 million from our avocados segment in 2014.

This resulted in a gross margin of 49.5% for our avocados segment in 2015, compared to a gross margin of 52.4% in 2014, primarily as a result of a lower production yield and higher temperatures in 2015; our avocado plantations were in their early productive stage during 2014, resulting in lower cost for that year, as harvest costs are only taken into consideration during the first commercial harvest.

### ***Peppers***

In 2015, the gross profit of our peppers segment was US\$0.4 million, which represented a decrease of US\$0.2 million, or 33.3%, over the gross profit of US\$0.6 million from our peppers segment in 2014.

This resulted in a gross margin of 1.7% for our peppers segment in 2015, compared to a gross margin of 4.1% in 2014, primarily as a result of the acceleration in the sale of our stock *in 2015*.

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### *Mangos*

In 2015, the gross profit of our mangos segment was US\$7.3 million, which represented a decrease of US\$0.8 million, or 9.9%, over the gross profit of US\$8.1 million from our mangos segment in 2014.

This resulted in a gross margin of 31.5% for our mangos segment in 2015, compared to a gross margin of 34.6% in 2014, primarily as a result of lower yields in our own farms and lower third party purchases *in 2015*.

### *Seafood*

In 2015, the gross profit of our seafood segment was US\$0.9 million, which represented a decrease of US\$8.5 million, or 90.4%, over the gross profit of US\$9.4 million from our seafood segment in 2014.

This resulted in a gross margin of 1.5% for our seafood segment in 2015, compared to a gross margin of 27.9% in 2014, primarily as a result of yield reduction in semi intensive ponds, partially offset by the fact that volumes increased in 80% with the acquisition of INYSA and Pesquera ABC.

### *Grapes*

In 2015, the gross loss of our grapes segment was US\$(0.1) million, which represented a decrease of US\$4.4 million, or 102.3%, over the gross profit of US\$4.3 million from our grapes segment in 2014.

This resulted in a negative gross margin of 0.7% for our grapes segment in 2015, compared to a gross margin of 18.2% in 2014, primarily as a result of adverse climatic conditions and lower demand of our presentations.

### *Blueberries*

In 2015, the gross profit of our blueberries segment was US\$36.1 million, which represented an increase of US\$29.3 million, or 431.9%, over the gross profit of US\$6.8 million from our blueberries segment in 2014.

This resulted in a gross margin of 75% for our blueberries segment in 2015, compared to a gross margin of 71.1% in 2014, new hectares in productions and slightly better prices due to our new commercial strategy.

### *Tangerines*

In 2015, the gross profit of our tangerines segment was US\$4.2 million, which represented an increase of US\$1.7 million, or 66.6%, over the gross profit of US\$2.5 million from our tangerines segment in 2014.

This resulted in a gross margin of 57.3% for our blueberries segment in 2015, compared to a gross margin of 51.8% in 2014, due to greater volumes sold despite of a decrease in prices.

### *Other*

In 2015, the gross loss of our “other” segment was US\$1.2 million, which represented a decrease of US\$0.8 million, or 39.9%, over the gross loss of US\$2.0 million from our “other” segment in 2014.

This resulted in a gross margin of (47.6)% for our “other” segment in 2015, compared to a gross margin of (41.7)% in 2014, primarily as a result of the decision to allocate the cost related to our factory dining room into the cost of each crop.

### ***Net gain (loss) arising from change in fair value of biological assets***

We recognize in our results the effect of adjustments originated by income for biological assets, which correspond to changes in fair value of agricultural crops and shrimp made as of the reporting date. Biological assets

of avocados, blueberries, asparagus, mangos, artichokes, pepper, grapes and shrimp are stated at their fair value less point of sales costs. See “—Significant Accounting Policies—Biological Assets.”

In 2015 our net adjustment from change in fair value of biological assets was US\$39.6 million, which represented an increase of US\$86.4 million, or 184.7%, over our net adjustment from change in fair value of biological assets of US\$(46.8) million in 2014. This increase was primarily as a result of a US\$58.0 million increase in both current and non-current portion of biological assets in the balance sheet as of December 2015, partially offset by a US\$18.4 million increase in the cost carried as of December 2015.

### ***Selling expenses***

The table below sets forth our selling expenses for the periods indicated.

	For the year ended December 31,					
	2013	% of 2013 revenues	2014	% of 2014 revenues	2015	% of 2015 revenues
	(in thousands of US\$, except percentages)					
Freight .....	11,525	5.3%	15,702	6.2%	14,986	5.5%
Custom duties .....	6,519	3.0%	8,500	3.4%	5,673	2.1%
Amortization of customer relationships .....	2,132	1.0%	2,133	0.8%	—	0.0%
Personnel expenses .....	1,300	0.6%	3,936	1.5%	4,003	1.5%
Selling commissions .....	485	0.2%	256	0.1%	412	0.1%
Analysis and quality control .....	226	0.1%	216	0.1%	545	0.2%
Consulting services .....	624	0.3%	1,345	0.5%	879	0.3%
Travel and business expenses .....	907	0.4%	2,208	0.9%	931	0.3%
Insurance .....	598	0.3%	990	0.4%	1,119	0.4%
Subscriptions to associations .....	373	0.1%	691	0.3%	240	0.1%
Other expenses .....	867	0.4%	1,585	0.6%	1,531	0.6%
Total .....	25,556	11.7%	37,562	14.8%	30,319	11.1%

In 2015, our selling expenses were US\$30.3 million, which represented a decrease of US\$7.2 million, or 19.3%, from our selling expenses of US\$37.6 million in 2014. This decrease was primarily as a result of a US\$3.5 million decrease in 2015 selling expenses from freight and custom duties, a US\$1.3 million decrease in 2015 selling expenses from representation expenses, US\$2.6 million no provision for amortization of intangible management portfolio, which occurred in 2014.

### ***Administrative expenses***

The table below sets forth our administrative expenses for the periods indicated.

	<b>For the year ended December 31,</b>	
	<b>2014</b>	<b>2015</b>
	<b>(in thousands of US\$)</b>	
Personnel expenses .....	11,547	11,832
Professional fees .....	5,751	2,517
Statutory auditors' remuneration .....	86	56
Audit services and others .....	230	279
Depreciation.....	757	881
Travel and business expenses .....	1,420	768
Transport and telecommunications .....	1,066	923
Directors' remuneration.....	370	394
Renting of machinery and equipment .....	1,919	2,428
Amortization of computer software .....	482	537
Materials and supplies .....	1,196	889
Maintenance .....	1,038	745
Insurance .....	279	233
Utilities .....	67	95
Taxes other than income tax .....	190	150
Other expenses .....	2,305	2,177
	<u>28,703</u>	<u>24,904</u>

In 2015 our administrative expenses were US\$24.9 million, which represented a decrease of US\$3.8 million, or 13.2%, from our administrative expenses of US\$28.7 million in 2014. This decrease was primarily as a result of a US\$3.2 million decrease in 2015 administrative expenses from professional fees, a decrease of US\$0.7 million from travel and representation expenses, a decrease of US\$0.6 million from use of spare parts and supplies, and an increase of US\$0.5 million for the rent of the new administrative offices.

#### ***Other income***

In 2015 our other income was US\$9.5 million, which represented a decrease of US\$8.9 million, or 48.4%, over our other income of US\$18.4 million in 2014. This decrease was primarily as a result of not advantageous buyouts, like the one happened in 2014 with Corporación de Refrigerados Iny S.A., Pacific Azul, Pesquera ABC S.A.C., partially offset by an increase of US\$6.7 million for a gain on sale of property, plant and equipment during 2015.

#### ***Other expenses***

In 2015 our other expenses were US\$15.5 million, which represented an increase of US\$6.1 million, or 65.1%, over our other expenses of US\$9.4 million in 2014. This increase was primarily as a result of impairment of the asparagus segment valued in US\$4.9 million, since we decided continue only with fresh asparagus and sold the preserved line. Also, in 2015 we decided to write off one of our blueberries project to US\$0.6 million.

#### ***Operating profit (loss)***

As a result of the foregoing, in 2015 our operating profit was US\$52.7 million, which represented an increase of US\$77.7 million over our operating loss of US\$(25.0) million in 2014. EBITDA for 2015 increased to US\$42.4 million from US\$34.0 million for 2014.

#### ***Share of profit of investments accounted for using the equity method***

In 2015 our share of profit of investments accounted for using the equity method was US\$0.3 million, which represented a decrease of US\$0.6 million, or 67%, over our share of profit of such investments of US\$0.9 million in 2014. This corresponds to Empacadora de Frutos Tropicales S.A.'s results.

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### ***Financial expenses***

In 2015 our financial expenses were US\$25.0 million, which represented an increase of US\$2.2 million, or 9.6 %, over our financial expenses of US\$22.8 million in 2014. This increase was primarily as a result of financial expenses incurred in connection with a bond offering for US\$75 million 9.875% Senior Notes due 2017, which combined with our 2013 bond offering for US\$125 million 9.875% Senior Notes due 2017 resulted in US\$200 million bonds outstanding.

### ***Net foreign exchange transaction losses***

In 2015 our net foreign exchange transaction losses were US\$5.2 million, which represented an increase of US\$2.1 million, or 70.5%, over our net foreign exchange transaction losses of US\$3.1 million in 2014. This increase was primarily as a result of the fluctuation of foreign currency. Our exchange differences are mainly explained by the change in the value of our accounts receivable in euros when converted to our functional currency, which is the U.S. dollar and by the change in value of certain investment instruments held in Peruvian *soles* when converted to U.S. dollars. This increase was mainly due to a devaluation of the euro/U.S. dollar exchange rate and the revaluation of the U.S. dollar/Peruvian sol during this period.

### ***Income tax***

In 2015 our income tax expense was US\$11.1 million, which represented a decrease of US\$23.7 million, or (188)%, over our income tax benefit of US\$12.6 million in 2014. This decrease was primarily due to theoretical income tax and foreign exchange of non-monetary assets. In 2015 our effective tax rate was 15%, as established under Law No. 27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and /or cattle as well as in industrial agriculture. This income tax law is applicable until December 31, 2021.

### ***Profit for the year***

As a result of the foregoing, in 2015 our profit for the year was US\$17.4 million, which represented an increase of US\$51.0 million over our deficit of US\$33.6 million in 2014.

## **Years Ended December 31, 2013 and 2014**

### ***Revenues***

In 2014, our revenues were US\$253.5 million, which represented an increase of US\$35.0 million, or 16%, compared to revenues of US\$218.5 million in 2013. This increase was primarily as a result of a US\$24.2 million increase in 2014 revenues from our avocados segment, a US\$7.1 million increase in 2014 revenues from our shrimp segment, a US\$4.8 million increase in 2014 revenues from our mangos segment, a US\$2.4 million increase in 2014 revenues from our grapes segment, a US\$0.9 million increase in 2014 revenues from our blueberries segment and a US\$4.3 million increase in 2014 revenues from our other segment, partially offset by a US\$4.8 million decrease in 2014 revenues from our asparagus segment and a US\$4.0 million decrease in 2014 revenues from our peppers segment, in each case as described below.

The main reason for our increase in revenues in 2014 was greater harvested volumes from our avocado fields, and higher prices for most of our products, except for avocados, shrimp, grapes and peppers.

	Year ended December 31,			
	2013		2014	
	Revenues	% of Revenues	Revenues	% of Revenues
Revenues:				
Avocados .....	49,244	22.5%	73,400	29.0%
Asparagus .....	69,955	32.0%	65,222	25.7%
Peppers .....	18,730	8.6%	14,681	5.8%
Mangos .....	18,689	8.6%	23,499	9.3%
Seafood .....	26,629	12.2%	33,755	13.3%
Grapes .....	21,245	9.7%	23,694	9.3%
Blueberries .....	8,638	4.0%	9,542	3.8%
Tangerines .....	2,451	1.1%	4,817	1.9%
Other .....	2,888	1.3%	4,846	1.9%
Total.....	218,469	100%	253,456	100%

### *Asparagus*

In 2014, revenues from our asparagus segment were US\$65.2 million, which represented a decrease of US\$4.7 million, or 6.8%, from US\$69.9 million in 2013. In 2014, revenues from our asparagus segment represented 25.7% of our total revenues, compared to 32.0% of our total revenues in 2013. White asparagus is our principal asparagus product, which in 2014 represented 18.9% of our total sales, and 73.3 % of our total asparagus sales.

The decrease in revenues from our asparagus segment in 2014 was primarily a result of:

- a 14.9% decrease in volumes sold in 2014, from 19,512 net MTs in 2013 to 16,600 net MTs in 2014, due to both the presence of a weak El Niño phenomenon during 2014, and a reduction of average yields as a result of older fields. The lower harvested volumes resulted in lower volumes of white asparagus sold and lower volumes of preserved asparagus sold; partially offset by
- a 9.9% increase in average prices for asparagus in 2014, from US\$3.55 per net kg in 2013 to US\$3.90 per net kg in 2014, due to (i) changes in preserved sold presentations, (ii) a 0.4% increase in average prices for fresh white asparagus and (iii) a 24.4% increase in preserved white asparagus.

### *Avocados*

In 2014, revenues from our avocados segment were US\$73.4 million, which represented an increase of US\$24.2 million, or 49.1%, from US\$49.2 million in 2013. In 2014, revenues from our avocados segment represented 29.0% of our total revenues, compared to 22.5% of our total revenues in 2013. Fresh avocados are our principal avocado product, which represented in 2014 26.3% of our total sales, and 90.7% of our total avocados sales.

The increase in revenues from our avocados segment in 2014 was primarily a result of:

- a 49.9% increase in volumes sold in 2014, from 26,825 net MTs in 2013 to 40,204 net MTs in 2014, due to seasonality conditions and the fact that more hectares entered to a mature productive phase; partially offset by
- a 1.1% decrease in average prices for avocados in 2014, from US\$1.83 per net kg in 2013 to US\$1.81 per net kg in 2014, due to our previous commercial strategy, which rely almost entirely on the participation of brokers instead of retail channels.



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### *Peppers*

In 2014, revenues from our peppers segment were US\$14.7 million, which represented a decrease of US\$4.0 million, or 21.6%, from US\$18.7 million in 2013. In 2014, revenues from our peppers segment represented 5.8% of our total revenues, compared to 8.6% of our total revenues in 2013. Preserved and frozen peppers were our principal pepper product, which in 2014 represented 82.4% and 0.3%, respectively, of our total peppers sales.

The decrease in revenues from our peppers segment in 2014 was primarily a result of:

- a 25.9% decrease in volumes sold in 2014, from 8,781 net MTs in 2013 to 6,505 net MTs in 2014, due to a reduction in demand for our preserved presentations, resulting in higher inventory levels of preserved peppers; and
- a 3.6% decrease in average prices for peppers in 2014, from US\$1.94 per net kg in 2013 to US\$1.87 per net kg in 2014, due to a reduction in demand for our preserved presentations, which resulted in lower prices for our sold presentations.

### *Mangos*

In 2014, revenues from our mangos segment were US\$23.5 million, which represented an increase of US\$4.8 million, or 25.7%, from US\$18.7 million in 2013. In 2014, revenues from our mangos segment represented 9.3% of our total revenues, compared to 8.6% of our total revenues in 2013. Fresh and frozen mangos are our principal mango products, and in 2014 represented 5.0% and 4.0%, respectively, of our total sales.

The increase in revenues from our mangos segment in 2014 was primarily a result of:

- a 9.7% increase in volumes sold in 2014, from 14,388 net MTs in 2013 to 15,790 net MTs in 2014, due to an increase in raw material purchases from third parties; and
- a 13.8% increase in average prices for mangos in 2014, from US\$1.30 per net kg in 2013 to US\$1.48 per net kg in 2014, due to a reduction in Peruvian total exported volumes.

### *Seafood*

In 2014, revenues from our seafood segment were US\$33.8 million, which represented an increase of US\$7.1 million, or 26.8%, from US\$26.6 million in 2013. In 2014, revenues from our seafood segment represented 13.3% of our total revenues, compared to 12.2% of our total revenues in 2013. Frozen shrimp are our principal seafood product, which in 2014 represented 11.6% of our total sales, and 86.9% of our total seafood sales.

The increase in revenues from our seafood segment in 2014 was primarily as a result of:

- a 39.1% increase in volumes sold in 2014, from 2,152 net MTs in 2013 to 2,993 net MTs in 2014, due to reduction of inventory levels from 2013 and the addition of INYSA and Pesquera ABC December sales; partially offset by
- a 8.9% decrease in average prices for shrimp in 2014, from US\$12.38 per net kg in 2013 to US\$11.28 per net kg in 2014, due to a 14.8% reduction in shrimp prices as a result of the initial recovery of global supply after the early mortality syndrome (EMS) effects on global production.

### *Grapes*

In 2014, revenues from our grapes segment were US\$23.7 million, which represented an increase of US\$2.4 million, or 11.5%, from US\$21.2 million in 2013. In 2014, revenues from our grapes segment represented 9.3% of our total sales, compared to 9.7% of our total revenues in 2013. Fresh grapes are our principal grape product, which in 2014 represented 9.3% of our total sales, and 99.1% of our total grapes sales.

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The increase in revenues from our grapes segment in 2014 was primarily a result of:

- a 22.9% increase in volumes sold in 2014, from 9,599 net MTs in 2013 to 11,798 net MTs in 2014, due to an overlap of 2013 campaign to the first months of 2014; partially offset by
- a 9.0% decrease in average prices for grapes in 2014, from US\$2.21 per net kg in 2013 to US\$2.01 per net kg in 2014, due to greater produced and exported volumes from Peru.

#### *Blueberries*

We began commercializing blueberries in significant volumes in 2013. In 2014, revenues from our blueberries segment were US\$9.5 million, which represented an increase of US\$0.9 million, or 10.5%, from US\$8.6 million in 2013. In 2014, sales from our blueberries segment represented 3.8% of our total sales, compared to 4.0% of our total sales in 2013. Fresh blueberries are our principal blueberries product, which in 2014 represented 3.8% of our total sales, and 100% of our total blueberries sales.

The increase in revenues from our blueberries segment in 2014 was primarily a result of:

- a 28.6% increase in volumes sold, from 709 net MTs in 2013 to 912 net MTs in 2014, due to the fact that the 54 productive has experienced an increase on their production yield; partially offset by
- a 14.1% decrease in average prices for blueberries in 2014, from US\$12.18 per net kg in 2013 to US\$10.46 per net kg in 2014, due to the fact that 2013 prices were atypical as a result of a reduction in exported volumes from Argentina.

#### *Tangerines*

As of December 2015 only 32% of total planted hectares have reach its high yield phase. In 2014, revenues from our tangerines segment were US\$4.8 million, which represented an increase of US\$2.4 million, or 96.5%, from US\$2.4 million in 2013. In 2014, revenues from our tangerines segment represented 1.9% of our total revenues, compared to 1.1% of our total revenues in 2013. Fresh tangerines are our only tangerine product.

The increase in revenues from our blueberries segment in 2015 was primarily a result of:

- a 86.6% increase in volumes sold, from 1,759 net MTs in 2013 to 3,282 net MTs in 2014, due to 46 has reached its high yield phase; and
- a 10.1% increase in average prices for tangerines in 2014, from US\$1.39 per net kg in 2013 to US\$1.47 per net kg in 2014, due to the high demand for our presentation.

#### *Other*

In 2014, revenues from our “other” segment were US\$4.8 million, which represented an increase of US\$1.9 million, or 67.8%, from US\$2.9 million in 2013. In 2014, revenues from our “other” segment represented 1.9% of our total revenues, compared to 1.3% of our total revenues in 2013.

The increase in revenues from our “other” segment in 2014 was primarily a result of pomegranate sales during that year, after 2014 we decided to stop the pomegranate initiative.

#### ***Cost of Sales***

The table below sets forth our cost of sales for the periods indicated.

	For the year ended December 31,	
	2013	2014
	(in thousands of US\$)	
Cost of inventories recognized as expenses .....	101,593	120,930
Personnel expenses .....	43,888	48,934
Depreciation.....	8,184	9,122
Custom duties refund .....	(7,691)	(7,686)
Total costs of sales.....	145,974	171,300

In 2014 our cost of sales was US\$171.3 million, which represented an increase of US\$25.3 million, or 17.3%, over our cost of sales of US\$146.0 million in 2013. This increase was primarily as a result of a US\$8.5 million increase in 2014 cost of sales from avocados, a US\$7.5 million increase in 2014 cost of sales from shrimps, US\$5.4 million increase in 2014 cost of sales from grapes, US\$1.2 million increase in 2014 cost of sales from blueberries, and US\$4.6 million increase in 2014 cost of sales from other products partially offset by a US\$1.6 million decrease in 2014 cost of sales from peppers.

### *Gross profit*

In 2014 our gross profit was US\$82.2 million, which represented an increase of US\$9.7 million, or 13.3%, over gross profit of US\$72.5 million in 2013. This resulted in a gross margin of 32.4% for 2014, compared to a gross margin for 2013 of 33.2%, primarily as a result of an improved gross margin in our Avocados, Mangos and Other segments, partially offset by a lower gross margin in our asparagus, grapes and peppers segments, in each case as described below.

	Year ended December 31,			
	2013		2014	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
	(in thousands of US\$)			
Avocados .....	22,784	46.3%	38,490	52.4%
Asparagus .....	18,447	26.4%	13,936	21.4%
Peppers .....	3,014	16.1%	606	4.1%
Mangos .....	4,267	22.8%	8,137	34.6%
Seafood .....	9,802	36.8%	9,412	27.9%
Grapes .....	7,277	34.3%	4,313	18.2%
Blueberries .....	7,065	81.8%	6,786	71.1%
Tangerines .....	1,383	56.4%	2,497	51.8%
Other .....	(1,544)	(53.5%)	(2,021)	(41.7%)
Total .....	72,495	33.2%	82,156	32.4%

### *Asparagus*

In 2014, the gross profit of our asparagus segment was US\$13.9 million, which represented a decrease of US\$4.5 million, or 24.5%, over the gross profit of US\$18.4 million from our asparagus segment in 2013.

This resulted in a gross margin of 21.4% for our asparagus segment in 2014, compared to a gross margin of 26.4% in 2013, primarily as a result of a reduction in produced volumes caused by climatic conditions.

### *Avocados*

In 2014, the gross profit of our avocados segment was US\$38.5 million, which represented an increase of US\$15.7 million, or 68.9%, over the gross profit of US\$22.8 million from our avocados segment in 2013.

This resulted in a gross margin of 52.4% for our avocados segment in 2014, compared to a gross margin of 46.3% in 2013, primarily as a result of greater produced volumes.

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### *Peppers*

In 2014, the gross profit of our peppers segment was US\$0.6 million, which represented a decrease of US\$2.4 million, or 79.9%, over the gross profit of US\$3.0 million from our peppers segment in 2013.

This resulted in a gross margin of 4.1% for our peppers segment in 2014, compared to a gross margin of 16.1% in 2013, primarily as a result of lower demand on our preserved presentations.

### *Mangos*

In 2014, the gross profit of our mangos segment was US\$8.1 million, which represented an increase of US\$3.9 million, or 90.7%, over the gross profit of US\$4.3 million from our mangos segment in 2013.

This resulted in a gross margin of 34.6% for our mangos segment in 2014, compared to a gross margin of 22.8% in 2013, primarily as a result higher prices and greater purchases from third parties.

### *Seafood*

In 2014, the gross profit of our seafood segment was US\$9.4 million, which represented a decrease of US\$0.4 million, or 4.0%, over the gross profit of US\$9.8 million from our seafood segment in 2013.

This resulted in a gross margin of 27.9% for our seafood segment in 2014, compared to a gross margin of 36.8% in 2013, primarily as a result of the lower prices.

### *Grapes*

In 2014, the gross profit of our grapes segment was US\$4.3 million, which represented a decrease of US\$3.0 million, or 40.7%, over the gross profit of US\$7.3 million from our grapes segment in 2013.

This resulted in a gross margin of 18.2% for our grapes segment in 2014, compared to a gross margin of 34.3% in 2013, primarily as a result of lower prices partially offset by greater volumes sold.

### *Blueberries*

In 2014, the gross profit of our blueberries segment was US\$6.8 million, which represented a decrease of US\$0.3 million, or 3.9%, over the gross profit of US\$7.1 million from our blueberries segment in 2013.

This resulted in a gross margin of 71.1% for our blueberries segment in 2014, compared to a gross margin of 81.8% in 2013, primarily as a result of lower prices.

### *Tangerines*

In 2014, the gross profit of our tangerines segment was US\$2.5 million, which represented an increase of US\$1.1 million, or 80.5%, over the gross profit of US\$1.4 million from our tangerines segment in 2013.

This resulted in a gross margin of 51.8% for our tangerines segment in 2014, compared to a gross margin of 56.4% in 2013, primarily as a result of greater produced volumes.

### *Other*

In 2014, the gross profit of our “other” segment was US\$(2.0) million which represented a decrease of US\$0.5 million, or 30.9%, over the gross profit of US\$(1.5) million from our “other” segment in 2013.

This resulted in a gross margin of (41.7%) for our “other” segment in 2014, compared to a gross margin of (53.5%) in 2013, primarily as a result of pomegranate sales during that year, after 2014 we decided to stop the pomegranate initiative.

### *Net adjustment from change in fair value of biological assets*

We recognize in our results the effect of adjustments originated by income for biological assets, which correspond to changes in fair value of agricultural crops and shrimp made as of the reporting date. Biological assets of avocados, blueberries, asparagus, mangos, tangerine, pepper, grapes and shrimp are stated at their fair value less point of sales costs. See “—Significant Accounting Policies—Biological Assets.”

In 2014 our net adjustment from change in fair value of biological assets was US\$(46.8) million, which represented a reduction of US\$86.9 million, or 216.9%, over our net adjustment from change in fair value of biological assets of US\$40.1 million in 2013. This reduction was primarily as a result of a US\$45.2 million decrease in both current and non-current portion of biological assets in the balance sheet as of December 2015, partially offset by a US\$1.6 million increase in the cost carried as of December 2014.

### *Selling expenses*

The table below sets forth our selling expenses for the periods indicated.

	For the year ended December 31,					
	2013	% of 2013 revenues	2014	% of 2014 revenues	2015	% of 2015 revenues
	(in thousands of US\$, except percentages)					
Freight.....	11,525	5.3%	15,702	6.2%	14,986	5.5%
Customs duties.....	6,519	3.0%	8,500	3.4%	5,673	2.1%
Amortization of customer relationships .....	2,132	1.0%	2,133	0.8%	—	0.0%
Personnel expenses .....	1,300	0.6%	3,936	1.5%	4,003	1.5%
Selling commission.....	485	0.2%	256	0.1%	412	0.1%
Analysis and quality control .....	226	0.1%	216	0.1%	545	0.2%
Consulting services .....	624	0.3%	1,345	0.5%	879	0.3%
Travel and business expenses .....	907	0.4%	2,208	0.9%	931	0.3%
Insurance.....	598	0.3%	990	0.4%	1,119	0.4%
Subscriptions to associations .....	373	0.1%	691	0.3%	240	0.1%
Other expenses.....	867	0.4%	1,585	0.6%	1,531	0.6%
Total.....	25,556	11.7%	37,562	14.8%	30,319	11.1%

In 2014 our selling expenses were US\$37.6 million, which represented an increase of US\$12.0 million, or 47.0%, from our selling expenses of US\$25.6 million in 2013. This increase was primarily as a result of a US\$4.2 million increase in 2014 selling expenses from freight and custom duties, a US\$1.9 million increase in 2014 selling expenses from representation expenses, and US\$2.6 million from an increase in personnel expenses, which occurred in 2014.

### ***Administrative expenses***

The table below sets forth our administrative expenses for the periods indicated.

	<b>For the year ended December 31,</b>	
	<b>2013</b>	<b>2014</b>
	<b>(in thousands of US\$)</b>	
Personnel expenses .....	10,544	11,547
Professional fees .....	3,464	5,751
Statutory auditors' remuneration .....	71	86
Audit services and others .....	225	230
Depreciation.....	762	757
Travel and business expenses .....	727	1,420
Transport and telecommunications .....	924	1,066
Directors' remuneration.....	389	370
Renting of machinery and equipment .....	1,332	1,919
Amortization of computer software .....	469	482
Materials and supplies .....	928	1,196
Maintenance .....	739	1,038
Insurance .....	133	279
Utilities .....	82	67
Taxes other than income tax .....	98	190
Other expenses .....	1,502	2,305
Total .....	22,389	28,703

In 2014 our administrative expenses were US\$28.7 million, which represented an increase of US\$6.3 million, or 28.1 %, over our administrative expenses of US\$22.4 million in 2013. This increase was primarily as a result of a US\$2.3 million increase in 2014 administrative expenses from professional and audit fees, a US\$1.0 million increase in personal expenses, and a US\$0.6 million increase in travel and business expenses.

### ***Other income***

In 2014 our other income was US\$18.4 million, which represented an increase of US\$17.1 million, or 1,315%, over our other income of US\$1.3 million in 2013. This increase was primarily (US\$15.0 million) a result of the advantageous result of the purchase of companies Iny S.A., and Pacifico Azul, which are the sale of shrimp and other seafood products.

### ***Other expenses***

In 2014 our other expenses were US\$9.4 million, which represented an increase of US\$6 million, or 176%, over our other expenses of US\$3.4 million in 2013. This increase was primarily as a result an increase of obsolescence of inventory for US\$3.9 million and increase of US\$1.6 million from impairment of trade accounts receivable.

### ***Operating deficit***

As a result of the foregoing, in 2014 our operating deficit was US\$(24.9) million, which represented a decrease of US\$84.7 million, or (142%), over our operating income of US\$59.8 million in 2013.

### ***Share of profit of investments accounted for using the equity method***

In 2014 our share of profit of investments accounted for using the equity method was US\$0.9 million, which represented an increase of US\$0.6 million, or 200 %, over our share of profit of such investments of US\$0.3 million in 2013. This increase corresponds to the result of our associate Empacadora de Frutos Tropicales S.A.

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### ***Financial expenses***

In 2014 our financial expenses were US\$22.8 million, which represented an increase of US\$3.3 million, or 17%, over our financial expenses of US\$19.5 million in 2013. This increase was primarily a result of financial expenses incurred in connection with the bond offering for US\$75 million 9.875% Senior Notes due 2017.

### ***Net foreign exchange transaction losses***

In 2014 our net foreign exchange transaction losses were US\$3.1 million, which represented an increase of US\$0.3 million, or 11%, over our net foreign exchange transaction losses of US\$2.8 million in 2013. This increase was primarily as a result of the fluctuation of currency exchange. Our translation differences are mainly explained by the change in the value of our accounts receivable in euros when converted to our functional currency which is the U.S. dollar. This increase was mainly due to a devaluation of the euro/U.S. dollar exchange rate sol during this period.

### ***Income tax***

In 2014 our income tax credit was US\$12.6 million, which represented an increase of US\$23.0 million, or 221%, over income tax credit of US\$(10.4) million in 2013. This tax credit was primarily a result of the net loss from changes in fair value of biological assets. In 2014 our effective tax rate remained at 15 % for agribusiness.

### ***Deficit for the year***

As a result of the foregoing, in 2014 our deficit for the year was US\$(33.6) million, which represented a decrease of US\$65.2 million, or (206%), over our profit of US\$31.5 million in 2013.

## **Liquidity and Capital Resources**

As of December 31, 2015, without giving effect to the issuance of the New Notes or the Exchange Offer, we had approximately US\$250.9 million of outstanding indebtedness, of which approximately US\$36 million matures during 2016 and approximately US\$200 million (consisting of the Existing Notes) matures in February 2017. See “—Indebtedness” and “—Financial Contractual Obligations and Commitments.”

If we are unable to make payments on our indebtedness as it matures in the coming months, or refinance or extend maturities of our indebtedness, including the Existing Notes, our debt could be accelerated. Acceleration of our debt would have a material adverse effect on our financial condition and operations.

As of December 31, 2015, our liquidity relied on cash on hand of US\$26.6 million, which covered only 0.1x of our debt outstanding of US\$250.9 million as of such date, having decreased US\$26.5 million in debt from the same period in 2014, on which Camposol’s liquidity position consisted of US\$38.0 million, which included US\$7.5 million in restricted cash. As of the date of this Listing Memorandum, we had no outstanding restricted cash balances.

As of December 31, 2015, we had outstanding financial debt of US\$250.9 million, of which US\$200 million was represented by the Existing Notes. The primary purpose of the Exchange Offer was to extend the maturity of our outstanding financial debt derived from the Existing Notes. If we had been unable to consummate the Exchange Offer under the conditions described in the Exchange Offer Memorandum, our ability to pay the Existing Notes at their maturity, could have been materially adversely affected which could have resulted in a payment default. See “Risk Factors—Risks Related to the New Notes.”

As of December 31, 2015, we had outstanding bank loans of US\$36.1 million, of which US\$7.5 million (loan arranged by Banco Interbank) matured in a single installment in February 2016 and was paid in full; US\$12.5 million (loan arranged by Banco Scotiabank) matured in a single installment in March 2016 and was paid in full; and US\$ 16.1 million (loan arranged by Banco Continental) which matured in a single installment in February 2016 and was paid in full. Funds used to meet this obligations came from our cash flows from operations (US\$8.6 million) and drawings on our existing bank loans (US\$27.5 million).

The following table presents selected cash flow information for the periods indicated.

	Year ended December 31,		
	2013	2014	2015
	(in thousands of US\$)		
Net cash provided by (used in)			
Operating activities .....	5,254	(30,823)	33,589
Investing activities .....	(12,973)	(62,333)	(9,826)
Financing activities .....	6,436	96,421	(27,621)
Net change in cash .....	(1,283)	3,265	(3,858)

### ***Cash Flows from Operating Activities***

*Years ended December 31, 2013, 2014 and 2015*

In 2015, we generated US\$33.6 million from operations, partly by a decrease in working capital. This decrease in working capital was caused by (i) a reduction on inventory as a result of internal goals in terms of operating working capital, measured as a percent of total sales, and (ii) the shift toward fresh and frozen products, which are less intensive in terms of days on inventory. In 2015, we also decrease our operational working capital by US\$35.3 million, from US\$92.9 million or 36.7% of sales as of December 31, 2014, to US\$57.6 million or 19.6% of sales as of December 31, 2015.

In 2014, we had a negative cash flow of US\$(30.8) million from operations, partly, due to an increase in working capital which was caused by an increase on inventory as a result of greater stocks of preserved products. In 2014, we also increase our operational working capital by US\$35.3 million, from US\$57.6 million or 26.4% of sales as of December 31, 2013 to US\$92.9 or 36.7% of sales as of December 31, 2014.

### ***Cash Flows from Investing Activities***

*Years ended December 31, 2013, 2014 and 2015*

In 2015, we used cash flow in net investing activities in an amount of US\$9.8 million, mainly in the investment of the new planted areas of blueberries and grape, and others investments related to shrimp.

In 2014, cash flow for investing activities reached US\$62.3 million, which resulted mainly from investments in the maintenance of the new planted areas, mainly of avocados, blueberries and tangerines and other investments related to the improvement in our packing facilities and fields.

In 2013, cash flow from investing activities reached US\$13.0 million, as a result of the maintenance of crops of avocados and blueberries and other investments related to improve our packing facilities and fields.

### ***Cash Flows from Financing Activities***

*Years ended December 31, 2013, 2014 and 2015*

Cash flow from financing activities in 2015 was US\$(27.6) million, compared to US\$96.4 million in 2014.

During 2014, cash flow from financing activities was US\$96.4 million. On 2014, we issued US\$75 million aggregate principal amount of our 9.875% Senior Notes due January 2017. The net proceeds from the offering of the initial notes in 2012 were used to prepay a syndicated loan facility with Interbank.

Cash flow from financing activities in 2013 was US\$6.4 million to fund investment activities of the period.

We incur inventory-backed short-term bank debt to finance working capital needs during each season. Working capital debt typically reaches its highest seasonal balances in the second and fourth quarters of each year and is repaid as production of products is invoiced and shipped.



### *Indebtedness*

As of December 31, 2015, our total financial debt was US\$250.9 million, consisting of (i) US\$204.9 million of long-term debt and US\$46.0 million of short-term debt and (ii) US\$44.2 million of secured debt and US\$206.7 million of unsecured debt.

The following table sets forth our outstanding financial indebtedness at December 31, 2015.

	<b>Principal Amount<sup>(3)</sup></b>	<b>Maturity</b>
Bank loans <sup>(1)</sup> .....	US\$36 million	2016
Senior Notes due 2017 <sup>(2)</sup> .....	US\$200 million	2017
Financial leases .....	US\$7 million	2019

(1) Includes short term debt and leasing.

(2) US\$200 million aggregate principal amount of our 9.875% Senior Notes due 2017, which on an accounting basis is reflected as US\$198.3 million in our financial statements.

(3) During the first quarter of 2016 we repaid a total of US\$36.1 million aggregate principal amount of bank loans and drew an additional US\$27.5 million under such bank loans, reducing our outstanding principal amount under such loans by US\$8.6 million. As of the date of this Listing Memorandum, we had an aggregate principal amount of bank loans outstanding of US\$23.2 million. See “Summary—Recent Developments.”

#### *9.875% Senior Notes due 2017*

In January 2012, we issued US\$125 million of our 9.875% Senior Notes due 2017 in the international capital markets. In April 2014, we reopened our initial issuance by issuing US\$75 million of additional 9.875% Senior Notes due 2017. All 9.875% Senior Notes are guaranteed by our parent company, Camposol Holding Limited, and by our subsidiaries Marinazul S.A. and Campoinca S.A. Our 9.875% Senior Notes are unsecured and contain certain restrictive covenants including limitations on our ability to incur additional indebtedness, pay dividends and make other restricted payments, issue subsidiary guarantees in respect of other indebtedness, incur liens securing other indebtedness and sell assets.

### *Financial leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term debt. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

### *Bank loans*

As of December 31, 2015, our outstanding bank loans were as follows:

- US\$7.5 million loan arranged by Banco Interbank (Peru) which matured in a single installment in February 2016 and was paid in full. At December 31, 2015, the outstanding principal balance was US\$7.5 million which accrued interest rate at a rate of 1.94%. This facility is secured by mortgages over several assets of the Company.

- US\$12.5 million loan arranged by Banco Scotiabank (Peru) which matured in a single installment in March 2016 and was paid in full. At December 31, 2015, the outstanding principal balance was US\$12.5 million which accrued interest rate at a rate of 2.18%. This facility was secured by mortgages over several assets of the Company.
- US\$16 million loan by Banco Continental (Peru) which matured in a single installment in February 2016 and was paid in full. At December 31, 2015, the outstanding principal balance was US\$16 million which accrued interest rate at a rate of 1.59%. This facility was secured by mortgages over several assets of the Company.

See “Summary—Recent Developments.”

## Financial Contractual Obligations and Commitments

The following table presents information relating to our financial contractual obligations, including interest payments and derivatives, as of December 31, 2015:

Contractual Obligations	Payment Due by Period				
	2016	2017	2018	2019	2020 and thereafter
	(in thousands of US\$)				
Bank loans .....	36,315	—	—	—	—
9.875% senior notes due 2017 .....	19,750	209,875	—	—	—
Financial leases .....	2,786	3,039	1,346	25	—
Total .....	58,851	212,914	1,346	25	—

## Dividend Policy

We have not declared any dividends since the purchase of shares by the Dyer Coriat Group in 2007. Under the terms of the New Notes, our ability to pay dividends will be restricted by certain covenants, subject to certain exceptions. See “Description of the New Notes—Limitation on Restricted Payments.”

## Capital Expenditures

Since the acquisition of Camposol S.A. in 2007 by investors led by Dyer Coriat Holding (since renamed Generación del Pacífico Grupo S.L.), we have made substantial investments in diversifying crops, significantly growing planted area of avocados, opening the U.S. market for Peruvian Hass avocados and table grapes. In addition, we also invest yearly in research and development, which includes costs associated with physical facilities, purchase of new equipment, new technologies and other expansion and improvement projects associated with our business.

During 2015, we invested a total of US\$28.6 million in capital expenditures, of which US\$10.9 million were invested in additional planting and maintenance of blueberry fields, US\$1.5 million in planting of grapes, US\$0.5 million in planting of tangerines, US\$7.7 million were invested in equipment and infrastructure (US\$2.0 million in our processing plant, US\$3.3 million in administrative expenses and US\$2.3 million in plantings in our fields) and US\$8.0 million were invested in our shrimp business (US\$5.2 million for the conversion of intensive shrimp ponds and US\$2.8 million for the purchase of land for shrimp farming). These investments were financed with operating cash flow and the sale of 302.6 Has to a real estate related company.

During 2014, we invested a total of US\$63.3 million in capital expenditures, of which US\$14.2 million were invested in additional planting and maintenance of blueberries fields, US\$5.2 million in asparagus fields, US\$1.7 million in maintenance of avocado fields, US\$18.1 million were invested in equipment and infrastructure (US\$14.5 million in our processing plant and US\$3.6 million in our fields) and US\$24.1 million were invested in shrimp business (US\$6.8 million for the conversion of intensive shrimp ponds, US\$13.8 million for the purchase of INYSA and Pesquera ABC and US\$3.5 million among other major investments).

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During 2013, we invested a total of US\$18.5 million in capital expenditures, of which US\$7.5 million was invested in equipment and infrastructure to improve our packing facility, US\$0.8 million in improving our shrimp ponds, US\$3.3 million in the planting of other products and US\$6.9 million in maintenance of the newly planted areas of avocados and other products. These investments were financed with bank debt and cash.

The capital expenditure program for 2016 includes: (i) US\$15.6 million for the implementation of a 540 hectares blueberries expansion project, (ii) US\$9.0 million for field maintenance (blueberries, tangerines, grapes and avocados), (iii) US\$6.1 million for plant infrastructure and equipment, (iv) US\$2.4 million for seafood (intensive pond conversion, SAP implementation and other investments), (v) US\$1.9 million for administrative investments and (vi) US\$1.2 million for other field investments. We expect that our US\$36.2 million capital expenditure budget for 2016 will be funded with US\$21.2 million from our operating cash flow, US\$5.0 million from the equity contribution made by our shareholders (prorated based on current participation) in the first quarter of 2016 and the remaining US\$10 million with credit lines from banks or, if these credit lines are not available, with a contemplated loan from our shareholders which, if drawn, will be subordinated to the Existing Notes and the New Notes. See “Summary—Recent Developments.”

We may modify our capital expenditure program at any time to address, among others, changes in market conditions for our products, changes in general economic conditions in Peru, the U.S., Europe or any other relevant country or region, changes in the prices of raw materials, interest rate changes, inflation and competitive conditions. Accordingly, our projected capital expenditures may not be actually made, or if made, the actual amount of such capital expenditures could be significantly greater or less than projected.

### ***Quantitative and Qualitative Disclosure about Market Risk***

In the normal course of business, we are exposed to fruits and vegetables price and interest rate risks. The following discusses our exposure to these risks. This discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results could vary materially as a result of a number of factors, including those set forth under “Risk Factors”. Uncertainties that are either non-financial or not quantifiable, such as political, economic, tax, other regulatory, or credit risks, are not included in the following assessment of our market risks.

#### ***Price Risk***

We are exposed to the risk of fluctuations in the prices for our products, as international prices of fruits and vegetables are subject to changes. Although we seek to mitigate our exposure to price risk by selling a portion of our production from each season on a forward basis, the amount and terms of any such forward sales is subject to market risk and other commercial uncertainties, and we do not hedge the price at which our products are sold and as a result are fully exposed to the effects of changes in prevailing market prices of fruits and vegetables. A decline in the market price of fruits and vegetables would adversely impact our revenues, net income and cash flows and could have a material adverse effect on our ability to repay our debt and meet our other financial obligations.

#### ***Foreign Exchange Rate Risk***

Our activities and borrowings in foreign currency expose us to the risk of fluctuations in U.S. dollar exchange rates. We seek to mitigate this risk partially by maintaining debt balances in foreign currency. Notwithstanding the fact that substantially all of our assets are located in Peru, our functional currency is the U.S. dollar, primarily as a result of our export driven business and the fact that our primary revenues and costs are denominated in U.S. dollars. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. We generally do not enter into derivative financial instruments to hedge our exposure to exchange rate risk.

During 2015, 26% of our production costs were related to labor, which are incurred in *soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *sol*. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the

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euro and the U.S. dollar. Future variations in exchange rates could have a significant impact on the portion of our costs denominated in *soles* or the portion of our sales denominated in euros, thus affecting our results of operations.

During 2015, the company successfully finished a Hedge Accounting consultancy with Ernst & Young. Although it has the knowledge and the tools to take hedge derivatives to cover its exchange rate risk, management has decided not to do so due to prevailing conditions and available terms of foreign exchange transactions. Experts agree that the Peruvian sol will continue its devaluation trend in the following years, and our exposure to euro is lower than in previous years due to the decision of exit the preserved business.

### ***Interest Rate Risk***

Our exposure to interest rate risk arises primarily from short-term borrowings. Borrowings issued at variable rates expose us to interest rate risk. As of December 31, 2015, our long-term debt contracts are set at a fixed interest rate. Our short-term debts are also set at a fixed interest rate during the life of the contracts, though they are initially negotiated at current market conditions. We do not enter into derivative financial instruments to hedge our exposure to interest rate risk.

### **Off-Balance Sheet Arrangements**

As of December 31, 2015, we did not have any material off-balance sheet obligations that were not reflected in our consolidated financial statements at such date.

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## INDUSTRY

### Overview

We plant, harvest, process and export avocados (fresh and frozen), white asparagus (fresh and frozen), blueberries (fresh), mangos (fresh and frozen), peppers (fresh and frozen), table grapes (fresh), tangerines (fresh) and shrimp (frozen).

We have benefited from a combination of factors that have supported the rapid growth of the Peruvian agri-business export sector. Peru's export industry benefits from a business climate that welcomes foreign investors and encourages trade. Free trade agreements with all major trading partners, such as the United States, the European Union (which is pending implementation), and China, provide a stimulus to Peru's export industry. The agricultural sector continues to be labor intensive, and Peru's agri-business industry benefits from its access to relatively cheap farm labor.

Peru's combination of favorable business climate, trade agreements, labor costs and climatic conditions helped lay the foundation for developing a competitive and successful agricultural export industry. We seek to take advantage of these factors to grow and consolidate our existing business, and become the leading player in the Peruvian agri-business sector.

### Avocados

Peru is the second largest exporter of Hass avocado in the world, second only to Mexico. Peruvian avocado production has several advantages due to unique climatic conditions. Given its specific climatic factors, Peru's avocado production is able to achieve higher yields and reach the largest avocado markets, like the U.S. and Europe, within a time window of low supply. Since July 2011, Peruvian Hass avocados were fully cleared to enter the U.S. market, the largest avocado market in the World, without quarantine treatment and duty free, given the free-trade agreement between both countries. In August 2015, the Chinese market also opened for Peruvian Hass avocados without quarantine and duty free, as a result of the free-trade agreement entered between both countries. China is not yet a large market for avocados. Currently, avocados are a relatively new crop, with less than ten years of history of being used in the cuisine of the Chinese upper middle class. However, avocados have recently emerged as a trendy product, and is now available on most restaurant menus and in juice bars in major Chinese cities like Shanghai. Import volumes of avocados to the Chinese market have steadily seen double digit compound annual growth rates in the last five years.

#### *Crop description*

Avocados are an edible fruit of the laurel family, with a pear-like or round shape and a thick skin. The fruit's flesh (its edible part) is generally yellow and may include a thin layer of bright green directly beneath the skin. The trees are generally 3-5 meters high. The most prevalent avocado species are the West Indian, Guatemalan and Mexican types, and hybrids among the three are also common (particularly the Hass variety, which is a Guatemalan-Mexican hybrid and the most widely consumed). The main varieties grown in Peru include the Hass, Fuerte, Ettinger, Zutano and Nabal.

In Peru, specifically in the region of La Libertad, avocados are generally harvested on an annual basis, with a lag time of approximately three years between planting and the first harvest. They generally begin to yield their first harvest in year three, with yields of approximately 4 MT per hectare. By year six, yields have increased and stabilized between 15 MT per hectare to 18 MT per hectare, with the production becoming sustainable over the next two decades. Avocados yields are generally subject to the phenomenon of alternation, a natural effect in which fruit trees typically produce higher harvested volumes in one year and lower volumes in the next.

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**Global avocado yields, by major producer of Hass avocados (in MT per hectare)**

Peru .....	11.2
South Africa .....	5.5
Mexico .....	10.2
United States .....	6.7
Chile .....	4.5
World (avg.) .....	9.1

Source: FAOSTAT. Data as of 2013.

***Demand***

Global demand for avocados comes primarily from North America (mostly the United States) and Europe, which together accounted for approximately 86% of imports in 2014. The U.S. is the largest importer of avocados, accounting for approximately 67% of global imports during the same year. Other high-demand countries include the Netherlands, France, Japan, Canada, Germany, the U.K. and Spain.

Global avocado imports (in US\$ millions)	2012	2013	2014
North America .....	1,037	1,288	1,764
Europe .....	635	929	1,056
Japan .....	162	162	168
Global .....	2,128	2,777	3,434

Source: Maximize/International Trade Center.

The Hass variety of avocados has the highest demand on the international market, according to the Hass Avocado Board, and comprises the majority of avocado exports, given its higher yields and longer post-harvest lifetime making it easier to transport over long distances.

The U.S. market is a growing market for avocados, with per capita consumption growing from 1.8 kg. to 3.1 kg. per year between 2010 and 2015. Growth in U.S. demand for avocados has been driven mainly by a higher level of public awareness of the fruit's perceived nutritional benefits and advertising to such effect, the rapidly growing Hispanic population in the United States and increased year-round availability of fresh avocados.

Year	U.S. per capita avocado consumption						CAGR
	'09-10	'10-11	'11-12	'12-13	'13-14	'14-15	
Kilograms .....	1.8	1.7	2.2	2.4	2.6	3.1	11.0%

Source: USDA/ Fruits Trop.

The U.S. produces avocados primarily in California and Florida. However, decreasing domestic production volumes and increasing demand over the past decade have created a growing supply gap, which has been increasingly met by imports.

U.S. avocado sales by product origin (000 MT)	2012	2013	2014	2015
Domestic production .....	192	209	128	119
Imports .....	499	556	714	870
Total .....	691	765	842	989

Source: Hass Avocado Board.

The main sources of avocado imports into the U.S. market over the past five years have been Mexico, Chile, the Dominican Republic and Peru, with Mexico accounting for the vast majority of imported volumes.

U.S. avocado imports by country of origin (000 MT)	2012	2013	2014	2015
Mexico .....	439	510	604	804
Chile .....	42	23	40	9
Dominican Republic .....	1	1	1	8
Peru .....	17	21	65	48
Total .....	499	555	710	869

Source: Hass Avocado Board.

In July 2011, the U.S. Animal and Plant Health Inspection Service (“APHIS”) agreed to permit Peruvian avocado imports to enter the country without a quarantine period, eliminating the need to submit the fruit to cold treatment before shipping and allowing exporters to lower their costs, while significantly increasing the quality of the fruit.

The European Union market is mainly supplied by Peru, Chile and South Africa, together contributing around 72% of total European Union imports in 2015. European Union avocado imports grew 46% between 2009 and 2015 according to Eurostat.

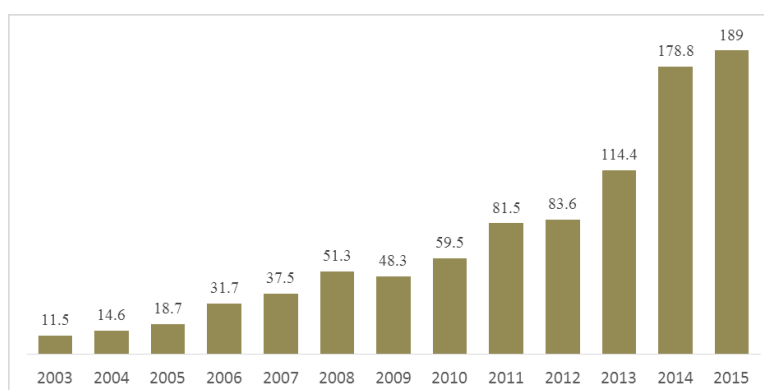
In August 2015, the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (AQSIQ) agreed to permit Peruvian avocado imports into China without quarantine treatment, and can do so tariff-free given the free-trade agreement between both countries. China’s demand for imported avocados is growing year-over-year from 2 MT in 2010 to 4,066 MT in 2014, according to data published by Trademap/Mincetur.

### ***Supply***

Global avocado production is highly concentrated; with a handful of countries accounting for most of the world’s output. The main avocado producers in 2013 were Mexico, the Dominican Republic, Colombia, Peru, Indonesia, Kenya and the US. Mexico’s production accounted for 30% of total global output in 2013. During this period, Peru was the world’s fourth-largest producer. Hass variety producers’ countries are mainly United States, Mexico, Chile, Peru and South Africa.

According to the Peruvian Ministry of Agriculture (*Ministerio de Agricultura* – MINAG) and Maximize Consulting Group, at the end of 2015 Peru had around 32,090 hectares of avocado plantations. Peruvian avocado production is competitive given its harvest timing, consistent quality and high yield levels. Average yields in Peru are estimated at 11.7 MT per hectare for 2015. Avocados are generally exported under two different formats: fresh and frozen.

### **Peruvian avocado exports (in thousands of MT)**



Source: Figure for 2003-2015 from Maximize/SUNAT.

### **Asparagus**

Peru is the most important suppliers of asparagus in the world. Peruvian asparagus production is highly efficient given the country's geographic location and climatic advantage, with one of the highest yields among asparagus producers (11.4 MT per hectare in 2013). Global asparagus consumption has increased over the past years, in line with increased demand for healthier food, according to FAOSTAT. In addition, China, the largest producer of asparagus in the world (as well as the largest consumer), has been decreasing its production due to lower yields in its plantations and increased labor costs.

### ***Crop description***

Asparagus is a perennial vegetable with fleshy roots and fernlike, feathery foliage. The plant grows about 3 feet tall. The part that is eaten is the tender young stem. Asparagus plantations live from 12 to 15 years or longer; however, they usually reach peak production between years 8 and 10. To optimize production yield, asparagus in commercial plantations is usually replanted in Peru by year 8 or 9, which coincides with the period in which yields start to decline below optimal levels.

In Peru, asparagus fields reach maturity on average by the third year and produce on average 10 to 15 MT of product per hectare. Yields may vary for green and white asparagus, with the green variety typically producing closer to 10 MT and the white variety typically producing closer to 15 MT.

Asparagus can be found in the green and white varieties. Green asparagus is the most common in the United States, while the white is more popular in Europe. The main difference between both varieties is the method for growing them. White asparagus is grown under the soil, blocking the sunlight from reaching the plant, and therefore not allowing it to produce the chlorophyll necessary to produce the green color. Both varieties are marketed fresh and frozen.

Production of asparagus is labor intensive, as it requires large amounts of personnel to manually harvest each stem from the ground. In the case of white asparagus (which grows underground), the process requires added work time and labor per unit of production, as skilled laborers need to judge a crop's location before digging and exercise extreme care while harvesting the crops to avoid damaging the stalks.

During 2013 the global average yield in asparagus was 5.3 MT per hectare. During this period, Peru's yield reached 11.4 MT/Ha.

### **Principal asparagus producers—Yield (MT/Ha) 2013**

Peru .....	11.4
Mexico .....	7.1
Italy .....	4.7
China .....	5.2
Germany .....	5.2
Chile .....	5.2
Japan .....	4.8
France .....	4.1
Spain .....	4.9
USA .....	3.5
World (avg.) .....	5.4

Source: FAOSTAT.

### ***Demand***

The largest consumers of asparagus are China, the United States and Germany. China is the largest consumer as well as the largest producer of asparagus, with total production of 7.4 million MT in 2014 (the most recent year for which data is available). It is estimated that most of China's production is destined to its internal market, a trend that has been increasing in recent years. The U.S. is the second largest consumer of asparagus as well as an important producer; however, in the last few years, U.S. production of asparagus has been declining



mainly due to the entry of competitively priced, tariff-free imports. Germany is the third-largest asparagus consumer in the world, particularly of white asparagus, both fresh and preserved.

#### **Fresh asparagus imports—2014 (US\$ millions)**

United States.....	502.1
Germany .....	112.7
Canada .....	83.3
United Kingdom .....	77.1
Japan .....	71.3
Netherlands .....	63.2
Switzerland .....	55.8
Others .....	298.7
Total .....	1,264.2

#### **Preserved asparagus imports—2014 (US\$ millions)**

Spain.....	129.7
France .....	69.0
Germany .....	58.6
Netherlands .....	27.9
United States .....	19.7
Denmark .....	11.5
Belgium .....	9.8
Others .....	52.0
Total .....	378.3

Source: International Trade Center.

### **Supply**

During 2013, global asparagus production reached 7.9 million MT, a 4% decrease from 2012. This decrease resulted from reduction in China's production to 7.0 million MT with a larger presence in white asparagus production (65% of total production). China's production during 2013 represented 88% of global supply of asparagus followed by Peru (4.8%), Mexico (1.6%), Germany (1.3%), Thailand (0.8%), Spain (0.6%) and the United States (0.4%).

#### **Main Asparagus Exporters (In US\$ millions)**

	<b>2014</b>
Peru .....	384.6
Mexico .....	251.1
United States of America .....	147.7
Netherlands.....	111.9
Spain .....	63.9
Greece.....	26.4
Italy.....	25.4
Germany .....	24.3
France .....	22.6
Total.....	1,143.01

#### **Main Asparagus Producers (In 000 MT)**

	<b>2014</b>
China.....	7,003.3
Peru .....	383.1
Mexico.....	126.4
Germany .....	103.1
Thailand.....	61.0
Spain.....	48.7
United States of America .....	34.6
Japan.....	28.4
Italy.....	26.6
Total.....	7,962.49

Source: FAOSTAT, International Trade Organization. Data for 2013, National Superintendency of Tax Administration (*Superintendencia Nacional de Administración Tributaria—SUNAT*).

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Production (000's MT).....	339.7	392.3	376.6	383.1	377.7	374.5
Growth (%).....	8.20%	15.50%	(4.00)%	1.73%	(1.41)%	(0.85)%
Fresh.....	122.3	123.2	118	121	132.6	128
Preserved .....	50.4	60.2	54	44.3	43.9	39.1
Frozen.....	11.3	14.6	13.2	12	8.8	8.1
Exports (000's MT) .....	184	198.1	185.2	177.3	185.3	175.2
Fresh.....	290.6	293.7	342.9	338.1	383.6	412.4
Preserved .....	106.1	144.3	144	150.4	149.1	129.5
Frozen.....	30.2	47.8	51.3	46.5	38.4	35.2
Exports (in US\$ millions).....	426.9	485.8	538.2	534.9	571.1	577.1

Source: MINAG, ADEX.

After grapes and coffee, asparagus is Peru's largest agricultural export product, with total value of exports of US\$577.1 million in 2015. Domestic demand is very low for asparagus, which is not a native vegetable and has not made inroads into Peruvian cuisine; thus, most of the country's production is exported.

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Between 2011 and 2015, Peru decreased asparagus exports by approximately 15.4%. China, previously the world's largest exporter, has been reducing its exports of preserved white asparagus to Europe, while Mexico, and to a lesser extent the United States, have emerged as important exporters.

The cultivation of Peruvian asparagus for export began in the early 1950s in the Virú Valley in La Libertad region in the northern part of the country. The combination of excellent climatic conditions and the quality of the soils on the Peruvian coast, provided for excellent yields since the early production years. In the late 1980s, dripping irrigation equipment from Israel was introduced, which allowed to asparagus cultivation to expand into large scale desert areas rapidly. The total asparagus planted area in Peru has increased significantly from less than 820 hectares in 1970 to 25,711 hectares in 2014. Plantations are located along the Peruvian coastal region, with the main areas being Ica and La Libertad. Average yields in Peru are estimated at 11.4 MT per hectare for 2013 according to the Ministry of Agriculture

Due to mild temperatures and almost non-existent rainfall that prevent asparagus from entering a dormant stage, Peru is one of the few countries where high quality asparagus is harvested year-round. European countries do not produce asparagus during the second half of the year, and the U.S. stops producing in the last quarter. Peru records lower exports during the first quarter of the year due to competition from the U.S. and Mexico, and increases shipments during the second half of the year when other producers reduce or stop their production.

While Peru's asparagus exports face no tariffs in their main markets, including the United States, sanitary and phytosanitary (SPS) barriers affect trade. The USDA Animal and Plant Health Inspection Service (APHIS) is trying to prevent entry of the moth *Copitarsia decolora*, which has been found on asparagus in Peru but not on asparagus in the United States. APHIS requires every shipment of fresh green asparagus to the United States to be fumigated with the pesticide methyl bromide.

## **Blueberries**

Traditionally consumed in North America, blueberries have been increasing in popularity due to the media identification of its health-promoting properties. Blueberries are believed to have some of the highest antioxidants concentration available among fruits and are rich in potassium and Vitamin C.

According to the DGC Blueberry report, global production of blueberries has increased significantly in recent years, especially in Europe, Asia and Latin America, and all regions have added a considerable amount of hectares to further production in order to keep pace with demand. These added hectares are now starting to come to fruition, and global production has increased substantially. Production has increased at an annual rate of 3.6% globally since 2010; as growers recognize the potential and profitability of the crop and seek to meet demand for both fresh and processed blueberries products. Overall, global production increased 29.8% between 2010 and 2013, from 324 million kilograms to 420.4 million kilograms with emerging markets in South America, Africa and Asia expanding the most, both in terms of planted hectares and delivered product.

In terms of cultivated blueberry production, world hectares have increased from 77,688 hectares in 2010 to 88,157 in 2013; an overall uplift in the productive asset base of 10,469 hectares or 13.5%.

Consumption of blueberries is increasing globally. In the United States; the world's largest consumer of the crop; average per capita consumption of fresh blueberries has grown at an annual rate of 4.27% since 2010. Most blueberries are attractive for modern retailers given the reduced space they occupy and the high price they command.

According to FAO, North America (United States and Canada) is currently the region with largest producers and consumers of blueberries. These two countries represented approximately 86% of global consumption in 2013. In less than 10 years, Chile has become the largest exporter of blueberries to the US and Canada given its complementary export window (during North America's unproductive season).

<b>Blueberries Imports (in US\$ millions)</b>	<b>Imports</b>
United States of America.....	527.2
Germany.....	59.5
Canada.....	46.5
United Kingdom.....	22.9
Netherlands .....	22.2
Spain.....	18.6
France.....	18.0
Italy .....	14.2
Austria .....	12.2
Rest of the world .....	70.0
Total .....	811.3

Source: FAOSTAT. Trade data for 2013.

Most recently, countries like Peru and Mexico have begun planting blueberries with success, achieving superior yields than North America and Chile.

<b>Blueberries production yields, by country (MT per hectare)</b>	<b>Yield</b>
Netherlands .....	9.6
Ukraine .....	8.7
Romania .....	8.5
Mexico .....	7.9
Uzbekistan.....	7.9
Italy .....	7.8
United States of America.....	7.6
Bulgaria.....	6.3
World (average).....	4.8

Source: FAOSTAT. Data for 2013

## **Grapes**

Peruvian grape production is relatively young compared to other crops, such as asparagus and avocados, and has not reached its full potential. High yields and quality of product provide Peruvian producers with a competitive advantage, in addition to availability of product during the low production season in the northern hemisphere. Main markets for Peruvian grapes include the Netherlands, the U.K. and Hong Kong.

### ***Crop description***

Grapes are edible fruits of the vitis family, which grow in long perennial vines. The grape stems can grow up to 35 meters long, but are generally kept between one and three meters long through periodic pruning. The fruit are pulpy berries with their skin adhering to their pulp, are oval, ellipsoid or round shape, and green, yellow, red or purplish-black in color. Grapes generally grow in large, long clusters, and generally include 2–3 seeds per fruit, although they are also currently grown in seedless varieties. The grapevine has a productive life of between 15 and 20 years, and can yield up to two annual harvests. Grape plantations are generally ready for harvesting in the second year after planting. However, due to Peru's unique climatic characteristics, Peruvian grape plantations typically yield their first harvest within one year of planting.

<b>Grape production yields, by country (MT per hectare)</b>	<b>Yield</b>
China.....	33.3
Vietnam .....	25.5
Iraq.....	22.5
Egypt.....	21.6
Albania .....	21.5
India.....	21.0
Peru.....	20.1
United States of America .....	19.6
World (average) .....	11.3

Source: FAOSTAT. Data as of 2013.

In terms of crop yield, the world's average during 2013 was 9.4 MT per hectare. In this same period, Peru's plantations achieved a yield of 20.1 MT per hectare.

### ***Demand***

According to the International Trade Organization, global grape imports are led by the United States, Netherlands and United Kingdom. Total grape imports in 2014 amounted to US\$10.6 billion, up from US\$9.3 billion in 2011. This growth was mainly driven by the increasing consumption in major import markets, with North America, Europe and China representing 70.6% of total imports. Most of the growth in worldwide grape demand has been focused on the seedless varieties, particularly in Asia.

<b>Global grape imports (in US\$ millions)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Europe .....	5,174	5,481	5,428
North America including Mexico .....	1,727	1,901	1,887
China .....	425	553	641
Other .....	2,152	2,235	2,609
Global .....	9,478	10,169	10,565

Source: FAOSTAT 2014.

### ***Supply***

The global supply of grapes is mostly made up by countries that produce for their own domestic consumption and for wine production, such as China, Italy and France (the world's first, second and fifth-largest producers, respectively).

Although Peru is not a major grape producer or exporter, only six of the world's top 25 exporters: Chile, South Africa, Argentina, Brazil, Australia, and Peru, are located in the Southern Hemisphere, meaning that Peru is one of only a handful of countries that can supply markets during the Northern Hemisphere's winter. Peru exports grapes mainly from October to March, with the greatest volume from November to February. The height of Peru's production season coincides with the strong demand associated with worldwide December holiday celebrations, as well as the Chinese New Year.

<b>Grapes - Exports (US\$ millions)</b>	<b>2014</b>	<b>Grapes - Production (In thousands of MT)</b>	<b>2014</b>
Chile .....	1,514	China.....	11,650
United States of America .....	1,029	Italy.....	8,010
Netherlands.....	773	United States of America .....	7,745
Italy .....	758	Spain .....	7,480
Peru .....	643	France .....	5,518
South Africa.....	498	Turkey.....	4,011
China .....	359	Chile .....	3,298
Spain.....	344	Argentina.....	2,881
Hong Kong .....	321	Peru.....	438
Others .....	8,051	Others.....	26,248

Source: FAOSTAT. International Trade Organization. Data for 2013 and 2014, respectively.

## Mangos

Mangos are produced in over 100 countries; however, the majority of mangos are consumed in local markets, with only 4.6% of global output entering the international market during 2013. At the same time, the availability of mangos year-round, few trade barriers, long shelf life and consumer demand, combine to make it an increasingly interesting crop for producers. The major importers of mangos are the U.S. and The Netherlands, which together represented 29.8% of total imports during 2014.

### Guavas, mangos and mangosteens imports—2014

	(in US\$ millions)
United States of America .....	442.9
Netherlands .....	251.5
China .....	177.5
Germany .....	161.8
United Kingdom .....	131.1
Vietnam .....	124.6
France .....	102.8
Canada .....	88.9
Other .....	849.2
Total .....	2,330.2

Source: International Trade Organization. Data for 2014.

In terms of production, India is the largest producer of mangos and the second largest exporter. Even though Peru is not among the world's 10 largest producers; it was the 6th largest exporter during 2013 in terms of value.

Mango and guava—Production (In thousands of MT)	2013	Mango and guava exports (US\$ millions)	2014
India .....	18,002	Mexico .....	282,377
China .....	4,620	Netherlands .....	253,715
China, mainland .....	4,450	Thailand .....	199,320
Thailand .....	3,142	India .....	196,136
Indonesia .....	2,059	Brazil .....	164,211
Mexico .....	1,902	Peru .....	138,317
Pakistan .....	1,659	Philippines .....	128,020
Brazil .....	1,163	Viet Nam .....	100,457
Others .....	10,288	Others .....	679,346

Source: FAOSTAT, International Trade Organization. Data for 2013 and 2014, respectively.

In recent years Peruvian exports of mangos have been fueled by the increased demand from the Netherlands and the U.S. However, producers intend to increase exports to Asian markets with the objective of extending the crop's season and matching the months when local production is at its peak with demand from this market.

## Tangerines

Tangerines also known as mandarins originated in China and Southeast Asia. The term “tangerine” was first used in the 19th century to describe mandarins with deep orange-red external color. Tangerines have a turgid, deep orange-red peel relatively free of blemishes. Regarding its shape, the fruit should be elliptical and firm and the peel should be easily removed from the flesh.

In Peru, most of the national production is consumed locally, with about 20% being exported of total production. Unlike other global producers, tangerines are harvested almost the entire year in Peru given the large diversity of climates in its three regions. The Coast of Peru, where most of the Peruvian mandarins are produced, has important agronomic advantages due to the absence of rain and extreme weather events.

<b>Tangerine production yields, by country (MT per hectare)</b>	<b>Yield</b>
Cyprus .....	71.1
Republic of Korea .....	32.0
Occupied Palestinian Territory .....	30.4
Israel.....	29.8
United States .....	29.4
Israel.....	29.2
Azerbaijan .....	27.1
South Africa .....	26.7
Iran (Islamic Republic of) .....	25.6
Peru .....	25.0
Paraguay .....	25.0
Turkey .....	24.4
Australia .....	22.2
World (average) .....	14.8

Source: FAOSTAT. Data as of 2013.

### ***Demand***

World imports of tangerines reached US\$4,759 million in 2014 up from US\$2,189 million in 2004 which represents a CAGR of 8.1% for the period. The main importer during 2014 was Russia with imports for US\$728.2 million, followed by Germany with US\$461.8 million and France with US\$454.6 million.

<b>Tangerines—Imports (in US\$ millions)</b>	
Russia .....	728.2
Germany .....	461.8
France.....	454.6
United Kingdom .....	403.5
Unites States of America.....	255.2
Netherlands .....	252.6
Canada .....	181.4
Ukraine .....	150.5
Others .....	1,870.8

Source: TradeMap. Data as of 2014.

### ***Supply***

World hectares of tangerines reached 2.9 million by the end of 2013 according to FAO figures. World production reached 28.9 million tons in 2013, being China the largest producer with 15.4 million tons (53% of total production). World exports of tangerines reached US\$4,693 million in 2014 up from US\$2,158 million in 2004 which represents a CAGR of 8.1% for the period. The main exporter during 2014 was Spain with exports for US\$1,770 million, followed by China with US\$919 million and Turkey with US\$364 million.

<b>Tangerines/Mandarins - Production (In thousands of MT)</b>	<b>2013</b>	<b>Tangerines/Mandarins - Exports (US\$ millions)</b>	<b>2014</b>
China.....	15,357	Spain.....	1,770
Spain.....	2,199	China.....	919
Turkey.....	942	Turkey.....	364
Brazil.....	938	Morocco.....	301
Egypt.....	917	Pakistan.....	164
Japan.....	896	South Africa.....	147
Iran.....	837	Peru.....	110
Republic of Korea.....	683	Netherlands.....	96
Others.....	6,083	Others.....	822

Source: FAOSTAT. Data as of 2013.

Source: TradeMap. Data as of 2014.

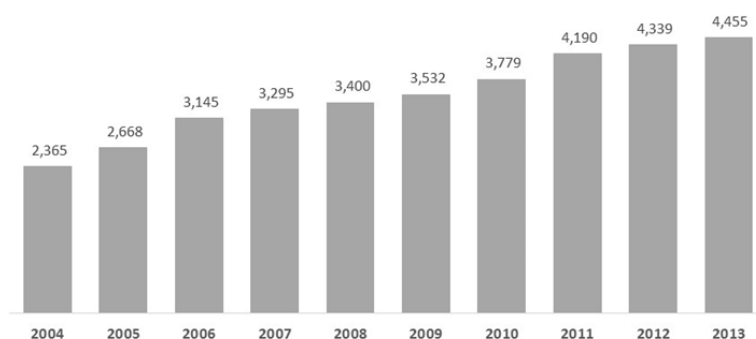
## Shrimp

World production of shrimp in 2014, both captured and farmed, was of approximately 8.2 million tons. Recent world shrimp farming is approximately 4.6 million tons per year. Shrimp is now one of the most important internationally traded fishery commodity in terms of value, accounting for about 15% of the total value of internationally traded fish products in 2013. In many tropical developing countries like Honduras, Ecuador and Brazil, it is the most valuable fishery export.

World demand for shrimp peaked in 2011, with the value of global shrimp imports growing 17% as a result of the economic recovery and a slight decrease in international production that caused a sharp increase in prices. Global imports for shrimp accounted for US\$19,643 million in 2013. World farmed shrimp production volumes decreased in 2012 and particularly in 2013, mainly because of disease-related problems, such as early mortality syndrome (EMS), in some countries in Asia and Latin America. This reduced supply boosted shrimp prices worldwide and affected consumption in the traditional developed markets such as the European Union, the United States of America and Japan. The Japanese market, wholly dependent on imported supplies, also suffered because of a weaker yen and increased landing costs. Export processing industries in East and Southeast Asian met the raw material shortfalls through imports, particularly from Ecuador and India, with frozen shrimp imports noted at record high levels in Viet Nam. China's imports for domestic consumption also increased.

Shrimp production is sold in two formats: frozen and fresh. The United States is the largest importer of frozen shrimp, with Hong Kong being the largest market for fresh shrimp. The United States imported US\$5.3 billion of frozen shrimp in 2014.

## Global shrimp aquaculture production (in thousands of MT)

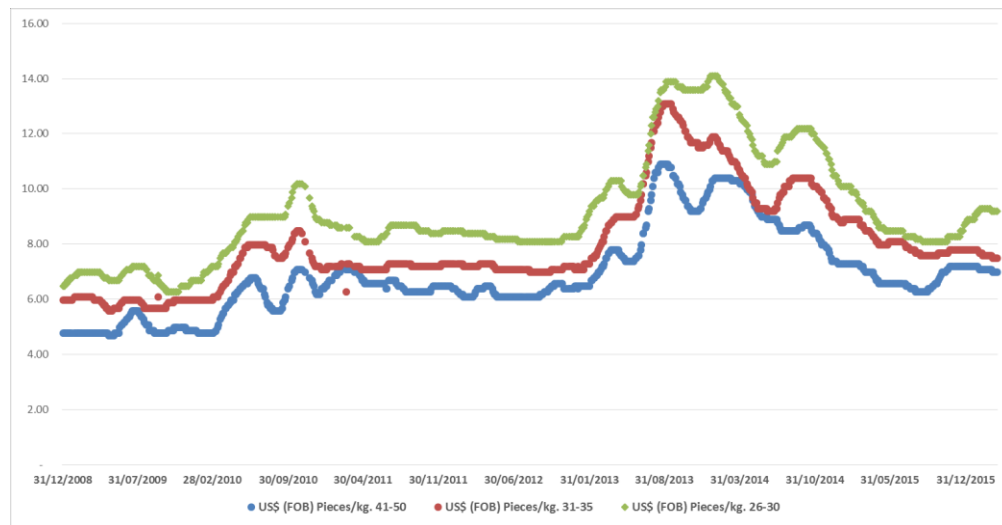


Source: FAOSTAT.

Shrimp production in Peru is mostly focused on farming as opposed to fishing. Peru produces only the white shrimp variety, and is the twelfth-largest white shrimp farmer in the world, and the sixth-largest in the Americas, according to FAO data for 2013. Future production in Peru is currently limited by the little availability of suitable land for shrimp farming.

## Average import price of fresh shrimp

(US\$ per Kg.)



Source: URNER BARRY'S Seafood PRICE CURRENT, as of March 22, 2016.



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## BUSINESS

### Overview

Camposol is the largest agro-industrial company in Peru in terms of revenues and land ownership, the largest independent producer of blueberries in Peru and the largest producer of Hass avocados in Peru in terms of land ownership and area cultivated, as measured by the 1,050 hectares and 2,655 hectares planted, respectively, as of December 31, 2015. Camposol harvests, processes and markets high quality agricultural products that are exported principally to the United States, Europe and Asia. As of December 31, 2015, we owned a total of 28,097 hectares of land, out of which we estimate approximately 18,395 hectares (approximately 11,373 hectares of which have access to irrigation) to be useful for agricultural purposes, of which approximately 5,888 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao and Virú, which are located in the region of La Libertad, and in Piura. In addition, through our subsidiary Marinazul, we own and operate shrimp farms in the region of Tumbes. As of and for the year ended December 31, 2015, we had total revenue of US\$272.7 million and EBITDA of US\$42.4 million. Our gross profit for the year was US\$79.5 million.

We plant, harvest, process, package and export a wide selection of agricultural products, including blueberries, avocados (Hass, Lamb Hass and Ettinger varieties), white asparagus, grapes, mangos, peppers and tangerines. Among these products, blueberries and avocados have been the most important in terms of their contribution to our results of operations over the past three years. Our fruits and vegetables are exported fresh or frozen mainly to markets in the United States, Europe and Asia. We manage our fields using advanced agricultural practices and technology, which have enabled us to consistently increase productivity, achieving in 2015 harvest production volumes of 5,122 MT of blueberries, 26,822 MT of avocados, 8,603 MT of asparagus, 10,575 MT of mangos, 4,875 MT of peppers, and 7,344 MT of grapes. We also focus on minimizing the use of pesticides in our crop development as a means to both make our products more appealing to customers in our principal target markets and to minimize adverse environmental impact.

Our approximately 35,416 m<sup>2</sup> production complex is located in the agro-industrial complex of Chao, where we employ on average approximately 3,400 workers. Our agro-industrial complex includes four state-of-the-art processing plants, all of which are located in a single facility. Of these four plants, three process fresh products and one processes frozen products. Our production facilities are highly flexible, allowing us to adjust our product mix to maximize profitability. We also own a grape packing facility and a portion of the equity in Empacadora de Frutos Tropicales S.A.C (a mango packing plant), both of which are located in Piura, in northern Peru.

We are the largest producer of shrimp in Peru, based on volume and hectares farmed, and process other seafood products such as squid, scallops and mahi-mahi acquired from third parties. Our shrimp are grown on our own farms primarily through semi-intensive farming carried out on approximately 1,300 hectares of ponds. We operate three shrimp processing plants with total processing capacity of approximately 125 MT per day. Access to clean water has allowed us to support increased intensive shrimp production at our facilities without any increased incidence of disease. Currently, only 50 hectares of ponds are operating at intensive production levels and our semi-intensive facilities can be scaled up to increase production as demand requires.

We are a fully integrated company and manage our entire supply chain: fields, processing and distribution. Approximately 77% of the products we processed during 2015 came from our own fields, and we have sufficient production capacity to process each of the various types of products we produce in each of our two formats: fresh and frozen.

Our Camposol Trading division focuses on developing strategic partnerships with retailers and food service companies throughout the world. We have sales offices in the Netherlands and the United States, which we use to strengthen our presence in certain of our key United States and European markets by maximizing our attention and response times to our main customers, while making efforts to promote the Camposol brand as a first-class food producer. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with key export markets such as the United States and the European Union. In particular, our trading division has been able to leverage our logistics infrastructure that has been developed over many years to deliver high quality agricultural products through a well-developed supply chain network.

The following table sets forth key performance metrics for our business for the periods indicated.

	As of and for the year ended December 31,					
	2013			2014		
	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)
<b>Results by segment:</b>						
Asparagus .....	20,075	2,395	69,955	15,349	1,922	65,222
Avocados .....	24,789	2,643	49,244	38,790	2,653	73,400
Peppers .....	5,964	332	18,730	9,258	—	14,681
Mangos .....	16,005	450	18,689	15,603	527	23,499
Grapes .....	10,146	451	21,245	11,600	451	23,694
Blueberries .....	797	212	8,638	1,037	566	9,542
Tangerines .....	1,764	102	2,451	3,157	102	4,817
Others .....	30	—	2,888	242	—	4,846
Sub-total .....	79,612	6,585	191,840	95,036	6,221	219,701
Shrimps .....	2,326	636	26,629 <sup>(1)</sup>	2,866	1,050	33,755 <sup>(1)</sup>
<b>Total .....</b>	<b>81,938</b>	<b>7,221</b>	<b>218,469</b>	<b>97,902</b>	<b>7,271</b>	<b>253,456</b>
Total land owned (HAs)		26,132			26,789	
Total planted (HAs) ..		6,585			6,221	
Shrimp farms (HAs) .		636			1,335	
<b>Average yield (%):</b>						
Peak phase .....		65%			60%	
Medium phase .....		30%			30%	
Unproductive phase		5%			10%	

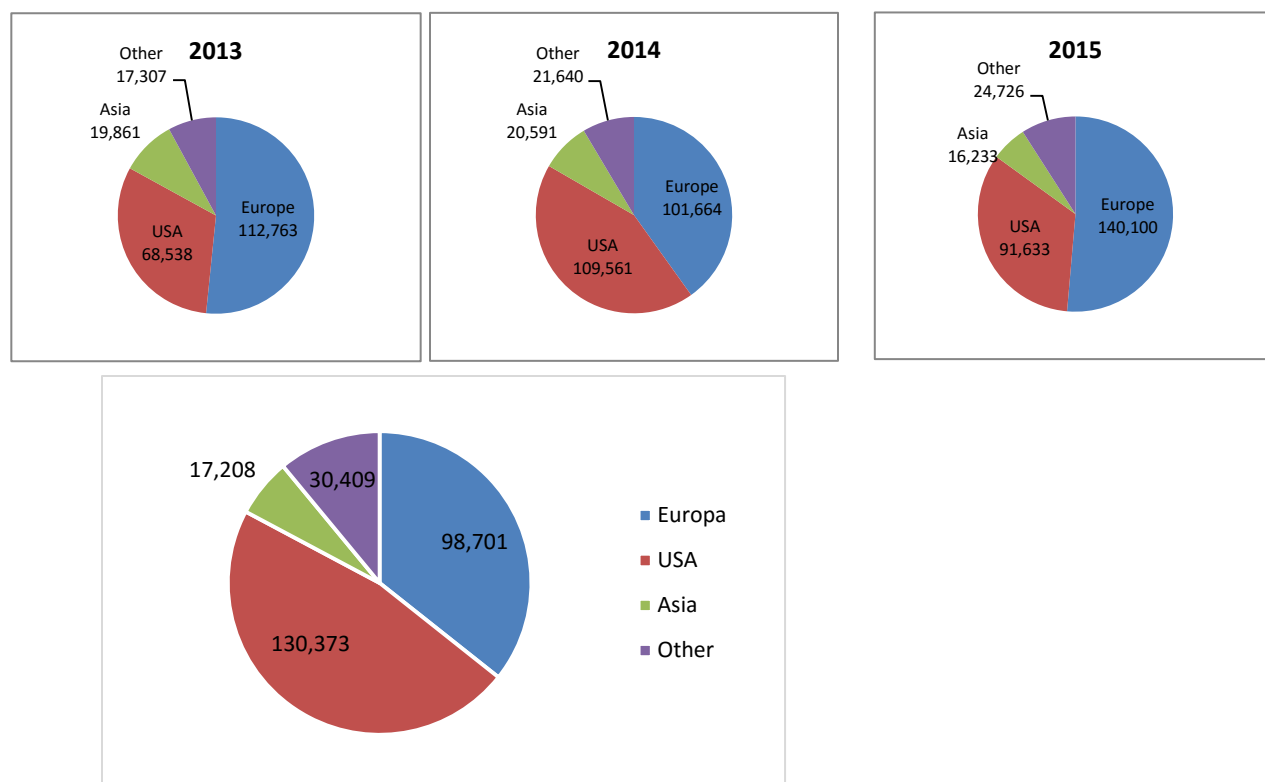
	As of and for the year ended December 31,					
	2015			2016		
	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)	Production (MTs)	Total Planted (HAs)	Revenue (US\$'000s)
<b>Results by segment:</b>						
Asparagus .....	6,559	1,261	42,833	976	151	—
Avocados .....	25,113	2,655	53,678	21,730	2,653	53,413
Peppers .....	4,394	—	21,214	—	20	4,170
Mangos .....	13,935	450	23,082	13,477	448	21,495
Grapes .....	6,720	327	16,844	8,488	391	13,583
Blueberries .....	4,693	1,050	48,071	12,863	1,460	100,202
Tangerines .....	5,047	145	7,263	5,076	167	8,206
Others .....	1,891	—	2,551	—	—	5,449
Sub-total .....	68,352	5,888	215,536	62,610	5,290	206,518
Shrimps .....	5,718	724	57,156 <sup>(1)</sup>	9032	1003	70173
<b>Total .....</b>	<b>74,070</b>	<b>6,612</b>	<b>272,692</b>	<b>71,642</b>	<b>6,293</b>	<b>276,691</b>
Total land owned (HAs)		28,097			24,965	
Total planted (HAs) ..		5,888			5,290	
Shrimp farms (HAs) .		1,338			1,336	
<b>Average yield (%):</b>						
Peak phase .....		57%			63%	
Medium phase .....		34%			13%	
Unproductive phase	6,559	1,261	42,833		24%	

(1) Includes shrimp and seafood.

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### ***Geographic distribution of exports based on revenues:***

The following charts set forth, in thousands of US\$, the distribution of our exports by geography for the years indicated:



### **Our Strengths**

We believe that our business strengths include the following:

***Vertically integrated:*** We are a fully integrated agricultural producer and can control the entire value chain of our business, from planting through processing and distribution. Approximately 77% of the fruits and vegetables we sold during 2015 came from our own fields, and we have sufficient production and processing capacity to process all our production. Because we produce most of the products we process and export, we are able to achieve a high degree of traceability of our products, which is essential to guarantee consistent quality to our global food retailing clients. We are also able to offer our global customers access to a broad menu of crops that are consistently top-quality and available year-round. We believe that our production facilities are strategically located in terms of their proximity to highways and ports, reducing our transportation costs and enhancing our ability to deliver fresh products to customers throughout the world.

***Diversified product offerings:*** We produce a range of fruits, vegetables and seafood products, and each of our products has its own pattern of growth and harvest cycles. For example, we harvest avocados from April through September, grapes from October through January and mangos from December through February. We grow blueberries year-round but focus our harvest on periods when prices are highest in the U.S. market, resting our crops in the months of April and May when producers in other countries are at peak production levels. Our product mix permits year-round utilization of labor and production facilities, optimizing certain operational efficiencies. Furthermore, we commercialize our products in fresh and frozen formats to respond to consumer demand and, in the case of frozen products, to mitigate risks associated with lost or spoiled inventory.

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**Global reach with a diversified customer base:** Our products are sold by leading retailers in the United States and Europe, and we have a diversified client base, with no single client accounting for more than 10% of our total revenues during 2015. Distributors of our products include Dole, Walmart, General Mills, Rewe, Green Giant, Groupe Casino and Coop, among others. We have strong relationships with all of our key customers, many of which date back over a decade. Our client base in the United States includes 30% of the top ten retailers in the United States for blueberries and avocados.

**Growth potential as existing plantations mature:** As of December 31, 2015, only 103 hectares and 1,197 hectares out of a total of 1,050 hectares and 2,655 hectares of planted blueberries and avocados, respectively, are in their mature production phase. As a result, we believe that our production of blueberries and avocados is likely to grow in coming years as our planted fields reach their period of peak yields. We believe that increased production of planted blueberries and avocados should enable us to take advantage of future growth in exports to the United States, the world's largest market for blueberries and avocados.

## **Business Strategy**

Our strategy is focused on continuing to develop as a global producer of high-quality agricultural products. The principal components of this strategy are the following:

**Focus on high-value crops.** We believe that the long-term price outlook for our products is well-positioned to continue its recent growth trend in the United States, Europe and Asia, as global demand and consumption continues to strengthen and our Camposol-branded products gain greater penetration in these markets. At the same time, we intend to continue diversifying our product mix by further investing in research and development as we explore growth opportunities in other products, as we did with blueberries, which we developed after several years of testing. We will also seek to develop our large tracts of undeveloped land as new sources of water and irrigation projects near our productive parcels come on line. We believe that our portfolio of high-value crops will allow us to continue recent revenue growth trends.

**Improve operating efficiencies and margins.** We seek to improve our operating margins by maximizing the productivity of our existing land, our processing complex, our distribution strategy and our management and operational systems. We completed the implementation of SAP in the areas of payroll and human resources in 2012, and as we employ on average approximately 11,300 workers at any given time, we expect technology and logistics enhancements such as these to contribute significantly to our operating efficiency. In addition, during 2013 we invested over US\$3.4 million in plant automation, such as state-of-the-art asparagus sorting equipment and asparagus peeling equipment, which has reduced our costs and dependence on labor for these types of tasks.

**Focus on long-term customer relationships and brand awareness.** We seek to develop stable and long-term relationships with our customers to offer value-added products and high-quality service that results in increased demand for our products. Our customers include global food distributors with vast operations such as Walmart and Groupe Casino that rely on suppliers like us that can deliver consistent and reliably fresh products. Our strategy is supported by periodic customer visits by our sales representatives designed to promote brand awareness and gain a deeper understanding of our customers' specific needs. Our existing sales offices in the Netherlands and the U.S., further enhance our ability to deliver top quality products and services to these major clients. We will also seek to develop the Camposol brand as a leading provider of reliable quality products throughout the world. As of today, blueberries are the only crop sold entirely under Camposol's brand. We expect that a significant volume growth in the next two years will help further positioning the company's brand.

**Continue our commitment to minimizing the environmental impact of our business.** We recognize that we must partner with the environment to grow our business while minimizing adverse effects that can be caused by our operations. Our production process rigorously seeks to harmonize our use of water by optimizing irrigation systems that minimize water consumption. We also will continue to engage in practices designed to ensure the preservation of the environment, such as furthering environmental education, developing specialized treatment facilities, and deploying quality management systems that minimize the use of pesticides. Furthermore, as part of our commitment to institutionalize a culture of social and environmental awareness, we were the first Peruvian company to present a Sustainability Report—which is aligned with international best practices and the first to adopt

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the Global Reporting Initiative (GRI) Indicators—that reflect the development of our environmental and social performance, as well as our social responsibility initiatives.

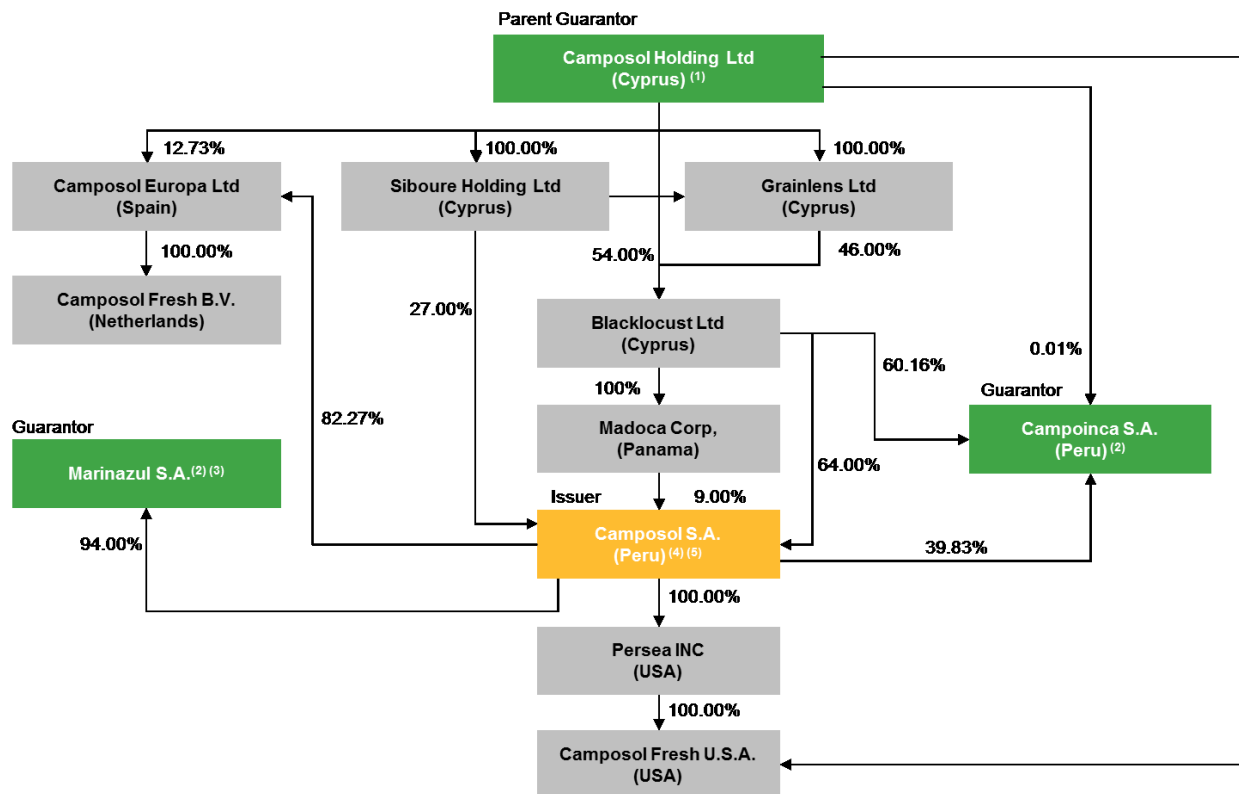
Our business strategy is based on the following three important growth drivers:

- *Mature Fields.* We expect to continue to increase the production volume of our blueberries and avocados as our planted hectares continue to mature, growing from the current 10% and 45% of total planted hectares of blueberries and avocados in 2015 to full maturity by the 2016/2017 harvest. We believe that a continuing focus on our core agricultural business will allow us to take advantage of our industry expertise and economies of scale. In our experience, blueberry volumes take productive significance after only 18 months, thus return on investment is faster. In 2016, We expect that blueberry production volumes will more than double in comparison with 2015.
- *Upstream Expansion.* We will continue to invest in the diversification of our product mix, investing in the further expansion of our upstream development of blueberries, with a goal of reaching 2,000 planted hectares in the coming years, as well as the conversion of up to 400 hectares of our shrimp ponds to intensive production levels.
- *Commercial Strengthening.* We continue to build our own commercial channels and promote direct sales to retailers, with a long term goal of 50% direct sales, as well as building our global customer base by strengthening our own distribution channels.

## Corporate Structure

Camposol S.A. is part of the Camposol group of companies, the ultimate parent company of which is Camposol Holding Ltd. which is the Parent Guarantor of the New Notes. Consequently, the information regarding Camposol Holding Ltd. contained in this Listing Memorandum reflects the group as a whole. Camposol S.A. is the primary operating company within the Camposol Holding Ltd. corporate group. Camposol S.A. owns all productive land and is in charge of its operation. In addition, Camposol S.A. owns a series of subsidiary companies which contribute to its consolidated business activities, including Marinazul S.A. and Campoinca S.A., the Subsidiary Guarantors of the New Notes.

Set forth below is a diagram summarizing our corporate structure including our principal subsidiaries:



(1) Parent Guarantor under the New Indenture governing the New Notes and the Indenture governing the Existing Notes.

(2) Subsidiary Guarantor under the New Indenture governing the New Notes and the Indenture governing the Existing Notes.

(3) Includes 100% ownership of Prodex S.A.C. and Vegesol S.A., 99.9% ownership of Inversiones Agrícolas Inmobiliarias S.A.C., Muelles y Servicios Paita S.A.C. and Camposol Trading Peru S.A.C., as well as a 40% stake in Empacadora de Frutos Tropicales S.A. (with the remaining 60% owned by third parties) and 68% stake in Marinazul S.A. (with the remaining 32% owned by Madoca Corp.).

(4) Issuer of the New Notes and the Existing Notes.

(5) Includes 100% ownership of Pacifico Azul S.A., 99.99% ownership of Camarones S.A.C. and Domingo Rodas S.A., as well as a 80% stake in Corporación Refrigerados Iny S.A. and ABC Seafood S.A.C. (with the remaining 20% owned by third parties), a 75% stake in Pesquera ABC S.A.C. (with the remaining 25% owned by third parties), and 0.1% ownership of Camposol Trading Peru S.A.C.

## History

Camposol began operations in 1997 with the purchase of 3,075 hectares of agricultural land in the La Libertad region of northern Peru, following by the acquisition of additional land later that year through the Chavimochic Project, a government-funded initiative that provides access to water for irrigation for more than 46,000 hectares of productive agricultural land in the desert on the northern coast of Peru. As a result of this project, over 15,000 hectares have been developed for agro-business activities in the region, including ours. In 1998 we launched the development of 1,458 hectares of agricultural land in the Piura region, also in northern Peru. Our initial headquarters for these activities were located in the same Chavimochic area.

We began exporting asparagus at the end of 1999. In that same year, we inaugurated our processing facilities in the Chao industrial complex, located in the Virú province of the La Libertad region, which began operations in the same year. In 2001, we began to grow and export other products, including peppers. In 2002 we launched our frozen products, and in 2003 we began exporting avocados and mangos. In 2004 we acquired an additional 2,011 hectares of land in Chao.

In October 2007, Dyer Coriat Holding (now, Generación del Pacífico Grupo S.L.) and a group of investors acquired Camposol S.A. from the prior controlling shareholders with the proceeds from a US\$184.0 million private placement carried out by our predecessor, Camposol AS. Since then, we have invested in new crops, expanded our shrimp farming activities, developed packing facilities and in infrastructure upgrades. An important portion of this investment was directed to the planting of 1,662 new hectares of avocado fields in anticipation of the U.S. market

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opening to Hass avocado exports from Peru and the strong growth in avocado consumption in that country. Since then, our avocado crops continue to mature and increase yields, and we have been able to increase our production of avocados from existing planted fields without major additional capital investment. In line with our product portfolio diversification strategy, we have continued to invest in the plantation of additional hectares of mangos, grapes, and tangerines. Most importantly, we have invested in the substantial expansion of our production of blueberries which has increased from 797 MT in 2013 to 4,693 MT in 2015. At the same time, we continued to invest in the expansion of our packing facilities and in several administrative and infrastructure upgrades.

Finally, we have substantially expanded our seafood segment through acquisition and organic growth. In 2014, we completed the acquisition of shrimp farms owned by INYSA and Pesquera ABC. Currently, we own 1,326 hectares of shrimp farms (compared to 648 hectares in 2013), of which 1,276 operate on a semi-intensive farming basis and just 50 Has are farmed on an intensive basis. This positions well to increase intensive shrimp farming with limited additional capital investment while improving yields and reduced productions costs compared to semi-intensive farming. We operate three shrimp processing plants with total capacity of 125 MT per day.

One of the key strengths of our business is our extensive land bank. Of the 26,278 hectares of land we own, approximately 11,373 hectares had been planted as of December 31, 2015 and approximately 1,300 hectares were being used for shrimp farming. We believe that our land bank will position us well to increase our productive fields as demand for our products increases, without requiring significant additional capital investment. These land assets, combined with our research and development initiatives, will also position us well to capitalize on markets in the future. As was the case with our blueberries crops which were developed over several years as we tested different varieties that flourished in the region where we operate, we have continued to seek crop and shrimp varieties that can develop well in the region of northern Peru where land is concentrated. With the impending development of the Olmos Irrigation Project being developed by the Peruvian government in northern Peru, we believe our business is poised to take advantage of the access to this water source that should be fully operational by early 2017.

## **Products**

We plant, harvest, process and export the following agricultural products:

- blueberries (fresh)
- avocados (fresh and frozen)
- mangos (fresh and frozen)
- white asparagus (fresh and frozen)
- peppers (fresh and frozen)
- table grapes (fresh)
- tangerines (fresh)

We also own a shrimp farming and processing business through our subsidiary Marinazul S.A. in the north of Peru, through which we plant, harvest, process and export frozen shrimp. All our production is currently destined to export markets.

We maintain a diversified portfolio of products to take advantage selling opportunities and customer preferences, as well as to optimize our harvesting, packing, sales and marketing efforts. Each of our products is subject to its own pattern of growth and planting and harvesting cycles, and as such, our product mix has been designed to ensure continuous production from our fields. We believe that our product diversity provides a natural hedge that allows us to mitigate to an extent the natural cycles of each of our products.

The following table sets forth the number of hectares planted by crop and their different stages of yield productivity as of December 31, 2015:

	Asparagus	Avocados	Mangos	Blueberries	Grapes	Tangerine	Total(1)	% of Total Planted Has
Non-productive phase .....	—	10	—	481	16	43	550	9%
Medium-yield phase.....	6	1,448	35	466	—	56	2,011	34%
High-yield phase .....	1,256	1,197	415	103	310	46	3,327	57%
Total.....	1,262	2,655	450	1,050	326	145	5,888	100%

(1) Excluding shrimp and rotational crops such as peppers.

Our planted fields follow the natural progression of yield maturities. Typically, every new planted area has a period of growth during which there is no production (“non-productive phase”) followed by a medium-yield phase during which the plant grows and yields start to increase (“medium-yield phase”). When the plant enters its mature stage, it reaches its peak production yield. The timing and length of each phase varies by crop as well as by the length of the peak yield phase. For instance, in the case of avocados, the non-productive phase lasts approximately three years. Avocado yields increase from approximately 4 MT per planted hectare in the second year from initial planting to a range of 18 MT per planted hectare in year five. Avocado yields then stabilize in that range for a period of approximately 13 years.

As the data in the table illustrates, approximately 43% of our planted fields are not yet in the high-yield phase. This is particularly the case for blueberries, currently the product with the highest gross margin, in which only 103 hectares (just 10% of our total plantings of blueberries) are in their mature high-yield phase. The potential for a sustained increase in blueberries production we expect will be the main driver of our future revenue growth. Coupled with the crop’s demonstrated resistance to the climatic effects of the El Niño weather phenomenon and the fact that we can ramp up production with limited additional capital expenditures, we believe we are poised to generate substantial revenue increases from our blueberries crops.

### ***Blueberries***

We began producing blueberries in 2013. Our first blueberries plantings were in 2011 at our plantations in Chao, region of La Libertad. Our production of blueberries has been substantial, growing from 797 MT in 2013 to 4,693 MT in 2015. North America is the largest market for blueberries principally as a result of its increasing popularity as a health-promoting “super” food. Blueberries have been shown to possess among the highest concentrations of antioxidants among fruits and are rich in potassium and Vitamin C.

Our first significant harvest of blueberries was in 2013 when 54 of the 212 hectares we planted in 2011 began bearing fruit and we harvested 797 MT of blueberries and we obtained average yields of 15 MT per hectare. In 2015, we harvested 5,122 MT of blueberries and achieved an average yield of 10 MT per hectare. The productive expected life of blueberries plants is 11 years.

As of December 31, 2015, we had a total of 1,050 planted hectares of blueberries. The average age of our blueberries fields (age since our first planting) was 1.36 years. Of our total number of hectares of planted blueberries, 481 hectares (46% of the total) was in the early non-productive phase, 466 hectares was in the medium-yield phase, and 103 hectares was in the mature high-yield productive phase.

Due to favorable climatic conditions that prevail in the region where our land is located (near the equator), we are able to harvest blueberries year round. Notwithstanding this factor, we target our harvests to coincide with periods of favorable blueberries pricing globally, which typically occurs during the months of August through May. These are also the months when global production of blueberries in important exporting countries such as Chile and Argentina are also at their lowest. During the months of June and July, our policy is to rest our blueberries plants given that those are months of peak production in competing markets and also the period of lowest prevailing global prices for blueberries.

We expect blueberries to continue to increase its contribution to our revenues and gross profit as planted hectares transition from the non-productive to the medium-yield and finally the mature high-yield productive phases.



As productive volume increases, we will continue to invest in processing capacity. Since 2013, we have invested US\$21.5 million in a new processing plant located at La Libertad.

Our blueberries are currently all sold fresh, mainly to the U.S. market and in a smaller proportion to Europe.

Our blueberries are currently all sold, below is a chart indicating the sales and volume sales of our blueberries:

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)
Fresh.....	8,638	100%	709	9,542	100%	912	48,071	100%	4,436
Gross profit .....	7,065	—		6,786			36,092		

Below is a chart indicating the main export markets for our blueberries:

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)
Europe.....	1,232	14%	134	2,987	31%	251	18,702	39%	1,816
United States .....	4,972	58%	415	5,803	61%	634	28,447	59%	2,511
Asia .....	2,303	27%	151	752	8%	27	129	0%	24
Others.....	131	1%	9	—	—	—	793	2%	85
Total sales.....	8,638	100%	709	9,542	100%	912	48,071	100%	4,436

### ***Avocados***

We produce three varieties of avocados, Hass, Lamb Hass and Ettinger, with the substantial majority of our planted avocado crops being of the Hass variety. Avocados currently are one of the most important contributors to our gross profit as approximately 45% of our planted hectares of avocados have reached their mature productive phase in the past year and remaining 55% are in the medium-yield phase. We concentrate on producing the Hass variety of avocados mainly because it is the best-selling in the European and U.S. markets. With the opening of the Chinese market to Hass avocados grown in Peru in August 2015, we expect to increase our exports to that market as well in the coming years. Our avocado plantations are all located in Chao, La Libertad.

Our avocado harvest season typically begins in April and ends in September, with sales concentrated in the second and third quarters of the year. During 2015, we harvested a total of 26,822 MT of avocados, of which 45% came from mature plantations and 55% came from medium-yield plantations.

The table below depicts our avocados production during the year ended December 31, 2015, per age of field since first planted:

Field	Hectares Planted	Production (MT)
Non-productive phase.....	10	84
Medium-yield phase .....	1,449	12,423
High-yield phase.....	1,196	14,315
Total.....	2,655	26,822

We currently have 2,655 hectares of planted avocado fields, the substantial majority of which was planted in 2009 and which are expected to reach peak production by 2018-2019. Currently, approximately 45% of our planted avocado fields, or 1,197 hectares, have reached their high-yield mature phase corresponding principally to

avocado trees planted prior to 2009. Avocado trees have an average productive life cycle of 20 years after they enter the mature production phase. Below is a table of historical production yields from our original hectares of Hass avocados planted in 1998:

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Average age of fields.....	3	4	5	6	7	8	9	10	11	12	13	14	15
Harvest (MT).....	6,763	8,065	9,272	20,893	11,865	21,528	11,499	13,205	18,269	8,706	12,871	15,510	11,410
Hectares planted .....	584	595	726	728	780	797	816	816	825	825	860	860	860
Yield (MT per hectare) .....	11.6	13.6	12.8	28.7	15.2	27.0	14.1	16.2	22.1	10.6	15.0	18.0	13.3

In August 2011, the United States Department of Agriculture amended its regulations to allow imports of avocados from Peru without any quarantine period. This resulted in a direct increase in the average selling price for our avocado products because the U.S. market typically pays a premium for Hass avocados compared to Europe. The increase in our production of avocados and the higher prices realized in the U.S. allowed us to significantly increase our gross profit from the avocados segment in 2013, compared to the 2010. The opening of the U.S. market also resulted in increasing prices in Europe due to the diversion of Peruvian avocado production from the European to the U.S. market.

During 2015, China gave phytosanitary clearance for Peruvian Hass avocados into their market, allowing Peruvian exports from 2016. Even though China is a small market for avocados, mainly acquired from Mexico and Australia, it has shown a significant growth in the past 5 years. Moreover, avocados are becoming a common product on restaurant menus and juice bars. The Chinese consumer is aware of the healthy benefits that this fruit offers to adults and, specially, children. We anticipate a high double digit CAGR over the next years, and we believe China could represent an important third market for Peruvian exports along with USA and Europe.

The majority of our avocado exports are fresh, as this is the preferred format for customers in the U.S. and Europe. A smaller portion of our production is sold in a frozen format. The chart below details the historic sales breakdown of the two different formats.

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume MT	US\$(000)	%	Volume MT	US\$(000)	%	Volume MT
Avocados:									
Fresh.....	43,234	88%	25,379	66,591	91%	38,424	46,096	86%	25,344
Frozen .....	5,744	11%	1,446	6,809	9%	1,780	7,582	14%	1,930
Other .....	266	1%	—	—	—	—	—	—	—
Total sales .....	49,244	100%	26,825	73,400	100%	40,204	53,678	100%	27,274
Gross profit.....	22,784			38,490			26,547		

The principal markets for our avocado exports currently are the United States and Europe. We believe that in the coming years, the U.S. will become an increasingly important market for our avocado production due to the strong demand growth dynamics in that market and the reduced production trends in the U.S. domestic market. Another attractive market is Europe, which presents an appealing combination of strong demand growth and high selling prices. Currently, the Peruvian Hass avocados are awaiting regulatory approval to enter the Japanese market, and we expect to begin shipping containers by 2013.

Below is a chart indicating the main export markets for our avocados:

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)
Avocados:									
Europe.....	26,081	53%	14,194	19,521	26%	9,978	22,803	42%	11,529
United States .....	16,011	33%	9,626	48,351	66%	28,110	24,253	46%	13,082
Others .....	7,152	14%	3,005	5,528	8%	2,116	6,622	12%	2,663
Total sales: .....	49,244	100%	26,825	73,400	100%	40,204	53,678	100%	27,274

## Mangos

We have been harvesting mangos from our fields since 2003. Mangos share a similar harvest season as our table grapes, usually between the months of November to February of each year. Our mango plantations are located in Piura. During 2015, we harvested a total of 10,575 MT of mangos all from our fields in Piura. Mango trees typically achieve peak production at approximately ten years from first planting. Similar to our avocados, our mango plantations have an estimated life span of approximately 20 years.

Our mangos are exported mainly to Europe, where consumption has been growing at a significant pace, and unlike other fruits we export, mangos are increasingly popular in frozen and preserved formats, as opposed to the traditional fresh format.

In 2015, we exported 13,753 MT of mangos, equivalent to US\$23.1 million in sales revenue. Our mango sales in 2015 were mainly in fresh (64% of total mango sales) and frozen (31% of total mango sales) formats. Currently, in 2015, we have a total of 450 hectares of mango plantations, of which approximately 92% have reached their period of mature high-yield production.

### *Asparagus*

Historically, asparagus was the most significant contributor to our sales revenue, particularly in the years prior to 2014 when our asparagus fields reached their mature high-yield phase. Although we produce white asparagus, the majority of our production historically has been of the white variety. Our white asparagus production was sold mainly in a preserved format, although we also export asparagus varieties in fresh and frozen formats. Unlike asparagus producers in other countries, we are able to harvest white asparagus year round.

Our asparagus fields are located in the region of La Libertad, one of the highest yielding production areas in Peru, according to MINAG. According to FAO, Peru has the highest asparagus production yields in the world and is the world's largest asparagus exporter. Asparagus production has been significantly adversely affected by the impact of the *El Niño* weather pattern. In 2013, we had total of 24,276 MT of asparagus production compared to 8,603 MT in 2015. Substantially all of the reduced output of asparagus was attributable to the impact of climate change on our asparagus fields.

In 2015, we harvested a total of 8,603 MT of asparagus, of which 8,314 MT were the white variety from our 1,092 hectares of planted white asparagus fields and the remaining 289 MT were green asparagus from our 169 hectares of green asparagus fields. On average, our asparagus fields have productive life cycles of approximately ten years, after which they are typically re-planted as productivity drops below levels that make re-sowing new asparagus plants more cost-effective.

The majority of the asparagus we exported were in preserved format, although we have been increasing our exports of fresh asparagus as well. Fresh asparagus has higher gross margin than that sold in preserved or canned format, but given its higher price point, it attracts less consumer demand than the other formats.

The table below sets forth historic asparagus sales by format, as well as gross profit:

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume MT	US\$(000)	%	Volume MT	US\$(000)	%	Volume MT
Asparagus:									
Preserved.....	35,731	51%	11,986	33,466	52%	9,408	21,474	50%	6,158
Fresh .....	28,844	41%	6,567	28,715	44%	6,588	19,173	45%	4,107
Frozen .....	4,606	7%	959	2,549	4%	604	1,680	4%	388
Other .....	774	1%	—	492	—	—	506	1%	—
Total sales .....	69,955	100%	19,512	65,222	100%	16,600	42,833	100%	10,653
Gross profit..	18,447			13,936			5,498		

Currently, the main market for our asparagus exports is Europe. Historically, the majority of our preserved asparagus exports was exported to Spain, helped in part by the fact that the previous shareholders of Camposol had a fresh produce distribution business in Spain.

Below is a table describing export volumes of asparagus in its different formats per geography:

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume(MT)
Asparagus:									
Spain.....	12,313	18%	4,271	16,119	25%	4,707	5,709	13%	1,644
Germany .....	9,950	14%	3,671	5,998	9%	1,897	3,909	9%	1,408
Rest of Europe .....	32,795	47%	7,594	26,081	40%	6,290	21,063	49%	4,719
Others .....	14,897	21%	3,976	17,024	26%	3,706	12,152	28%	2,882
Total sales .....	69,955	100%	19,512	65,222	100%	16,600	42,833	100%	10,653

Asparagus is one of our more labor-intensive crops and during peak harvest season requires more harvesters to pick than any of our other products because each asparagus must be cut individually. On average, we employ approximately 516 laborers to harvest asparagus.

### ***Table grapes***

Table grapes has been a growth product for Camposol due to the attractive market dynamics it enjoys in both developed and developing markets. The table grapes we currently export are of the red globe variety (seeded) which are harvested in the last three months of the year and into mid-January. Our first significant harvest of red globe table grapes began in late 2011. By 2012, we had 451 hectares of planted grape fields which has remained through 2015. Our grape plantations are located in Piura as well as in Chao, La Libertad.

In 2015, we harvested a total of approximately 7,344 MT of table grapes. On average, our grape fields bear fruit one year after first harvest, with the typical productive life span of a grape vine being approximately 15 to 20 years. As of December 31, 2015, we had a total of 326 hectares of planted grapes, of which 310 hectares are in the high-yielding mature phase of production. The average age of our grape vines at that same date was five years.

We expect table grapes to increase its contribution to our revenues and gross profit as the planted lands begin producing. Seedless grapes essentially have similar harvest and processing costs but sell at a premium to the red globe variety. Also we plan on investing in new grape processing capabilities in Piura to permit customized packing procedures designed for direct sale to supermarkets. We are changing red globe varieties to seedless varieties. We do not plan to have a new grape processing plant yet.

Our table grapes are currently all sold fresh and mainly to the U.S. market and in a smaller proportion to Asia. We expect to increase our shipments to Asia as our fields increase in productivity.

### ***Tangerines***

Our exports of tangerines are primarily to countries throughout Europe. During 2015, approximately 73% of our tangerine production was exported to Europe. The remaining exports were to Asia (10%), USA (4%) and others (13%). China is the principal producer of tangerines with more than 50% of total global production in 2015. Our strategic opportunity is to become a key producer of tangerines during the months of March to October when consumption is most robust. These months also coincide with reduced production in South American producing nations such as Argentina, Chile and Uruguay.

Our total tangerine production in 2014 was 3,157 MT compared to 5,048 MT in 2015. During that same period, our total hectares planted has increased from 106 hectares to 145 hectares. The significant increase in volume of tangerines produced was to a significant extent related to the higher number of tangerine plants that entered the medium- and high-yield phases of production, especially in 2014 and 2015. As of December 31, 2014, we had a total of 102 hectares of planted tangerines that were producing at medium- or high-yield phases and 43 hectares that were recently planted and are at the early non-productive phase.

	Year ended December 31,								
	2013			2014			2015		
	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)	US\$(000)	%	Volume (MT)
Fresh.....	2,451	100%	1,759	4,817	100%	3,282	7,263	100%	6,839
Gross profit .....	1,383			2,497			4,160		

### ***Shrimp***

We farm, produce and commercialize shrimp at our own shrimp farms. We are currently the largest shrimp producer in Peru. While shrimp farming is not core to our agro-industrial business, we expanded our shrimp farming operations given the moderate investment required and typically fast capital recovery period. In addition to geographic proximity to Camposol's agro-business fields, shrimp farming has synergies with our frozen export business helping increase overall frozen exportable volumes.

Our shrimp farms are located in the region of Tumbes, in northern Peru. We currently operate approximately 1,300 hectares of shrimp farms, representing a significant increase from 253 hectares in 2008. This increase resulted primarily from several strategic acquisitions. In 2010, we acquired two Peruvian shrimp farming companies Domingo Rodas S.A. and Camarones S.A., as well as an additional 163 hectares of shrimp farms called Mar Norte. The total cost of these acquisitions was US\$0.5 million. In 2014, we completed the acquisition of two other shrimp farming businesses for a total purchase price of US\$13.8 million, Corporación Refrigerados INY S.A. and Pesquera ABC. During 2015, we produced 5,718 MT of shrimp, which we expect to increase in the future years as our recently acquired shrimp farms become integrated, and we continue to develop new shrimp farms.

Our shrimp yield in 2015 was adversely affected by a weak and moderate El Niño phenomenon, which has a moderate effect on semi intensive shrimp ponds due to its exposure to changing weather patterns. In addition, shrimp ponds that do not have direct exposure to changing weather conditions (like intensive shrimp ponds), have shown almost no alteration on its harvest levels to weak and moderate El Niño events.

### ***Harvesting***

The harvest and planting processes depend foremost on preparation of the soil. For newly acquired land, the terrain must be leveled, prepared and all the appropriate equipment must be installed, including irrigation equipment, wind breaking trees, among others.

The land is later furrowed, fertilized, and mixed for the fruit or vegetable to be planted. Before being planted, asparagus, avocados and mangos need to be grown in a greenhouse. Tractors mark the furrows where the plants will be set up. Fertilizers are added to those furrows, as well as base fertilizers that dissolve at a slower pace. The soil is then mixed to obtain a uniform mix of soil and fertilizer.

The fruit or vegetable is later planted in the furrows leaving an appropriate distance between them, which will depend on each crop, and then irrigated through a controlled irrigation system. Fertilizers are also introduced according to the irrigation and fert-irrigation schedule. Along with the irrigation process, sanitation procedures are performed to maintain the plants free from insects, plagues, fungi, viruses, weeds, and bacteria. Other agricultural maintenance is carried out to keep the plant healthy up to its harvest. For avocado and mango trees as well as the grape vines, the fruits and leaves must be carefully pruned so as to encourage the formation of fruitful branches.

The plantations must be fertilized, sanitized, and irrigated constantly until fit for harvest, which in the case of some fruits like avocados and mangos, can occur several years later as the tree matures and gains size, or as soon as the same year in the case of rotational crops.

Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocados are harvested in April through September and grapes are harvested from October through January. Due to our crop diversity we can, unlike most of the other local Peruvian exporters, offer our workers permanent jobs working the fields and do not depend solely on peak harvest seasons to hire workers, which is significant in terms of reducing all-in labor costs.

The calendar of the harvests that we manage over the course of the year is set forth below:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avocadoes												
Blueberries												
White Asparagus												
Grapes												
Mangoes												
Tangerines												
Shrimp												

A key step to maximizing production yields from our planted fields is adequate crop maintenance, including adequate irrigation, fertilization and plague control. We control the first two processes mainly through a centralized irrigation control center that monitors daily intake of water and fertilizer for every field and regulates the amount of water each crop is administered on a daily basis through modern sensors established in every plantation. In addition to pesticides delivered through our irrigation channels, we actively use natural techniques such as of the use of natural predators and natural repellents such as *habanero* peppers to repel pests.

## Processing Plants

We own a state-of-the-art production complex located in the agro-industrial complex of Chao that spans 47,892 square meters. During 2015, we invested over US\$2.0 million in developing it into the largest fruit and vegetable processing facility in Peru, with capacity to process the significant volumes of crops we harvest year-round. Our production facilities at the Chao industrial complex are located within a 10 mile radius of our principal producing fields in La Libertad, which significantly reduces transport time and related costs, and allows us to maintain product quality during the processing and packing process.

We typically employ approximately 11,300 workers in our production complex but can grow to approximately 13,900 employees during peak harvest season. During 2015, we were the third largest employer in Peru.

Our agro-industrial complex includes four crop processing plants, all located in a single facility, three fresh products plants, and one frozen products plant. Our processing facilities currently have a combined processing capacity of 782 MT/day. An additional production line for fresh avocados was implemented at our existing plant in 2012 in order to handle the significant increase in production volumes from our planted avocado fields. In addition, in 2011 we acquired and upgraded a grape packing facility, and we have a participation in a mangos-packing plant, both of which are located in Piura, northern Peru. We also successfully implemented the frozen line for mangos, avocados and eventually blueberries. During recent years we have been implementing several production lines for fresh blueberries, we expect to increase blueberries production lines -the second stage expansion- as our field volumes increase over time.

After the second stage is completed, our plant is expected to be the largest and most efficient in South America, based in processing capacity, allowing us to further expand throughout new agricultural projects.

Our processing plant is capable of quickly shifting from frozen production to fresh production, irrespective of the crop that is delivered. This flexibility allows our commercial department to adapt quickly to evolving client demands and to take advantage of any opportunity in new markets seamlessly. We have invested in increasing the automation of the packaging process. Processes such as peeling and cutting crops, usually performed by experienced workers, can be successfully automated, reducing our dependence on manual labor during peak harvest seasons.

Our processing plant is fully integrated with our fields, allowing us achieve product traceability, one of the main factors necessary to attain the quality certifications our clients demand. Throughout or entire processing and

distribution process, we can determine the field origin of any specific production batch, the field the crop came from and even the person responsible for harvesting it. This allows us to quickly identify and isolate any anomaly and reduce any incidents that can compromise product quality. Our plant capacity and production as of December 31, 2015 is set out in the following chart:

<b>Plant</b>	<b>Shifts</b>	<b>Capacity MT/Day</b>
Fresh asparagus.....	1	114.3
Fresh avocados .....	2	360.8
Fresh blueberries.....	1	86.8
Frozen avocados .....	2	55.0
Frozen mangos.....	2	165.0

### **Product Commercialization**

We process and sell our products in fresh and frozen formats that are designed to conform to consumer demand and maximize the value of our production. Fresh, preserved and frozen products represented 56%, 15% and 26%, respectively, of our net sales during the year ended December 31, 2015. Preserved and frozen products have longer shelf lives than fresh products, which also allows us to mitigate risks associated with lost or spoiled inventory.

The following table sets forth sales information for each of our products for the periods indicated:

	For the year ended December 31,					
	2013	2014	2015	2013	2014	2015
	(in US\$ thousands)			(% of total sales)		
Blueberries						
Fresh .....	8,638	9,542	48,071	100%	100%	100%
White asparagus						
Preserved .....	29,378	30,264	19,518	55%	63%	59%
Frozen .....	22,520	249	169	42%	1%	1%
Fresh .....	559	16,832	12,703	1%	35%	38%
Other .....	774	492	507	2%	1%	2%
Total .....	53,231	47,837	32,897	24%	19%	12%
Avocados						
Fresh .....	43,234	66,591	46,096	88%	91%	86%
Frozen .....	5,744	6,809	7,582	12%	9%	14%
Other .....	266	—	—	1%	—	—
Total .....	49,244	73,400	53,678	23%	29%	20%
Peppers						
Preserved .....	16,909	14,631	17,698	90%	100%	83%
Frozen .....	136	50	732	1%	0%	4%
Other .....	1,685	—	2,784	9%	—	13%
Total .....	18,730	14,681	21,214	9%	6%	8%
Mangos						
Fresh .....	11,041	12,770	15,308	59%	54%	67%
Frozen .....	7,083	10,016	7,229	38%	43%	31%
Preserved .....	540	713	545	3%	3%	2%
Other .....	25	—	—	0%	—	—
Total .....	18,689	23,499	23,082	9%	9%	8%
Green asparagus						
Fresh .....	6,324	11,883	6,470	38%	69%	65%
Preserved .....	6,353	3,202	1,956	38%	18%	20%
Frozen .....	4,047	2,300	1,510	24%	13%	15%
Total .....	16,724	17,385	9,936	8%	7%	4%
Grapes						
Fresh .....	21,119	23,694	16,844	99%	100%	100%
Other .....	126	—	—	1%	—	—
Total .....	21,245	23,694	16,844	10%	9%	6%
Shrimp						
Frozen .....	24,743	33,755	54,011	93%	100%	95%
Other .....	1,886	—	3,145	7%	—	5%
Total .....	26,629	33,755	57,156	12%	13%	21%
Tangerine						
Fresh .....	2,451	4,817	7,263	100%	100%	100%
Total .....	2,451	4,817	7,263	1%	2%	3%
Other sales .....	2,888	4,846	2,551	1%	2%	1%
Total .....	218,469	253,456	272,692	100%	100%	100%

## Marketing

We market our products using a variety of methods, including attending trade fairs, visiting new potential customers, monitoring major markets to spot trends in products and packaging, as well as regularly visiting our main customers in an effort to further strengthen commercial relationships. We maintain one sales office in Europe: Rotterdam, the Netherlands. From this office, we maintain close relationships with our main customers throughout Europe and monitor our exported products and market prices, as well as seek new markets and customers. We also maintain a sales office in the United States that we opened in 2012 and which focuses on expanding and strengthening customer relationships for our range of products, with a particular emphasis on blueberries and avocados, given the recent opening of the U.S. market to these products.



The sales and marketing team consists of two commercial offices: one in Rotterdam, Holland and one in Florida, USA, and a sales and marketing team located in Lima, Peru. We have a combined team of approximately 40 people who work from those locations. In the European Office we have a team of 17 professionals who work in sales and distribution of our products serving 115 customers in 21 countries. In our U.S. office we employ 12 professionals serving 80 customers between the U.S. and Canadian market, and in Lima we have a team of 8 people. Combined we serve 342 customers, 23 of them large Supermarket chains that we supply directly and represent 40% of our total sales.

At the same time, we have gradually reduced our exposure to any single client. The following table shows the distribution of sales and gross profit according to the relative size of our customers:

	Year ended December 31,					
	2013		2014		2015	
	Sales	% total	Sales	% total	Sales	% total
	(amounts in thousands of U.S. dollars)					
Top 5 customers .....	57,618	26%	80,010	32%	56,046	21%
Top 10 customers .....	84,207	39%	104,030	41%	86,148	32%
Top 30 customers .....	138,522	63%	150,920	60%	151,796	56%
Total sales .....	218,469	100%	253,456	100%	272,692	100%

### ***Export Markets***

We export our diverse range of products to countries throughout the world. Each of our products is targeted at specific export markets based on customer demand, and as a result, we export different products to different countries. Overall, we exported to 60 countries in 2015, 42 countries in 2014 and 43 countries in 2013. The main countries that we export to are the U.S., Spain, Germany, the Netherlands and France, which together represent 80%, 78% and 78% of our net sales in 2015, 2014 and 2013, respectively. Sales to Asia commenced in 2009 with grapes. In 2015, Asia accounted for 6% of our net sales.

The following chart sets forth the percentage of our exports to each continent listed below for the period indicated:

	Year ended December 31,					
	2013		2014		2015	
	Sales	% total	Sales	% total	Sales	% total
	(amounts in thousands of U.S. dollars)					
Europe:						
Spain .....	30,356	14%	24,419	10%	27,752	10%
Germany .....	15,637	7%	13,905	5%	9,350	3%
Netherlands .....	41,157	19%	41,919	17%	65,784	24%
France .....	15,384	7%	8,428	3%	23,921	9%
Rest of Europe .....	10,229	5%	12,993	5%	13,293	5%
USA .....	68,538	31%	109,561	43%	91,633	34%
Asia .....	19,861	9%	20,591	8%	16,233	6%
Others .....	17,307	8%	21,640	9%	24,726	9%
Total sales .....	218,469	100%	253,456	100%	272,692	100%

As set forth in the table above, the percentage of our total sales to the U.S. has increased since 2013 largely as a result of increased shipments of avocados and blueberries. In particular, given the opening of the U.S. market to avocado imports from Peru and the commencement of our avocado exports to the U.S. market in 2014 our U.S. exports have increased materially. Similarly, we began exporting blueberries to the U.S. market in 2013 when we sold US\$5.0 million (volume of 415 MT) which increased to US\$48.1 million (volume of 2,510 MT) in 2015.

Blueberries and avocados both are identified as healthy foods that promote longevity and are part of a balanced diet. We expect that the growth trends in our exports of these products to the U.S. market will continue in future periods. We believe that our exports are also geographically balanced which helps provide a counter-weight to the effects of downturns in any particular economy. Asia has continued to expand as a market for our grape exports and consistently increased imports of our tangerines. This diversification by market and product we believe

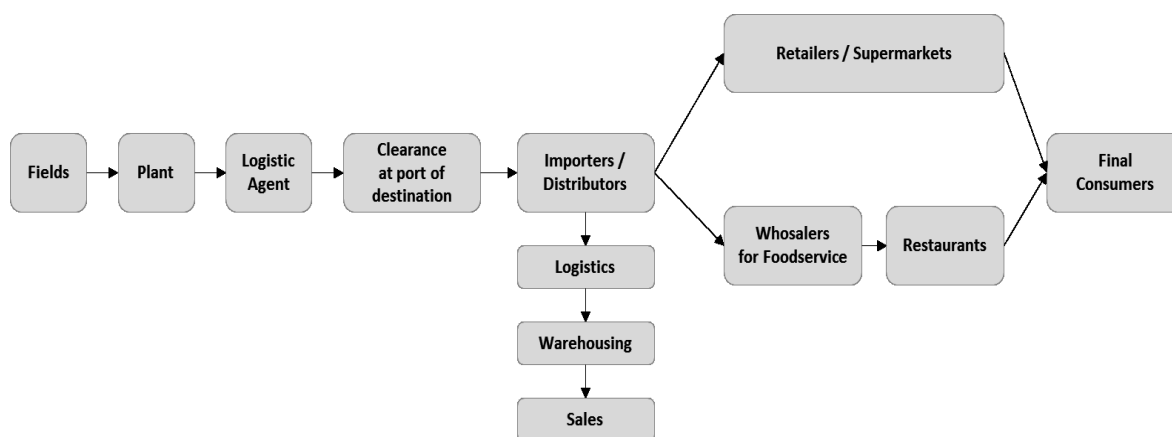
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provides a national hedge against downturns in demand both as a result of cycles in demand and economic performance.

### ***Distribution and Customers***

Our fresh products are sold primarily by our commercial offices in Europe and the United States. Combined these offices sell more than US\$100 million dollars a year. Approximately 50% of our sales are made directly to leading supermarket chains such as Walmart, Lidl, Edeka, Costco, Sam's and Publix, among others. Our sales channels are also complemented with a selected group of large distribution companies such as Mission Produce, The Oppenheimer Group, Comexa France and Gourmet Trading, among others. In our frozen segment we work directly with the leading processing and distribution companies like Superior Foods in the US market, Asc Co in the Japanese market or Nature's Touch and Crops for the European market.

The following chart shows a simplified diagram of our distribution channels and process:



### **Research and Development**

We believe that innovation is a key aspect to boost competitiveness and growth in the medium- and long-term. This is done through market research and analysis of potential new products and development of new technology. The focus is on products that could benefit from Peru's climatic advantages and also on those products that help diversify our portfolio of products and clients.

Our research and development team also seeks to find innovative solutions to extend the shelf life of fresh produce, mitigate environmental impact and reduce production costs. In 2013, we started large scale production of blueberries with better-than-expected results. Today, blueberries have emerged as one of the principal contributors to our sales revenue. Blueberries started as a project in research and development in 2008.

Additionally, Camposol has been successfully executing funded projects by Innovate Peru, as well as FINCyT, both of which are government institutions created to promote innovation. We are developing a sustainable management system through biological control agents to minimize pests. In addition, since 2006, we have maintained a laboratory with a goal to promote "Beneficial Insects and Entomopathogenous Growing."

Our research and development efforts are mainly focused on:

- Improving production.
- Pest control and minimizing diseases.
- Advancing new agricultural techniques, developing products adapted to the climate where we operate and optimizing packaging alternatives.

- 
- Promoting molecular biotechnology research.
  - Efficiently investing in our Research and Development Laboratory.

### **Handling and Shipping**

Our products are generally sold on FOB (Free on Board), CIF (Cost Insurance and Freight) and CFR (Cost and Freight) terms for exports. The containers used for export are of 20 feet or 40 feet in capacity and can hold dry or refrigerated cargo, depending on the product format (frozen or fresh).

Handling of such containers and the processing of customs paperwork in the various ports are outsourced through an integral logistics service that provides us both transportation and customs handling services. The main providers of this service include Gamma Cargo, New Transport, Ceva and Transoceanic.

### **Environmental Care and Water Management**

We are committed to minimizing the impact of our business on the environment. Our production process involves factors and conditions that interact with the environment, such as the use of water, fertilizers, generation of waste through emissions and solid waste management. We engage in several practices and initiatives designed to ensure the preservation of the environment. For example, we are currently implementing environmental education, internal campaigns, specialized treatment systems, quality management systems, certifications and community relations programs.

Furthermore, as part of our commitment to institutionalize a culture of social and environmental awareness, in 2010 we initiated our Sustainable Agriculture Program and presented our first Sustainability Report for the year 2009. We were the first Peruvian agro-industrial company to prepare this report. These reports are aligned with international best practices and Global Reporting Initiative (GRI) Indicators and reflect the base line and development of the main indicators that show our environmental and social performance, as well as the social responsibility programs and activities we develop.

We have full availability to the water resources and licenses that our crops require. For the fields located in the Virú-Chao region of La Libertad, the principal source of water is the main canal of the Chavimochic Project, which carries part of the water from the Santa River. In addition to the water source from the Main Canal, the Yakuy Minka farm has four wells available which, in total, provide potential water supply of three cubic meters per second.

For our fields located in the Piura zone, the main source of water is the Daniel Escobar Canal, which has a capacity of 70 cubic meters per second, but recent estimates from our engineers indicate that its capacity is approximately 50 cubic meters per second on average. This canal is fed by the regulated Poechos reservoir, which has an operating storage capacity of 885 million cubic meters.

In 2014, we undertook a water footprint project in alliance with a local NGO that was sponsored by the Swiss Government, by which we have been able to measure our water management utilization.

On the other hand, we have completed the process of measuring the carbon footprint of our operations, and we are currently in the process of deriving an action plan based on these results. We plan to focus further on energy savings and alternatives for reducing our carbon emissions in the future. We also plan to invest in reforestation initiatives in the areas in which we operate.

### **Competition**

Our markets are open to all competitors. Given its location, agricultural producers in Peru are able to grow and market their products during low production seasons in other markets and latitudes. Peruvian cost possess unique climatic conditions. Even though the Peruvian coast is located in a tropical latitude, weather conditions on the coast are more likely to be compare to a greenhouse environment, with higher than normal sunlight, stable temperatures and almost no precipitation, but with access to vast water supply from the Andeans. All these

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conditions allow the Peruvian coast to supply international markets when supply is short due to the natural transition of crops from the northern hemisphere to the southern hemisphere as season changes.

We believe, based on industry information, that we are the largest producer of Hass avocados in the world as measured by the number of planted hectares and yield produced on those hectares. We are the leading fruit and vegetable exporter in Peru, with more than 3.5 times the number of hectares compared to our closest Peruvian competitors. We further believe that we are the leading Peruvian producer of blueberries, avocados and mangos, and one of the biggest grape growers as well. Moreover, we are becoming one of the largest exporters of blueberries in the world. See “Industry” for more detailed information regarding our main competitors by export product.

### **Quality Management System, Accreditation and Certifications**

Our quality and environment department is responsible for our quality management system, supported by ERP SAP, based on the principles of the Hazard Analysis and Critical Control Points, or HACCP, and Good Manufacturing and Agricultural Practices. Critical control points have been established throughout the harvesting, production, storage and hygiene and sanitation process, from the raw material to the finished product. Our quality and environment department is supported by approximately 120 technicians divided among our fields and processing plants.

We also have a new microbiological laboratory managed by an internationally recognized company that complements our Security and Food Safety controls.

Our products for exports are certified by independent surveyors at the loading ports according to technical specifications and tonnage agreed in each of our contracts. We believe our plants meet the health, safety and international regulations required for exports to our main markets.

#### ***Accreditations and certifications***

Our products have the following certifications:

- GMP
- HACCP
- Global Gap
- IFS/BRC
- KOSHER
- Sysco IPM-AIB International
- BASC
- EUROGAP

In addition, certain of our main customers and primary buyers, primarily in the U.S. and Europe, require that we follow additional protocols and procedures related to food safety and security, as well as chemical and environmental controls. Some of these protocols are more stringent than those to which we are subject by law. These protocols stress the need for preventive control, monitoring, and action in direct control operations targeted to the ultimate quality of the product.

In the European market, several protocols aim to foster the rational management of non-renewable resources and prevent microbiological and chemical contamination. The U.S. market requires more preventive awareness in microbiological, bio-safety, and bioterrorism control, incorporating chemical and environmental control requirements, and verifying compliance with the labor laws of supplier countries. Asian countries require comprehensive controls under the ISO, International Organization for Standardization, structure, which require production to be based on planning, performance, verification and action.

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## Insurance

We carry customary insurance coverage on our land, processing plants and exports. This consists of a multi-risk policy on our land and all assets materially linked thereto. We also carry a multimarket credit insurance policy over our exports of fresh products. We are insured against damage caused by an earthquake and other natural disasters, accidents or other similar events (including coverage for losses due to resulting business interruption). See “Risk Factors—Risks Related to our Business and Industry—The land and processing plants we operate or manage may suffer loss or damage which may not be covered by our insurance policies.”

## Employees

Our employees are classified as either permanent or seasonal. During 2015, we employed on average 8,617 part-time seasonal employees and 2,752 full time employees. During the 2015 peak season, we employed a total of 13,946 permanent and seasonal workers, making us the third largest employer in Peru. As of December 31, 2015, we had 3,272 permanent employees.

The areas of northern Peru where we operate have recently been characterized by employment growth exceeding the national average, according to INEI. As a result, competition exists between the agro-businesses in the region for quality seasonal workers to harvest crops and perform related processing tasks. Companies in the region offer their employees relatively generous benefits in order to attract loyal and high-quality seasonal employees. To date, we have not experienced any material shortage of labor, and we believe that this is partly due to the package of benefits and training we offer our workers as well as the availability of year-round labor opportunities due to the different crops we harvest.

As of December 31, 2015, approximately 70% of our employees were covered by collective bargaining agreements with labor unions. To date, we have not experienced a work slowdown, work stoppage, strike or other labor dispute that had a material effect on our business or results of operations.

We pay substantial attention to the ongoing training of our employees, which we believe plays a significant role in strengthening the leadership and efficiency of our company. Our training focuses on strengthening technical knowledge, efficiency building and other aspects of professional development. Our training programs also support the various certification programs we undertake, such as BASC, GLOBAL GAP, HACCP, the Global Compact and BSCI.

Our human resources social welfare division also conducts health and well-being campaigns for our personnel and their families in ophthalmology, dentistry, gynecology and other. We also provide customary medical insurance and allowances in the case of death, as well as loans for studies, housing or emergencies. From January through March of each year, we carry out a social welfare program called “Useful Vacations”, which seeks to reinforce the math and language skills of the children of our workers, as well as to promote artistic and cultural activities during their time away from school.

## Legal Proceedings

As of December 31, 2015, there were 238 labor proceedings pending against us, with an estimated total amount in controversy of US\$7.0 million. Based on the opinion of our internal legal counsel, we estimate that the amount for which loss is probable is US\$1.2 million and we have provisioned US\$0.6 million this amount in its entirety in our most recent audited financial statements. We believe that such claims and actions will not have a material adverse effect on our business or results of operations.

On December 17, 2013, the National Institute for the Protection of Competition and Intellectual Property (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual*, “Indecopi”), the Peruvian government agency in charge of antitrust issues, carried out inspection visits to several companies related to the mango industry, including Camposol’s offices in Lima, to obtain information in connection with the Peruvian mangos market, its commercialization, and exports. Camposol provided all the information requested by Indecopi. Depending on several criteria, including the duration of an alleged illegal conduct, its reoccurrence, the relevant

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company's cooperation with the investigation, premeditation and intent, Indecopi may impose fines of up to 12% of the offender's gross revenues. As of the date of this Listing Memorandum, Indecopi has not notified us if Camposol is being investigated and it has not otherwise disclosed the scope of its investigation.

Due to a criminal proceeding for illicit enrichment against a prior owner of a parcel of land consisting of 1,018 hectares located in the district of Virú, province of La Libertad, a preliminary investigation for asset forfeiture involving this land was initiated by Virú's public prosecutor in 2006. Although we acquired this parcel in 2003 in good faith from a subsequent owner than the one that is under investigation and, hence, we believe that our ownership of this parcel is protected under Peruvian law, the conclusions of the local public prosecutor investigating this matter have not been disclosed as of the date of this Listing Memorandum. Any unfounded allegations against us related to the illegal actions of the prior owner, even if ultimately resolved in our favor, may negatively affect our reputation and/or business standing.

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## REGULATORY ENVIRONMENT

According to article 63 of the Peruvian Constitution, in Peru any foreign investor has the same rights as a domestic investor.

This constitutional guarantee is developed in the Framework Law for Private Investment Growth (*Ley Marco para el Crecimiento de la Inversión Privada*), Legislative Decree 757, approved in November 1991. Through this law, investors have the right to freely transfer abroad funds in foreign currency, as well as dividends, profits, royalties, and/or compensation for usage of technologies and industrial equipment. In case the investor needs to exchange currency, the investor has the right to the most favorable exchange rate available in the market.

Per Article 88 of the Peruvian Constitution, the State guarantees the ownership rights that any entity or individual may have over land; nevertheless, applicable law may set forth limits on such ownership rights depending on the specific characteristics of the land surroundings. As of the date of this Listing Memorandum, the Agriculture Investment Promotion Law (*Ley de Promoción de las Inversiones en el Sector Agrario*), approved by Legislative Decree 653, and Law 26505, which regulates article 88 of the Peruvian Constitution, have not set a limit of the extension of land that can be owned by any person. However, we cannot assure you that in the future such law will not be amended to impose limits on land ownership. In addition, agricultural property can be transferred without the need of government authorization, but the transfer will be subject to taxation.

Investments in agricultural activities are not subject to any legal or administrative conditions limiting their installation, functioning, operations, and/or restricting the commerce of such activities' by-products. Moreover, prices for such products are determined by free market conditions. Peruvian law guarantees the right to use any kind of technology and industrial equipment.

### ***Agricultural Sector Promotion Law***

According to the Agricultural Sector Promotion Law (*Ley de Promoción del Sector Agrario*), approved by Law 27360 and its regulations, approved by Supreme Decree 49-2002-AG, an individual or a legal entity that grows crops is entitled to certain tax and labor benefits until December 31, 2021. The main benefits are the following:

- Reduced income tax rate of 15% (general income tax rate is 28%),
- 20% depreciation rate for hydraulic infrastructure,
- Allows hiring workers temporarily,
- Minimum wage is S/.29.27 per day, instead of S/.750.00 per month this daily minimum wage includes Christmas and National Holiday's legal bonuses (*gratificaciones legales*) and severance compensation (*compensación por tiempo de servicios*);
- Vacations for employees are 15 days per year, instead of 30 days per year;
- The employer pays 4% of the monthly fee for health insurance instead of 9%; and
- Severance payment for unfair dismissal is 15 daily remunerations for every complete year of service up to a maximum of 180 daily remunerations, instead of 1.5 monthly remunerations per year of services up to a maximum of 12 monthly remunerations.

However, we cannot assure that in the future such law and regulations will not be amended to reduce or eliminate any or all of these benefits. As of the date of this Listing Memorandum, several projects have been submitted to the Congress to amend, reduce and/or eliminate these benefits.

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## ***Water Supply Law***

According to the Law of Water Resources (*Ley de Recursos Hídricos*), or LWR, Law 29338 and its regulations, enacted by Supreme Decree 001-2010-AG, water resources are unalienable property of the Peruvian State not subject to acquisitive prescription. However, some rights for the use of water may be granted by the ANA (National Water Authority) based on certain criteria and according to the parameters explained below, and following the provisions stated by the LWR regarding the order of priority (of activities).

ANA is the competent authority to grant the following:

- permits, which are issued exclusively over the excess water resources, subject to the availability of water from time to time. In the case of water for agricultural use, only for certain crops;
- authorizations, which are granted for a fixed term for the use of water to perform studies or other determined activities and/ or for other temporary and special tasks; and
- licenses, which are granted for the permanent use of water for a specific purpose.

According to Peruvian law, authorizations are typically granted for a two-year period, subject to renewal for an additional two-year period, while licenses and permits are granted for an indefinite period of time subject to compliance with certain legal conditions established for the use of the water resource. Please note that while licenses and permits are granted for an indefinite period, the effective use of water is subject to its availability.

Peruvian law establishes that water must be used efficiently without affecting its quality or the environment, and giving priority to primary water uses (such as water for food preparation, direct consumption and personal hygiene) and rights for the use of water previously granted. The LWR recognizes three types of water uses and establishes the priority order explained below. According to these uses and priorities, ANA provides the corresponding rights to use water resources. The types of uses and priorities established by the LWR are the following:

- primary use: implies the use of water for food preparation, direct consumption and personal hygiene as well as its use in cultural ceremonies, religious rituals;
- population use: implies obtaining water from a fountain or public network, properly treated, in order to meet basic human needs; and
- productive use: entails the use of water in productive processes and precursor steps, including agricultural activities. Among productive uses, article 62 of the regulations of LWR states the agricultural use of water have the first order of preference for granting water rights, over energy, industrial and mining uses, among other activities.

Except for primary use, the use of water resources requires obtaining the corresponding water right – license, authorization or permit – granted by the ANA. The permanent use of water without obtaining the corresponding operating title is subject to a fine ranging between 2 to 10,000 tax units for each non-authorized point of water extraction. As of the date of this Listing Memorandum, a tax unit is equal to S/3,950. Likewise, if improper use of water is proven, the authority may revoke the corresponding water right.

Water rights, including licenses, may be terminated by government authorities or courts under certain circumstances, including: (i) titleholder's relinquishment; (ii) nullification of the resolution approving the corresponding permit, authorization and/or license, declared by the ANA based on certain infringement to the LWR and its regulations; or (iii) failure to pay applicable water rights fee.

Since the LWR states that the use of water is subject to availability, then the holder of the right to use water shall permanently provide evidence to the ANA relating to its needs and volume of required water.



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Currently, we have all the proper licenses granted by the ANA for the use of water in our plants located in the Virú-Chao and Piura regions. Nevertheless, the license related to the Agroalegre field in Piura, which was requested for the use of water on 585.1 hectares, was granted for 486.7 hectares only. According to the ANA, the license for the use of water on the remaining 98.39 hectares was denied because there was not sufficient agricultural development in such area. We have appealed the decision and, as of the date of this Listing Memorandum, we are awaiting for the final decision of the ANA regarding this matter. The water use licenses that the ANA has granted to us do not have an expiration date.

In the Virú-Chao plant, we currently carry out domestic and industrial wastewater discharges by means of several oxidation ponds, without the corresponding authorization from the ANA. However, once the Environmental Authority approves our Environmental Compliance and Management Program (PAMA), which includes the discharge scheme along with a commitment to install a waste water treatment plant. We intend to proceed to regularize the wastewater discharges before the ANA by requesting the corresponding authorization. Likewise, we currently carry out wastewater reuse for watering trees near the oxidation ponds. This activity, however, is not yet authorized by the ANA, but we intend to regularize the latter and request the corresponding wastewater reuse authorization once the PAMA is approved by the Environmental Authority.

The LWR and its regulations also establish that the ANA will determine (i) the fee to be paid for the water used by a titleholder, taking into account the activity carry out by the titleholder and the amount of water used, and (ii) the fee to be paid for using hydraulic infrastructure.

According to the LWR and its regulations, the fee for the use of each cubic meter of water is established by the ANA taking into account social, environmental and economic general standards that allow the ANA to cover the costs related to an integrated water management and the recovery of the water. The Local Water Administrations (*Administración Local del Agua*, or ALA) are the competent authorities to require payment and collect the fees.

In 2012, the “Methodology for determining the value of economic fees for the use of water and the discharge of treated wastewater”, was approved by Resolution N 457-2012-ANA, establishing that water sources must be classified every year by their availability of water, in order to determine the fee that every type of user (population, industrial or mining uses) shall pay for m<sup>3</sup> of consumed water. For example, the fee for 2011 was 0.25% higher than the fee for 2010, the fee for 2012 was 1.5% higher than the fee for 2011, and the fees for 2013 and 2014 are the same as the fees in effect for 2012. However, we cannot assure you that in the future the ANA will not establish higher increases in the fees for the use of water.

As of the date of this Listing Memorandum, Camposol does not owe any money with respect to economic fees for the use of water. In the case of Marinazul, we are not required to pay fees for the use of water pursuant to article 7° of Supreme Decree No. 020-2008-PRODUCE, given that the use of water resources for aquaculture purposes is exempted from such payment.

Additionally, as user of a water supply service, Camposol has to pay the operator of the hydraulic infrastructure a fee that will compensate the operator for the operation, maintenance, replacement and administration of the hydraulic infrastructure required for the supply service.

This fee is established by the competent ALA taking into account social, environmental and economic general standards that allow it (i) to cover the costs related to the operation, maintenance and other services needed to operate the hydraulic infrastructure, and (ii) to improve the socio-economic situation of the water basin.

Each year, operators of hydraulic infrastructure must submit a fee proposal to the ALA, in accordance with the technical and economic guidelines annually approved by the ANA. The guidelines approved for 2014 state that Local Water Authorities can establish the hydraulic infrastructure fee in the same amount as the one considered for the previous year, with a 2% – 5% increase, depending on who the infrastructure operator is.

Moreover, in January 2014 the Law of Water User Organizations (*Ley de Organizaciones de Usuarios de Agua*), Law 30157, was approved, establishing that the Boards of Users (*Juntas de Usuarios*) in which Camposol participate, shall adjust their activities in order to comply with the control faculties granted to ANA for the

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supervision, control and punishment of the correct operation of Water User Organizations, especially regarding the correct charge, collection and transfer of fees and incomes.

Finally, in relation to the Marinazul shrimp farms, we currently have all the water use licenses we need, except for the license related to the Campana field, which is in the process of being obtained. Regarding wastewater discharges, currently Marinazul is discharging industrial wastewater into a public channel, without the corresponding authorization from the ANA. However, we have already begun the regularization of the latter and have requested the ANA the corresponding wastewater discharge authorization.

### ***Environmental Matters***

We are subject to a broad range of environmental laws and regulations, which require us to incur costs and capital expenditures on an ongoing basis and expose us to substantial liabilities in the event of non-compliance. These laws and regulations also require us to obtain the approval of an environmental management instrument for the execution of our activities and to obtain and maintain other environmental permits, licenses and authorizations for such purposes. In this regard, government environmental agencies could take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance. These laws and regulations require us, among other things, to minimize risks to the natural and social environment while maintaining the quality, safety and efficiency of our facilities.

We are committed to the reliable, responsible, efficient and safe operations of our activities with a disciplined focus on high operating, health, safety and environmental standards.

Any change to environmental regulations will likely include environmental compliance costs. Compliance with new or modified environmental regulations could require us to make significant capital investments in additional pollution controls or process modifications.

As of the date of this Listing Memorandum, we have obtained the approval of an Environmental Compliance and Management Program (PAMA – *Programa de Adecuación y Manejo Ambiental*), by means of Directorial Resolution No. 048-09-AG-DVM-DGAA, dated November 16, 2009, which includes the execution of eight (8) environmental commitments. In this regard, it is worth mentioning that we have fully implemented seven (7) of said environmental commitments. The pending environmental commitment is related to the implementation of a synthetic geo-membrane in the oxidation ponds in order to avoid water infiltration into the soil. However, such environmental commitment is no longer required, since we will install a waste water treatment plant that will treat domestic and industrial waste water before its discharge into the oxidation ponds. This waste water treatment plant has been included in the new PAMA that was filed for its approval before the Ministry of Agriculture on April 11, 2014; as of the date of this Listing Memorandum, the approval of the new PAMA is still pending. We expect to begin with the installation of the industrial system on the beginning of April, 2016, and the implementation of the domestic filters will be made through June, 2016. The process for obtaining the corresponding discharge licenses will start in July 2016, and we estimate the process will finish in December, 2016.

We have developed new facilities in the project area that have been included within the new PAMA, which is pending approval by the Ministry of Agriculture. We expect to obtain this approval within the following months.

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## MANAGEMENT

Management of Camposol is the responsibility of its board of directors, which in turn appoints the management team to run our company's daily activities. Management of Camposol is the same as that of Camposol Holding Ltd.

### Board of Directors

The Board of Directors is composed of seven directors, as set forth below:

Name	Title
Samuel Barnaby Dyer Coriat .....	Chairman of the Board
Raúl Ubaldo Fernández .....	Deputy Chairman
Carmen Rosa Graham Ayllón .....	Director
María Susana Eléspuru Guerrero .....	Director
Piero Martin Dyer Coriat .....	Director
Sheyla Dyer Coriat .....	Director
William Paul Dyer Osorio .....	Director

Management's address is the same address for Camposol S.A. set forth elsewhere in this Listing Memorandum.

The following sets forth selected biographical information for each of the members of Camposol's Board of Directors:

*Samuel Barnaby Dyer Coriat, Chairman of the Board* – Mr. Dyer obtained his degree in business administration at Miami University in Florida, with a specialization in Finance and Administration. He has a wide experience in the Peruvian fishing industry, having initiated his career in Copeinca as Fleet Assistant and having subsequently held various position, including Assistant in the frozen products plant, Plant Superintendent, Frozen Products Plant Manager, Fleet Manager, Operations Manager and CEO from 2002 until 2011. Mr. Dyer was appointed member of the Board of Directors of Camposol in 2008, a position which enabled him to contribute to the transformation of the company into a leading commercial organization employing the principles of corporate government and social responsibility. Mr. Dyer was named Chairman of the Board of Camposol in 2011 with the object of continuing with the consolidation of the company's leadership in the agro-industrial sector. He served as CEO from October 2011 until December 2015.

*Raúl Ubaldo Fernández, Deputy Chairman* – Mr. Fernandez holds a Master in Industrial Safety and Health and a Bachelor of Science in Mechanical and Marine Engineering from the Universidad de Buenos Aires, Argentina. He is considered a visionary leader, an accomplished executive and also an internationally recognized results driven, operations and technology expert. He brings 40 years of food industry experience, leading business units, new products and business development teams in multinational corporations. Lately, his focus has been on developing and implementing revenue enhancing strategies for corporations involved in international food trading and commercialization. He is named in 11 patents referring to fresh food preservation, packaging and handling. He is a member of the Board of Camposol Holding Ltd. since November 2015.

*Carmen Rosa Graham Ayllón, Director* – Ms. Graham obtained her degree in business administration at Universidad del Pacífico in Peru, and her degree in computer engineering at IBM. She also has an MBA from Adolfo Ibanez School of Management in Miami. She has advanced studies in management, corporate responsibility and innovation at universities like Harvard, Georgetown, Monterrey and Piura (Peru). She was appointed CEO of IBM Colombia in 1999, CEO of IBM Peru and Bolivia in 2001, and Regional Director of strategy of IBM in 2004. She was appointed Rector of the Universidad del Pacífico (Peru) in 2007. She is currently a governance assessor and member of the Board of Directors of Ferreycorp S.A., Interbank and Nextel Peru, member of the consulting committee of APM Terminals, President of the Backus Foundation, and President of WCD Peru (Women Corporate Directors).

*María Susana Eléspuru Guerrero, Director* – Ms. Elespuru was appointed Director of Camposol in May 2014. She has developed her career as a senior executive, business consultant and executive headhunting for the past

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thirty years. She started her career at Procter & Gamble, where she held the positions of Corporate VP, Chairman of the Board and CEO for the Peru, Ecuador and Bolivia division. She was in charge of Procter & Gamble's business for Latin America. She held the position of Chairman of the Board for Elespuru Consultores, a firm dedicated to the strategic management of local and multinational corporations. She has vast experience in corporate governance, strategic planning, and competitiveness, commercial and organizational development. She was President of IPAE from 2011 until 2013, she presided the 2011 Annual Entrepreneurs Conference (CADE) and directed IPAE's Business School.

*Piero Martin Dyer Coriat, Director* – Mr. Dyer obtained his bachelor's degree in mechanic engineering, and his MBA degree at Miami's University (USA). He worked as technical and finance analyst for the new business division of Grupo D&C. He was appointed CEO of Apurimac Ferrum, an iron exploration project. He was a member of the Board of Directors of Copeinca ASA. He has held the position of CFO of Camposol. He is currently Research and Development Manager in Camposol.

*Sheyla Dyer Coriat, Director* – Mrs. Dyer earned a bachelor's degree in business administration from the University of Miami, Florida in 1996. She is a senior executive with experience in international trade, operations and logistics at international companies. In 2014, she founded Comma, a Peruvian restaurant focused on healthy food. She is a board member of Camposol Holding Ltd. since November 2015.

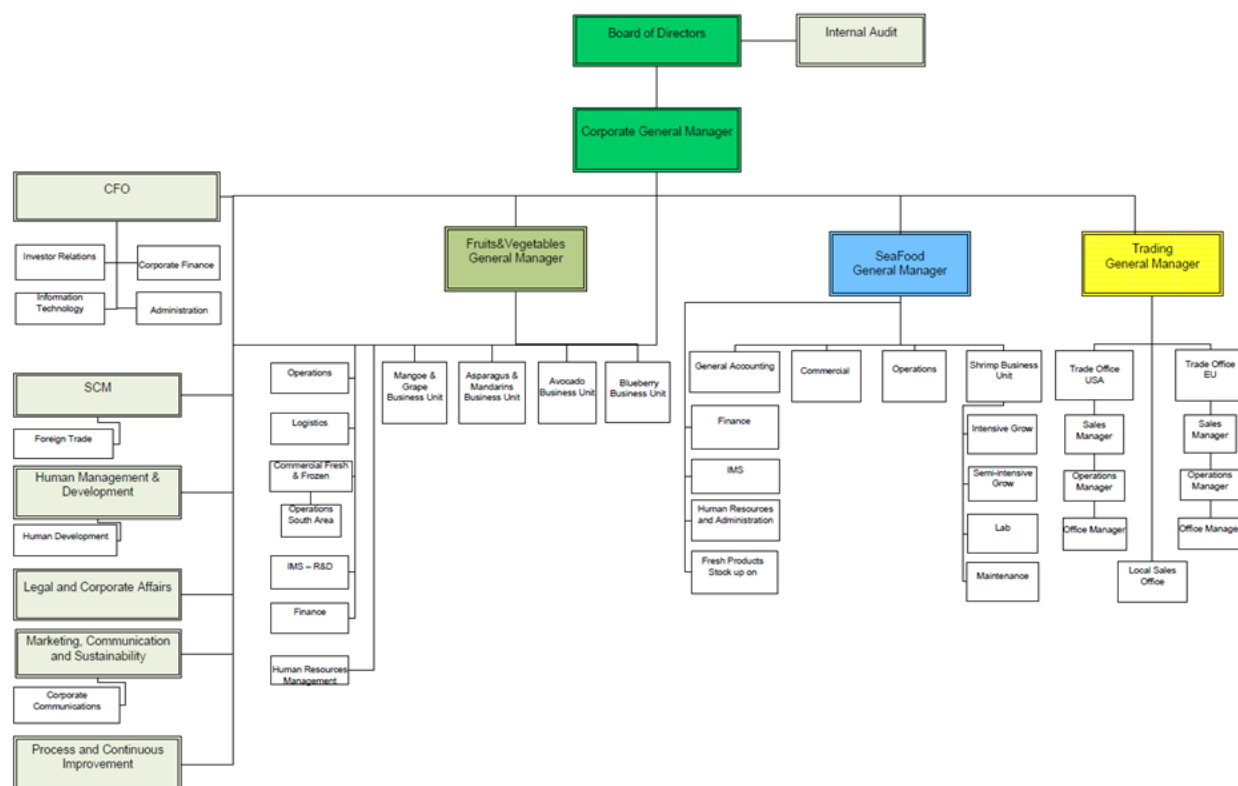
*William Paul Dyer Osorio, Director* – Mr. Dyer obtained his degree in international business administration at Florida's International University (USA). He also has a specialization in Economy and an MBA from Thunderbird University (USA) and Tecnológico de Monterrey (Mexico). He has broad experience in the Peruvian fishing industry, having initiated his career in Copeinca as a Plant Assistant, and held various positions like Warehouse Assistant, Purchase Assistant, Finance Assistant, CLO and Superintendent of Raw Material Purchase between 2002 and 2010. Currently, he holds the positions of CEO of Octopus Holding SAC and CEO of Inka Comfort Hoteles del Perú SAC. Mr. Dyer is also a member of the Board of Directors and shareholder of Aceros y Techos S.A., Galvanizadora Peruana SA and Ocaton Holding SAC, corporations part of the Suizo Duferco Business Group.

## **Management Team**

In 2012 the Company started operating under the new matrix structure with Business Unit Managers, which oversee all processes of their crops and ensure their profitability. Also, the reinforcement of the Commercial and Marketing team took place, as well as the opening of a new commercial office in the US along with the strengthening of the existing one in Europe, allowing the Company to increase its direct sales rate, one of the Company's long term main objectives. In accordance with the Company's new matrix structure, and to reflect 2014 acquisitions, the Company decided to operate under three divisions, Camposol Fruits and Vegetables, Camposol Seafood and Camposol Trading. All Business Unit Managers report to Camposol Fruits and Vegetables General Manager, who, together with Camposol Seafood General Manager and Camposol Trading Manager, report to Camposol Foods CEO.

## **Organizational Chart**

The following chart depicts the organizational structure of our board of directors and management structure.



The following sets forth selected biographical information for some of the members of Camposol, S.A.'s management team:

*Samuel Dyer Coriat, Chairman of the Board* – Mr. Dyer obtained his degree in Business Administration at Miami University in Florida, with a specialization in Finance and Administration. He has a wide experience in the Peruvian fishing industry, having initiated his career in Copeinca as Fleet Assistant and having subsequently held various positions including Assistant in the frozen products plant, Plant Superintendent, Frozen Products Plant Manager, Fleet Manager, Operations Manager and CEO from 2002 until 2011. Mr. Dyer was appointed member of the Board of Directors of Camposol in 2008, a position which enabled him to contribute to the transformation of the company into a leading commercial organization employing the principles of corporate government and social responsibility. Mr. Dyer was named President of the Board of Camposol in 2011 with the object of continuing with the consolidation of the company's leadership in the agro-industrial sector. In October of the same year he took over the position of CEO thereby becoming the Executive President of Camposol. In November 2015 he left executive duties. Since the appointment of Manuel Salazar, current CEO, Mr. Dyer remains as Chairman of the Board.

*Manuel Salazar Diez Canseco, CEO* – Mr. Salazar holds a Bachelor in Economics from Clark University, MBA from Georgetown University and has a PhD in Management from the University of Lleida. Mr. Salazar has over 20 years of professional experience in managerial roles of local and regional responsibility in international companies with exceptional trajectory. His previous position was as CEO of Louis Dreyfus Commodities for Peru and Chile. Mr. Salazar began his career in 1991 at Banco de Crédito del Perú and consolidated in the banking sector, assuming ultimately the position of Risk Manager for the Andean region in West Merchant Bank. Later he was Manager of Planning and Strategy at Corporation Lindley - after the acquisition of ELSA. Mr. Salazar has a solid background as CEO including the design of strategic, commercial and financial planning for large and complex organizations, operating in different markets, as well as broad experience in leadership, culture transformation management and control systems.

*Javier Morales Garcés, Fruits & Vegetables General Manager* – Mr. Morales holds a degree in Agricultural Engineering from the National Agrarian University in La Molina, Lima and an MBA degree from ESAN University, in Lima. Mr. Morales has wide experience in the agro-industrial sector. He began his career at Camposol 14 years ago as Head of Parcels. He subsequently became Head of Farms and in 2004 was appointed Superintendent of New

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Areas, responsible for the planting of 2,000 hectares of asparagus. In 2009, he was named Manager of New Crops, responsible for 1,400 hectares of our plantations of avocado, grape and mandarin oranges in La Libertad. He was appointed Manager of the Asparagus Business Unit in 2011 and in 2013, he took charge of the Management of the Blueberries Business Unit. He was appointed Camposol's Deputy General Manager at the end of 2013. Following the three division matrix, he was lately appointed Fruits & Vegetables General Manager.

*Jorge Ramirez Rubio, Seafood General Manager* – Mr. Ramirez holds a Bachelor's degree in Business Administration with a major in Finance from Loyola University, New Orleans, USA, and an MBA from ITESM (México) – ESPOL (Ecuador). He has vast international experience in Strategic Planning, Corporate Finance, Mergers & Acquisitions and International Affairs. Mr. Ramirez previously worked for Amanco Group and Mexichem (1995-2008), holding various positions in Ecuador, Costa Rica and Brazil, his last one being CFO for Latin America. He has also served as CFO of Camposol Holding (2008-2013), Copeinca ASA (2012) and Grupo EFE (2014-2015).

*Jose Antonio Gomez Bazan, Trading General Manager* – Mr. Gomez is a professional with over fifteen years of experience in sales, marketing and distribution, with demonstrated results in areas such as P&L leadership, new business strategy development and end-to-end supply chain management. He has broad international experience developing new markets and new products in countries such as Belgium, the Netherlands, Germany, the United States, Costa Rica and Peru. Before joining Camposol in 2011, Mr. Gomez held various important positions for Chiquita Brands International, the last of which was General Manager in Florida, United States. Mr. Gomez holds a master degree in business administration from INCAE Business School in Costa Rica as well as a Master in Six Sigma from Villanova University in Pennsylvania (USA); he graduated as a Licentiate in Business Administration from Universidad de Lima.

*Maria Cristina Couturier, CFO* – Ms. Couturier has over twenty four years of experience occupying positions in various multinational corporations. For the six years before joining Camposol, she was Chief Financial Officer for SN Power Peru S.A. (Peru), a power generation company owned by the Norwegian company SN Power Invest. She has also worked in other industries and companies such as Electroandes S.A. (Peru), PSEG (USA), JP Morgan Chase/Flemings (UK), Prisma SAB (Peru), and Southern Peru Copper Corporation (Peru). Ms. Couturier has extensive experience in corporate finance, merger and acquisitions, and change management. Ms. Couturier holds an MBA in finance and a BA in economics from Hofstra University, located in New York, USA.

*Alejandro Leoncio Arrieta Pongo, Legal & Corporate Affairs Manager* – Mr. Arrieta is an attorney graduated from the Universidad de Piura (UDEP). He worked previously as Senior Associate at Rodrigo, Elias & Medrano and Lazo, De Romaña y Gagliuffi. His excellence and performance on these law firms has been recognized in the 2014 edition of the "The Legal 500 Latin America", an international magazine specialized in the research of performance of law firms worldwide. He has been also advisor of the Ministerio de Economía y Finanzas (*Consejo Nacional de la Competitividad*) and has worked as professor of the Faculty of Law at Universidad de Piura and associate professor of the Faculty of Law of Pontificia Universidad Católica del Perú. Mr. Arrieta has published research papers on different specialized magazines and newspapers. He currently participates as speaker in different programs.

*Mario Melgar De la Puente, Supply Chain Manager* – Mr. Melgar is a corporate communicator graduated from Universidad de Lima, with a Master in Transport and Logistics (the Blue MBA) from Copenhagen Business School. He has also taken a postgraduate course in Project Management from the Implement Consulting Group. During his experience at Maersk Line, he developed the areas of marketing, e-commerce, and sale of transport services for perishable goods. Mr. Melgar also worked as Managing Director for Logistics Operations at Geodis Wilson. Mr. Melgar has over twenty years of experience leading projects related to international transport and logistics solutions in Peru and Europe.

*Francesca Carnesella Figuerola, Corporate Affairs Manager* – Ms. Carnesella graduated as an Economist from Universidad del Pacífico and holds a Master in Business Administration from Universidad de Piura and is pursuing another master's degree in Communications at the Pontificia Universidad Católica del Perú. She has broad experience in the areas of corporate image, communications, public administration management and institutional relations. She has served as advisor to the Minister of Economy and Finance, the Minister of Energy and Mines, the President of the Commission for the Promotion of Private Investment and the Ministry of Foreign Affairs and has

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been in charge of the Image and Communications Department of BBVA Banco Continental and the BBVA Foundation, as well as Corporate Image and Public Relations Director at TIM Peru (now Claro). Ms. Carnesella manages our corporate image, communications and social responsibility strategy and programs. She joined Camposol in February 2008.

*Guillermo Miguel Defilippi Rodríguez, Human Resources & Development Manager* – Lawyer graduated from the PUCP, degree in Human Resources Management from CENTRUM and the University of Barcelona, with over 20 years' experience in Human Resources Management developing strategies and implementing programs for attracting, retaining and developing talent in companies such as Warner-Lambert Peru, Colgate Palmolive Peru, Mission Hills (Mexico), Yanbal International and Minsur leading programs for talent management and employee engagement.

*Mario Abel Carbajal Lopez, Internal Auditor* – Mr. Carbajal holds a degree in Public Accounting from the Universidad Nacional Mayor de San Marcos, Lima, Masters in Business Administration from Universidad de Piura, Certified Internal Auditor (CIA), Certified Risk Management Auditor (CRMA) and Certified in Quality Assurance Review (QAR) from The Institute of Internal Auditors. Mr. Carbajal has over 25 years of professional experience on Internal Audit in international companies. Before joining Camposol, Mr. Carbajal worked as Corporate Internal Auditor for Offshore International Group, consortium own by ECOPETROL (Colombia) and Korean National Oil Company (South Korea), Internal Audit Director for BellSouth Peru, Internal Auditor for Banco Solventa, Financial and Operational Audit Manager for Banco Latino, among other.

*Maria Elena Olmos, Investor Relations Officer* – Mrs. Olmos holds a Bachelor's Degree of Science in Business Administration and Economics from University of South Carolina Spartanburg, USA and is currently enrolled in the EMBA Program at Kellogg Northwestern University. She has over 10 years of experience, including positions in the public and private sector in companies and institutions such as Bank of America, Ministry of Foreign Trade and Tourism, Copeinca and Camposol. She began working with D&C Group in 2007 and ever since has participated in all Debt Capital Markets, Equity Capital Markets, and syndicated transactions.

## SHAREHOLDERS

Camposol S.A. was founded and began operations in 1997. In October 2007, Dyer Coriat Holding S.L. (a company controlled by the Dyer and Coriat families and since renamed Generación del Pacífico Grupo S.L.) and a group of investors acquired Camposol S.A. from its previous controlling shareholders with the proceeds from a US\$184.0 million private placement carried out by Camposol AS, a predecessor company of Camposol Holding Ltd., the Parent Guarantor of the New Notes. Through a corporate reorganization that took place in 2008, Camposol Holding Ltd. became the holding company of the Camposol group of companies and also listed its shares on the Oslo Stock Exchange (*Oslo Børs*).

On December 12, 2013, following the settlement of the mandatory change of control tender offer dated September 24, 2013, the Cyprus Securities and Exchange Commission approved the application submitted by Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.) to acquire from the minority shareholders all the shares of the issued share capital of Camposol Holding Ltd. which Dyer Coriat Holding S.L. did not own (directly or indirectly) at that time. The squeeze-out was effective as of December 13, 2013. As of December 20, 2013, the shares of Camposol Holding Ltd. were delisted from Oslo Stock Exchange. In April 2014, the shareholders of Camposol Holding Ltd. voted to convert the Parent Guarantor from a “Plc” (a public company limited by shares) to a “Limited” company (a private company limited by shares).

On September 10, 2014, following the stock option purchase agreement celebrated on September 10, 2013, Osterlin Luis Dyer Ampudia, William Paul Dyer Osorio, Sergio Ivan Dyer Osorio, Rodrigo Israel Dyer Fernandez and Yazmin Ellie Dyer Osorio, executed their option to purchase shares from Generación del Pacífico Grupo S.L. After the execution of the stock option purchase, Generación del Pacífico Grupo S.L. owns 82.6% of the total outstanding shares of the Parent Guarantor.

The following table sets forth the share ownership of the Parent Guarantor as of the date of this Listing Memorandum:

	<b>Outstanding shares</b>	
Generación del Pacífico Grupo S.L. ....	27,194,027.0	82.6%
Osterlin Luis Dyer Ampudia .....	2,987,009.0	9.1%
William P. Dyer Osorio .....	741,251.0	2.2%
Sergio Dyer Osorio.....	958,570.0	2.9%
Yazmin Dyer Osorio.....	653,961.0	2.0%
Rodrigo Dyer Fernandez .....	390,378.0	1.2%
Total .....	32,925,196.0	100.0%

As of the date of this Listing Memorandum, Camposol S.A. had a total of 473,766,641 common shares issued and outstanding, were owned as follows:

	<b>Outstanding shares(1)</b>	
Siboure Holding Ltd. ....	129,735,788	27.4%
Blacklocust Ltd.....	302,930,582	63.9%
Madoca Corp. S.A.C.....	41,100,000	8.7%
Total .....	473,766,370	100.0%

Each of these entities is owned or controlled, directly or indirectly, by the Parent Guarantor.



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## **CERTAIN TRANSACTIONS WITH RELATED PARTIES**

In the ordinary course of our business, we enter into commercial transactions with some of our affiliates. These transactions are entered into on an arm's length basis. The material transactions that we engage in with related parties are described below. In addition, see note 36 to the audited consolidated financial statements included elsewhere in this Listing Memorandum.

We retained Empacadora de Frutos Tropicales S.A.C., a related company of Camposol S.A., to provide mango and grapes packaging services. We paid Empacadora de Frutos Tropicales S.A.C. US\$1.9 million, US\$4.4 million and US\$3.6 million in each of 2013, 2014 and 2015, respectively, for such services.

Also, we retained Gestión del Pacífico S.A.C., a company owned by Generación del Pacífico Grupo S.L. (formerly Dyer Coriat Holding S.L.), to provide services related mainly to the lease of our current offices and corporate services such as corporate affairs, finance, investor relations and information technology. We paid Gestión del Pacífico S.A.C. US\$1.5 million, US\$2.4 million and US\$0.2 million in 2013, 2014 and 2015, respectively, for such services.

During 2015, Camposol S.A. sold 302.6 Has to Desarrollo Inmobiliario Marverde S.A.C., a real estate company owned by Generación del Pacífico Grupo S.L., for US\$8.9 million. In addition, during 2015, the Company purchased services from Integrity Packaging S.A., a clamshell manufacturer owned by Lima Elementary S.A.C. and Integrity Inversiones S.A.C., for US\$0.4 million.

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## DESCRIPTION OF THE NEW NOTES

For purposes of this “Description of the New Notes,” the term “Issuer” refers only to Camposol S.A., and any successor obligor to the New Notes, and the term “Parent Guarantor” refers only to Camposol Holding Ltd. and not to any of its subsidiaries. The Parent Guarantor’s guarantee of the New Notes is referred to as the “Parent Guarantee.” Each of Campoinca S.A. and Marinazul S.A. and any subsidiary of the Parent Guarantor that guarantees the New Notes will be referred to as a “Subsidiary Guarantor” and any such guarantee is referred to as a “Subsidiary Guarantee.” The Parent Guarantee and the Subsidiary Guarantees are referred to together as the “Note Guarantees.” The term “Guarantor” refers to either the Parent Guarantor or any Subsidiary Guarantors, as the context requires. Certain terms used in this description are defined below under “—Definitions.” The Issuer and each Subsidiary Guarantor is wholly-owned by the Parent Guarantor.

The New Notes are to be issued under an indenture (the “Indenture”), to be dated as of the Original Issue Date, among the Issuer, the Parent Guarantor and any initial Subsidiary Guarantors, as Guarantors, and The Bank of New York Mellon, as trustee (the “Trustee”) registrar, paying agent and transfer agent and La Fiduciaria S.A., as Peruvian Trustee and Collateral Agent. The Indenture is not required to be nor will it be qualified under the Trust Indenture Act. The New Notes will be secured by a first-priority security interest in the Collateral (as defined below) pursuant to the Collateral Documents (as defined below).

The following is a summary of certain provisions of the Indenture, the New Notes, the Note Guarantees, and the Collateral Documents. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the New Notes, the Note Guarantees, and the Collateral Documents. It does not restate those agreements in their entirety. Whenever particular defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture, and the Collateral Documents will be available on or after the Original Issue Date at the offices of the Luxembourg paying and transfer agent located in the address set forth elsewhere in this offering memorandum and at the corporate trust office of the Trustee.

Application will be made to list the New Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market. As long as the New Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market, and as long as the rules of the Exchange require, the Issuer will also maintain a paying agent and a transfer agent in Luxembourg.

### General

The New Notes:

- are obligations of the Issuer secured on a first-priority basis by the Collateral
- rank pari passu in right of payment with the Existing Notes which are equally and ratably secured on a first-priority basis by the Collateral;
- rank at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- are senior in right of payment to any Indebtedness of the Issuer expressly subordinated in right of payment to the New Notes (subject to any priority rights of such subordinated Indebtedness pursuant to applicable law);
- are fully and unconditionally guaranteed, on a joint and several basis, by the Parent Guarantor and the Subsidiary Guarantors;
- are effectively subordinated to existing and future obligations of the Issuer and the Guarantors secured by assets (other than the Collateral), to the extent of the value of assets serving as security therefor;
- are structurally subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and

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- are subordinated to liabilities preferred by statute and certain other obligations that in the event of liquidation of the Issuer are granted preferential treatment or priority under or pursuant to applicable law (such as tax, social security and labor obligations, among others).

As of December 31, 2016, the Issuer had US\$259.4 million of Indebtedness outstanding, of which US\$31.0 million was secured Indebtedness.

As of December 31, 2016, (i) Campoinca did not have any Indebtedness outstanding and (ii) Marinazul had US\$5.2 million of Indebtedness outstanding, all of which was secured Indebtedness.

The New Notes were issued in an initial aggregate principal amount equal to the aggregate principal amount of Existing Notes tendered for exchange in the Exchange Offer.

The New Notes will mature on July 15, 2021 (the “Maturity Date”) and shall be redeemed at their aggregate principal amount, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional New Notes to be issued from time to time (the “Additional New Notes”), subject to certain limitations described under “—Further Issues.” Unless the context requires otherwise, references to the “New Notes” for all purposes of the Indenture and this “Description of the New Notes” include any Additional New Notes that are actually issued.

The New Notes will bear interest at 10.50% per annum, payable semiannually in arrears on January 15 and July 15 of each year (each, an “Interest Payment Date”), commencing on July 15, 2016. Interest on the New Notes will accrue from the issue date, expected to be on May 11, 2016.

Interest will be paid to Holders of record at the close of business on January 1 or July 1 immediately preceding an Interest Payment Date (each, a “Record Date”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of, premium, if any, or interest on the New Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment, then payment of principal, premium, if any, or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day will have the same force and effect as if made on the date on which such payment is due, and no interest on the New Notes will accrue for the period after such date. Interest on the New Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The New Notes were issued only in fully registered form, without coupons, in denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the New Notes will be made in U.S. dollars by the Issuer at the office or agency of the Issuer maintained for that purpose in the Borough of Manhattan, The City of New York (which initially will be the corporate trust office of the Trustee), and the New Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, at the option of the Issuer, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register.

## **The Parent Guarantee**

The Parent Guarantee:

- is and will be an obligation of the Parent Guarantor secured equally and ratably with the Existing Notes on a first-priority basis by the Collateral;
- ranks and will rank *pari passu* in right of payment with the Parent Guarantor’s guarantee of the Existing Notes which is and will be equally and ratably secured on a first-priority basis by the Collateral;

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- ranks and will rank at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the Parent Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
  - is and will be senior in right of payment to any obligations of the Parent Guarantor expressly subordinated in right of payment to the New Notes (subject to any priority rights of such subordinated Indebtedness pursuant to applicable law);
  - is and will be effectively subordinated to existing and future obligations of the Parent Guarantor secured by assets (other than the Collateral), to the extent of the value of assets serving as security therefor;
  - is and will be structurally subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and
  - is and will be subordinated to liabilities preferred by statute and certain other obligations that in the event of liquidation of the Parent Guarantor are granted preferential treatment or priority under or pursuant to applicable law (such as tax, social security and labor obligations, among others).

As of December 31, 2015, the Parent Guarantor had US\$250.9 million of consolidated Indebtedness outstanding, of which US\$40.2 million was secured Indebtedness.

Under the Indenture, the Parent Guarantor unconditionally and irrevocably guaranteed the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes and the Indenture. To the extent permitted by law, the Parent Guarantor (1) agreed that its obligations under the Parent Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the New Notes or the Indenture and (2) waived its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Parent Guarantee. Moreover, if at any time any amount paid under a New Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Parent Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Parent Guarantee are required to be made in U.S. dollars.

### **Release of the Parent Guarantee**

The Parent Guarantee may be released in certain circumstances, including:

- upon repayment in full of the New Notes; and
- upon a defeasance as described under “—Defeasance.”

### **The Subsidiary Guarantees**

On the Original Issue Date, each of Campoinca S.A. and Marinazul S.A. was a Subsidiary Guarantor.

Each Subsidiary Guarantee:

- is and will be an obligation of the relevant Subsidiary Guarantor secured on a first-priority basis by the Collateral
- ranks and will rank pari passu in right of payment with the Subsidiary Guarantors’ guarantees of the Existing Notes which are and will be equally and ratably secured on a first-priority basis by the Collateral;
- ranks and will rank at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the relevant Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);

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- is and will be senior in right of payment to any obligations of the relevant Subsidiary Guarantor expressly subordinated in right of payment to the New Notes (subject to any priority rights of such subordinated Indebtedness pursuant to applicable law);
  - is and will be effectively subordinated to existing and future obligations of the relevant Subsidiary Guarantor secured by assets (other than the Collateral), to the extent of the value of assets serving as security therefor;
  - is and will be structurally subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and
  - is and will be subordinated to liabilities preferred by statute and certain other obligations that in the event of liquidation of the relevant Subsidiary Guarantor are granted preferential treatment or priority under or pursuant to applicable law (such as tax, social security and labor obligations, among others).

As of December 31, 2016, (i) Campoinca S.A. did not have any outstanding indebtedness, and (ii) Marinazul S.A. had US\$5.2 million of outstanding indebtedness, all of which was secured indebtedness.

As of December 31, 2016, the non-guarantor subsidiaries represented 14.9% of the Parent Guarantor's consolidated total assets.

For the year ended December 31, 2016, the non-guarantor subsidiaries represented 14.3% of the Parent Guarantor's consolidated revenues and 7.5% of the Parent Guarantor's consolidated gross profits.

Although on the Original Issue Date all the Parent Guarantor's Subsidiaries were Restricted Subsidiaries, none of the Parent Guarantor's Subsidiaries (with the exception of Campoinca S.A. and Marinazul S.A.) provided a Subsidiary Guarantee on the Original Issue Date (the "Initial Non-Guarantor Subsidiaries" and, together with any other Restricted Subsidiary that has not executed a Subsidiary Guarantee, the "Non-Guarantor Subsidiaries"). In the event that any Non-Guarantor Subsidiary subsequently provides a Subsidiary Guarantee, such Subsidiary shall be excluded from the definition of Non-Guarantor Subsidiary and be added to the definition of Subsidiary Guarantor. Each Restricted Subsidiary that guarantees the New Notes after the Original Issue Date is referred to as a "Future Subsidiary Guarantor" and upon execution of the applicable supplemental indenture to the Indenture will become a "Subsidiary Guarantor." Although the Indenture contains limitations on the amount of additional Indebtedness that Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. If the Issuer designates any Subsidiary Guarantor as an Unrestricted Subsidiary, the guarantee of such Subsidiary will be released as described under "—Release of Subsidiary Guarantees." In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Parent Guarantor.

The Subsidiary Guarantee of each Future Subsidiary Guarantor will be:

- an obligation of such Future Subsidiary Guarantor secured equally and ratably with the Existing Notes on a first-priority basis by the Collateral;
- pari passu in right of payment with any such Future Subsidiary Guarantor's guarantee of the Existing Notes which will be equally and ratably secured on a first-priority basis by the Collateral;
- at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the relevant Future Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- senior in right of payment to any obligations of the relevant Future Subsidiary Guarantor expressly subordinated in right of payment to the New Notes (subject to any priority rights of such subordinated Indebtedness pursuant to applicable law);

- effectively subordinated to existing and future obligations of the relevant Future Subsidiary Guarantor secured by assets (other than the Collateral), to the extent of the value of assets serving as security therefor;
- structurally subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries; and
- is subordinated to liabilities preferred by statute and certain other obligations that in the event of liquidation are granted preferential treatment under applicable law (such as tax, social security and labor obligations).

If any Restricted Subsidiary guarantees any Indebtedness of the Issuer or the Parent Guarantor after the Original Issue Date, such Restricted Subsidiary shall become a Subsidiary Guarantor and, upon such designation, shall execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

The Board of Directors may designate any Restricted Subsidiary to be a Subsidiary Guarantor; *provided* that (i) such designation will not cause or result in a Default; (ii) any Indebtedness of such Restricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Subsidiary Guarantor as a result of such designation would be permitted to be Incurred by the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock”; (iii) any Lien on the property of such Restricted Subsidiary at the time of such designation which will be deemed to have been Incurred by such newly-designated Subsidiary Guarantor as a result of such designation would be permitted to be Incurred by the covenant described under the caption “—Limitation on Liens”; and (iv) such Subsidiary Guarantor, upon such designation, executes and delivers to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors have or will irrevocably and unconditionally, jointly and severally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes, the Indenture and the Parent Guarantee. To the extent permitted by law, the Subsidiary Guarantors have (i) agreed that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the New Notes, the Indenture or the Parent Guarantee and (ii) waived their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a New Note, the Parent Guarantee or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee is limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other Indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such Indebtedness, a Subsidiary Guarantor’s liability on its Subsidiary Guarantee could be reduced to zero. The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See “Risk Factors—Risks Related to the Guarantees.”

### **Release of the Subsidiary Guarantees**

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the New Notes;
- upon a defeasance as described under “—Defeasance;” or

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- upon the sale or other disposition of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants under the captions “—Certain Covenants—Limitation on Asset Sales” and “—Consolidation, Merger and Sale of Assets”) resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (i) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Parent Guarantor’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (ii) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

As of the Original Issue Date, all of the Parent Guarantor’s Subsidiaries were “Restricted Subsidiaries.” Under the circumstances described below under the caption “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries,” the Parent Guarantor is permitted to designate certain of its Subsidiaries as “Unrestricted Subsidiaries.” If so designated, the Parent Guarantor’s Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture.

## **Collateral**

The due and punctual payment of principal of, and interest on and Additional Amounts, if any, with respect to, the Notes when and as the same shall be due and payable, whether on an Interest Payment Date, at maturity, by acceleration, repurchase, redemption or otherwise, and interest on the overdue principal of, interest on and Additional Amounts, if any, with respect to the Notes is ratably secured by a first priority lien and security interest over certain real estate assets consisting of land, crops, buildings, machinery and equipment and licenses, including water licenses, related thereto (the “Real Estate”) to be transferred to La Fiduciaria S.A., as Peruvian trustee and Peruvian collateral agent (the “Peruvian Trustee and Collateral Agent”), in order to create a bankruptcy remote trust (*patrimonio fideicometido*) (the “Peruvian Trust”) pursuant to a guaranty trust agreement (*Fideicomiso de Garantía*) governed by Peruvian laws (the “Peruvian Trust Agreement”).

The Real Estate transferred to the Peruvian Trustee and Collateral Agent pursuant to the Peruvian Trust Agreement is referred to herein as the “Collateral.” The Peruvian Trust Agreement and any related collateral agreements and/or instruments are collectively referred to herein as the “Collateral Documents.”

### ***The Peruvian Trust Agreement***

On the Original Issue Date, the Issuer and the Peruvian Trustee and Collateral Agent entered into the Peruvian Trust Agreement in order to create the Peruvian Trust. Pursuant to Peruvian laws, the Peruvian Trust was deemed perfected upon the Issuer and the Peruvian Trustee and Collateral Agent entering into the Peruvian Trust Agreement and executing the corresponding public deed. The Peruvian Trust shall be enforceable against third-parties upon registration of the Peruvian Trust Agreement with the applicable Peruvian public registry, except that during (a) the six-months period following the publication in the Peruvian Official Gazette (*Diario Oficial El Peruano*) of a notice informing the transfer of the Real Estate for three consecutive days or (b) the two-months period following an Issuer’s written notice to its creditors regarding the formation of the Peruvian Trust, the Issuer’s creditors may challenge the transfer only based on fraudulent conveyance grounds. Pursuant to the Peruvian Trust Agreement, the Issuer shall (i) file the Peruvian Trust Agreement with the applicable Peruvian public registry no later than one Business Days following the Original Issue Date, and (ii) complete the registration process with the applicable Peruvian public registry within 35 Business Days of the Original Issue Date (provided that such time period shall be extended by additional 25 Business Days in the event that the applicable Peruvian public registry makes any observation in connection with such registration).

The Trustee (and the trustee and the collateral agent for the Existing Notes) are the beneficiaries of the Peruvian Trust for the ratable benefit of the Holders (and the holders of Existing Notes) and, although the Trustee (and the trustee and collateral agent for the Existing Notes) did not execute the Peruvian Trust Agreement on the Original Issue Date, any amendments to the Peruvian Trust Agreement (other than amendments to include additional assets to the Real Estate after the Original Issue Date) shall require the prior written consent of the Trustee (and the trustee and collateral agent for the Existing Notes) (which consent may require approval from the Holders and holders of Existing Notes).

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If an (i) Event of Default under the New Indenture governing the New Notes occurs and is continuing and (ii) holders representing at least a majority of the aggregate principal amount of New Notes outstanding instruct the Trustee under the New Indenture governing the New Notes in writing to foreclose on the Collateral, the Trustee under the New Indenture governing the New Notes shall instruct the Peruvian Trustee and Collateral Agent to enforce the security interest in the Collateral and, following receipt of such instruction, the Peruvian Trustee and Collateral Agent may foreclose on the Collateral.

If (i) an event of default under the indenture governing the Existing Notes occurs and is continuing and (ii) holders representing at least a majority of the aggregate principal amount of Existing Notes outstanding instruct the trustee under the indenture governing the Existing Notes in writing to foreclose on the Collateral, the Trustee under the indenture governing the Existing Notes shall instruct the Peruvian Trustee and Collateral Agent in writing to enforce the security interest in the Collateral; *provided, however*, that notwithstanding receipt of any such instruction, the Peruvian Trustee and Collateral Agent shall not be authorized to proceed to enforce the security interest in the Collateral unless at such time (i) an Event of Default under the New Indenture governing the New Notes shall have occurred and be continuing, (ii) holders representing at least a majority of the aggregate principal amount of New Notes outstanding instruct the Trustee in writing to foreclose on the Collateral and (iii) the Trustee under the New Indenture governing the New Notes shall have instructed the Peruvian Trustee and Collateral Agent in writing to enforce the security interest in the Collateral, in which case the Peruvian Trustee and Collateral Agent may foreclose on the Collateral.

The Trustee under the New Indenture governing the New Notes and/or the trustee under the Indenture governing the Existing Notes, as applicable, have the right to direct the Peruvian Trustee and Collateral Agent to take action to enforce the security interests in the Collateral and the Peruvian Trustee and Collateral Agent will act in accordance with the instructions received from the Trustee under the New Indenture governing the New Notes and/or the trustee under the Indenture governing the Existing Notes and subject to the provisions of the Peruvian Trust Agreement. The Holders and the holders of Existing Notes do not have any right to take part in any action to foreclose on, or otherwise exercise remedies with respect to, the Collateral or otherwise have any enforcement rights with respect to the Collateral. Nonetheless, the Holders and holders of Existing Notes are beneficiaries under the Peruvian Trust Agreement and, as such, in the event that the security interest in the Collateral is enforced in accordance with the Peruvian Trust Agreement, the Holders and holders of Existing Notes will be entitled to receive payments from the proceeds thereof on a *pro rata* and *pari passu* basis.

Each Holder and the Issuer will be deemed to have authorized and instructed each of the Trustee and the Peruvian Trustee and Collateral Agent (i) to grant such powers of attorney and to do or cause to be done all such acts and things, on its own behalf and in the name and on behalf of the Holders, as are reasonably necessary to create and maintain the security interest of the Trustee, the Peruvian Trustee and Collateral Agent and the Holders in such Collateral, (ii) to accept the security interest in the Collateral on behalf of each Holder and (iii) to grant powers in favor of an attorney and/or the Peruvian Trustee and Collateral Agent to execute the Peruvian Trust or other public deeds before a Peruvian notary public accepting the security interest in the Collateral on behalf of the Holders.

### **Certain Bankruptcy and Other Collateral Limitations**

If an Event of Default occurs and is continuing, and at any time after a declaration of acceleration has been made with respect to the New Notes by the Trustee or Holders holding at least the required proportion in aggregate principal amount of the New Notes, the Trustee, on behalf of the Holders, in addition to any rights or remedies available to it under the Indenture, will be entitled to take such actions as may be directed by the Holders to protect and enforce its rights to the Collateral under the Collateral Documents and any other related agreement, including, without limitation, instructing the Peruvian Trustee and Collateral Agent to institute foreclosure or enforcement proceedings in accordance with the Collateral Documents and Peruvian law. Following foreclosure of the Collateral pursuant to the Collateral Documents and Peruvian law, the Peruvian Trustee and Collateral Agent will apply the proceeds received by it from any foreclosure of the Collateral: (i) *first*, to pay the expenses of such foreclosure and fees and expenses (including fees and expenses of counsel, advisors and agents) and other amounts then payable to the Trustee, the trustee and collateral agent for the Existing Notes, and the Peruvian Trustee and Collateral Agent, under the Indenture, the indenture governing the Existing Notes, the New Notes, the Existing Notes, the Note



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Guarantees, the Collateral Documents and any other related agreement; (ii) *second*, to pay ratably the principal of, interest on, premium and Additional Amounts, if any, on the New Notes and the Existing Notes, and (iii) *third*, all remaining amounts, if any, to be transferred to the Issuer.

The foreclosure of the Collateral is subject to certain limitations pursuant to the Peruvian Trust Agreement and Peruvian laws. See “Risk Factors—Risks Related to the Collateral—The foreclosure of the Collateral is subject to certain limitations pursuant to the Peruvian Trust Agreement and Peruvian laws” We cannot assure you that, if we default on the payments due on the New Notes, the Collateral or the net proceeds received upon a sale of the Collateral would be sufficient to pay all amounts that we owe on the New Notes. See “Risk Factors—Risks Related to the Collateral—The value of the Collateral securing the New Notes and the remaining the Existing Notes may not be sufficient to satisfy our obligations under such notes.”

### Further Issues

Subject to the covenants described below, the Issuer, the Parent Guarantor and its Subsidiary Guarantors may, from time to time, without notice to or the consent of the Holders, create and issue Additional New Notes having the same terms and conditions as the New Notes (including the benefit of the Parent Guarantee and any Subsidiary Guarantees) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a “Further Issue”) so that such Additional New Notes may be consolidated and form a single class with the previously outstanding New Notes and vote together as one class on all matters with respect to the New Notes; *provided* that the issuance of any such Additional New Notes will then be permitted under the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock” covenant described below; and *provided further* that any Additional New Notes that are not fungible with the New Notes for United States federal income tax purposes shall be issued under a separate CUSIP or other identifier number.

### Optional Redemption

At any time prior to July 15, 2018, the Issuer may at its option redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes *plus* the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date (a “Make-Whole Redemption”). The Issuer will give not less than 30 days’ or more than 60 days’ notice of any Make-Whole Redemption.

At any time and from time to time prior to July 15, 2019 the Issuer may redeem up to 35% of the aggregate principal amount of the New Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Parent Guarantor or the Issuer in an Equity Offering at a redemption price of 110.50% of the principal amount of the New Notes, *plus* accrued and unpaid interest, if any, to (but not including) the redemption date (an “Equity Claw-Back Redemption”); *provided* that at least 65% of the aggregate principal amount of the New Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

The Issuer will give not less than 30 days’ nor more than 60 days’ notice of any Equity Claw-Back Redemption. The Trustee will select Notes for redemption *pro rata*, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, all in accordance with the procedures of DTC. A New Note of US\$2,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption.

At any time and from time to time on or after July 15, 2018 the Issuer may redeem the New Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below *plus* accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on July 15 of the years indicated below.

Year	Percentage
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2018	105.250%
2019	102.625%
2020 and thereafter	100.000%

A New Note of US\$2,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption.

In addition, the Issuer must pay accrued and unpaid interest and Additional Amounts, if any, on the New Notes redeemed.

The Parent Guarantor and its Subsidiaries (including the Issuer) may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws.

### **Repurchase of Notes Upon a Change of Control Triggering Event**

Not later than 30 days following a Change of Control Triggering Event, the Issuer or the Parent Guarantor will make an Offer to Purchase all outstanding New Notes (a “Change of Control Offer”) at a purchase price equal to 101% of the principal amount thereof, *plus* accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Parent Guarantor and the Issuer will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Parent Guarantor or the Issuer and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Certain of the events constituting a Change of Control Triggering Event under the New Notes will also constitute an event of default under certain debt instruments of the Parent Guarantor and its Subsidiaries. Future debt of the Parent Guarantor or its Subsidiaries may also (i) prohibit the Issuer or the Parent Guarantor from purchasing Notes in the event of a Change of Control Triggering Event, (ii) provide that a Change of Control Triggering Event is a default or (iii) require the repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by Holders of their right to require the Issuer or the Parent Guarantor to purchase the New Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on Issuer or Parent Guarantor. The ability of the Issuer or the Parent Guarantor to pay cash to Holders following the occurrence of a Change of Control Triggering Event may be limited by the Issuer’s or the Parent Guarantor’s then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the New Notes. See “Risk Factors—Risks Related to the New Notes—We may not be able to fulfill our repurchase obligations with respect to the New Notes upon a Change of Control Triggering Event.” The provisions of the Indenture relevant to the Issuer’s or the Parent Guarantor’s obligation to make an offer to repurchase the New Notes as a result of a Change of Control Triggering Event may be waived or modified with the written consent of Holders of at least 67% in aggregate principal amount then outstanding.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Issuer or the Parent Guarantor purchase or redeem the New Notes in the event of a takeover, recapitalization or similar transaction.

### **Additional Amounts**

All payments of principal of, premium (if any) and interest on the New Notes and all payments under the Note Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes,

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duties, assessments or governmental charges of whatever nature imposed or levied by or within Peru or any jurisdiction in which the Issuer or any applicable Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a “Relevant Jurisdiction”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer or the applicable Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts (“Additional Amounts”) as will result in receipt by the Holders of such amounts as would have been received by the Holders had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(a) for or on account of:

- (i) any withholding or deduction that is imposed on payments of interest (as opposed to any withholding or deduction that is imposed on the proceeds of a redemption of a New Note) at a rate that exceeds 4.99% in the aggregate to a Holder of Notes that does not qualify for the Peruvian income tax withholding rate of 4.99% (the “4.99% Rate”) on payments of interest on the New Notes, unless failure to qualify for the 4.99% Rate is due to a change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Peru or Cyprus affecting taxation and such change or amendment occurs after the Holder acquires the New Notes (however, for the avoidance of doubt, the Issuer will, subject to the conditions below, be obligated to pay Additional Amounts in such case with respect to the amounts that are deducted or withheld in respect of the first 4.99% of the interest payment);
- (ii) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
  - (A) the existence of any present or former connection between the Holder or beneficial owner of such New Note or Note Guarantee, as the case may be, and the Relevant Jurisdiction, including, without limitation, such Holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such New Note or the receipt of payments thereunder or under the Note Guarantee;
  - (B) the presentation of such New Note (where presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such New Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any day within such 30-day period;
  - (C) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer or any Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request under applicable law, regulation, administrative practice or treaty would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or
  - (D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such New Note could not have been presented for payment elsewhere;
- (iii) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

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- (iv) any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments of principal, premium (if any) or interest on the New Notes;
  - (v) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal, premium (if any) or interest on the New Note, if such tax, assessment or other governmental charge results from the presentation of such New Note for payment (where presentation is required) and the payment can be made without such withholding or deduction by the presentation of such New Note for payment to at least one other paying agent; or
  - (vi) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (i), (ii), (iii); (iv) and (v); or
- (b) with respect to any payment of the principal of, or premium, if any, or interest on, such New Note or any payment under any New Note Guarantee to a Holder, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of such payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or another beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any New Note or under any Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuer intends to withhold Peruvian taxes from interest payments on the New Notes at a rate of 4.99% and to pay Additional Amounts, subject to the conditions above, with respect thereto for so long as the New Notes are held through DTC or its nominee. See “Taxation—Peruvian Income Taxation.”

### **Redemption for Taxation Reasons**

The New Notes may be redeemed, at the option of the Issuer, as a whole but not in part, upon giving not less than 30 days’ nor more than 60 days’ notice to the Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer for redemption (the “Tax Redemption Date”) if, as a result of:

1. any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation; or
2. any change in, or amendment to, the official application or interpretation of such laws, regulations or rulings (including without limitation a holding, judgment or order by a court of competent jurisdiction or other governmental authority),

which change or amendment becomes effective (i) with respect to the Issuer or any applicable Guarantor, on or after the Original Issue Date and (ii) with respect to any successor of the Issuer or any applicable Guarantor, wherein any successor assumes the obligations of the New Notes or the Note Guarantees, as the case may be, and the Indenture following a merger, consolidation or transfer, lease or conveyance of substantially all of the predecessor’s assets (each a “Surviving Person”), on or after the day such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the New Notes, the Indenture or the Note Guarantees, and the Issuer or any applicable Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts with respect to taxes of Peru or Cyprus at a rate in excess of (x) 4.99% in the aggregate with respect to interest paid on the New Notes or (y) 30% in the aggregate with respect to any payments other than interest or principal on the New Notes that a Holder would realize were such Notes redeemed on such Interest

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Payment Date, and such requirement cannot be avoided by the Issuer or any applicable Guarantor, as the case may be, taking reasonable measures available to it; *provided* that for the avoidance of doubt changing the jurisdiction of the Issuer or any applicable Guarantor is not a reasonable measure for the purposes of this section; and *provided further* that no such notice of redemption will be given earlier than 30 days prior to the earliest date on which the Issuer or any applicable Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the New Notes or the Note Guarantees were then due.

Prior to the mailing of any notice of redemption of the New Notes pursuant to the foregoing, the Issuer or any applicable Guarantor, as the case may be, will deliver to the Trustee:

1. an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer or the applicable Guarantor, as the case may be, taking reasonable measures available to it; and
2. an Opinion of Counsel or an opinion of a tax consultant, each of recognized standing with respect to tax matters in the Relevant Jurisdiction, as the case may be, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

Such certificate and opinion shall constitute sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders. The notice, once delivered to the Trustee, will be irrevocable.

Any New Notes that are redeemed will be cancelled.

### **Mandatory Redemption or Sinking Fund**

There will be no mandatory redemption or sinking fund payments for the New Notes.

### **Certain Covenants**

Pursuant to the Indenture, the Issuer, the Parent Guarantor and the Subsidiary Guarantors have agreed to certain restrictive covenants.

During any period of time that (i) the New Notes have Investment Grade Ratings from two Rating Agencies and (ii) no payment default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions (collectively, the "Suspended Covenants") of the Indenture:

- "—Limitation on Indebtedness and Disqualified Stock";
- "—Limitation on Restricted Payments";
- "—Limitation on Asset Sales";
- "—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";
- "—Limitation on Issuances of Guarantees by Restricted Subsidiaries";
- "—Limitation on Transactions with Affiliates";
- "—Limitation on Use of Proceeds";

- “—Limitation on Business Activities”; and
- “—Maintenance of Insurance.”

In the event that the Issuer, the Parent Guarantor and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “Reversion Date”) one of the Rating Agencies withdraws its Investment Grade rating or downgrades its rating assigned to the New Notes below an Investment Grade rating and as a result the New Notes have an Investment Grade rating from fewer than two Rating Agencies, then the Company and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the Suspension Date and the Reversion Date is referred to as the “Suspension Period.” Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period). During the Suspension Period, the Issuer will not be entitled to make any designation of Restricted and Unrestricted Securities.

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred pursuant to clause (a) of “—Limitation on Indebtedness and Disqualified Stock” below or one of the clauses set forth in clause (b) of “—Limitation on Indebtedness and Disqualified Stock” below (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred pursuant to clause (a) or (b) of “—Limitation on Indebtedness and Disqualified Stock,” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under sub-clause (2) of clause (b) of “—Limitation on Indebtedness and Disqualified Stock.” Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under “—Limitation on Restricted Payments” will be made as though the covenant described under “—Limitation on Restricted Payments” had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of “—Limitation on Restricted Payments.”

The Issuer shall give the Trustee written notice of any Covenant Suspension Event and in any event not later than five (5) Business Days after such Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

#### **Limitation on Indebtedness and Disqualified Stock**

- (a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) or Disqualified Stock; *provided* that the Parent Guarantor, the Issuer and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio of the Parent Guarantor is less than 3.25 to 1.0.
- (b) Notwithstanding the foregoing, the Parent Guarantor, the Issuer, any Subsidiary Guarantor and, to the extent provided below, any Non-Guarantor Subsidiary, may Incur each and all of the following (“Permitted Indebtedness”):
  - 1. Indebtedness under the New Notes (excluding any Additional New Notes) and the Note Guarantees;

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2. Indebtedness of the Parent Guarantor, the Issuer, any Subsidiary Guarantor or any Non-Guarantor Subsidiary outstanding on the Original Issue Date, excluding short-term indebtedness that would be eligible to be incurred pursuant to clause (b)(12) below;
  3. Indebtedness of the Parent Guarantor, the Issuer, any Subsidiary Guarantor or any Non-Guarantor Subsidiary owed to the Parent Guarantor or any Restricted Subsidiary; provided that (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Parent Guarantor or any Restricted Subsidiary) will be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) and (ii) if the Issuer, the Parent Guarantor or any Subsidiary Guarantor is the obligor on such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness must expressly be subordinated in right of payment to the New Notes and Note Guarantees;
  4. Indebtedness (“Permitted Refinancing Indebtedness”) issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under the immediately preceding paragraph or clauses (1) or (2) of this paragraph (b) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); provided that (i) Indebtedness the proceeds of which are used to refinance or refund the New Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the New Notes or Note Guarantees shall only be permitted under this clause (4) if (x) in case the New Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the New Notes or Note Guarantees, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinated in right of payment to, the remaining Notes or such Note Guarantees, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the New Notes or Note Guarantees, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the New Notes or such Note Guarantees at least to the extent that the Indebtedness to be refinanced is subordinated to the New Notes or such Note Guarantees, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not have a Stated Maturity prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (iii) in no event may Indebtedness of the Issuer or any Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary (other than the Issuer) that is not a Guarantor;
  5. Hedging Obligations arising under Commodity Hedging Agreements, Currency Agreements or Interest Rate Agreements which, when entered into, were entered into in the ordinary course of business for the purpose of protecting the Parent Guarantor, the Issuer or any Restricted Subsidiary from fluctuations in interest rates, currency exchange rates or the price of commodities and not for speculation;
  6. Indebtedness in respect of any obligations under workers’ compensation claims, severance payment obligations, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, reclamation, statutory obligations, regulatory or other legal obligations, bankers’ acceptances, promissory notes, performance, surety or similar bonds, appeal or similar bonds, letters of credit or completion or performance guarantees and factoring and other financing of payables or receivables, or similar obligations in the ordinary course of business;
  7. Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

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8. Indebtedness arising under agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the acquisition or disposition of a business, assets or Capital Stock of a Restricted Subsidiary; *provided* that, in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness will at no time exceed the gross proceeds actually received by the Parent Guarantor, the Issuer or such Restricted Subsidiary in connection with such disposition;
  9. Acquired Indebtedness; *provided* that immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio would be not greater than the Consolidated Leverage Ratio determined immediately before such Incurrence and the consummation of the related acquisition;
  10. Permitted Subsidiary Indebtedness;
  11. Guarantees of any Indebtedness permitted to be Incurred under this “Limitation on Indebtedness and Disqualified Stock” covenant;
  12. Indebtedness Incurred for inventory or receivables financing in the ordinary course of business with a Stated Maturity not exceeding one year from the date of the Incurrence in an aggregate principal amount outstanding not to exceed 25.0% of the consolidated net sales of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS, for the twelve-month period ended on the last day of the most recent fiscal quarter ending prior to the date of such Incurrence; and
  13. Other Indebtedness Incurred by the Issuer, the Parent Guarantor or any of its Restricted Subsidiaries, in an aggregate principal amount, together with any other outstanding Indebtedness Incurred by the Issuer, the Parent Guarantor or any of its Restricted Subsidiaries since the original issue date of the Existing Notes, not to exceed the greater of (a) US\$30.0 million (or the Dollar Equivalent thereof) and (b) 5.0% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS as of the end of the most recent fiscal quarter ending prior to the date of such Incurrence.

For purposes of determining compliance with this “Limitation on Indebtedness and Disqualified Stock” covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of this covenant, the Parent Guarantor will be permitted to classify such item of Indebtedness on the date of its incurrence and may, in its sole discretion, divide and classify an item of Indebtedness in one or more of the types of Indebtedness and may later re-divide or reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant at such time. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant shall not be deemed to be exceeded as a result solely of fluctuations in exchange rates or currency values after the date of Incurrence of such Indebtedness. It is further understood that for purposes of determining any particular amount of Indebtedness under paragraphs (a) and (b) above, guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included. Accrual of interest, accrual of dividends, payment of interest in the form of additional Indebtedness, payment of dividends in the form of shares of Preferred Stock, accretion or amortization of original issue discount will not be deemed to be an Incurrence of Indebtedness for purposes of the “—Limitation on Indebtedness and Disqualified Stock” covenant.

### **Limitation on Restricted Payments**

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as “Restricted Payments”):



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1. declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any Restricted Subsidiary's Capital Stock other than dividends or distributions payable in shares of the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to acquire shares of such Capital Stock;
  2. purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock of the Parent Guarantor or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) held by any Persons other than the Parent Guarantor, the Issuer or any Restricted Subsidiary;
  3. make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is expressly subordinated in right of payment to the New Notes or any Note Guarantees (excluding any intercompany Indebtedness between or among the Parent Guarantor, the Issuer and any Restricted Subsidiary); or
  4. make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;
- (B) the Parent Guarantor could not Incur at least US\$1.00 of Indebtedness under the proviso in the first paragraph of the covenant under the caption "—Limitation on Indebtedness and Disqualified Stock;" or
- (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments declared or made by the Parent Guarantor and its Restricted Subsidiaries after the Original Issue Date, (excluding Restricted Payments permitted by clauses (2), (3) and (6) of the succeeding paragraph) will exceed the sum of:
  1. 50% of the aggregate amount of the Consolidated Net Income of the Parent Guarantor (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately preceding the Original Issue Date and ending on the last day of the Parent Guarantor's most recently ended fiscal quarter for which consolidated financial statements of the Parent Guarantor are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*
  2. 100% of the aggregate Net Cash Proceeds received by the Parent Guarantor, the Issuer or any Restricted Subsidiary after the Original Issue Date as a capital contribution to its common equity by, or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to, a Person who is not a Subsidiary of the Parent Guarantor, the Issuer or any Restricted Subsidiary, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Parent Guarantor into Capital Stock (other than Disqualified Stock) of the Parent Guarantor, the Issuer or any Restricted Subsidiary, or (y) the exercise by a Person who is not a Subsidiary of the Parent Guarantor of any options, warrants or other rights to acquire Capital Stock of the Parent Guarantor (other than Disqualified Stock), in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Parent Guarantor, the Issuer or any Restricted Subsidiary; *plus*
  3. an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (a) repurchases or redemptions of such Investments by such Person, proceeds realized upon the

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sale or other disposition and such Investments, releases of Guarantees, payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Parent Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), or (b) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date in any such Person; *plus*

4. the amount by which Indebtedness is reduced on the consolidated balance sheet of the Parent Guarantor upon the conversion or exchange subsequent to the Original Issue Date of any Indebtedness of the Parent Guarantor, the Issuer or any Restricted Subsidiary for Capital Stock (other than Disqualified Stock).

The foregoing provision will not be violated by reason of:

1. the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
2. the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Parent Guarantor, the Issuer or any of the Restricted Subsidiary with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
3. any Restricted Payment made in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than a capital contribution by or sale to the Parent Guarantor or to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Parent Guarantor, the Issuer or any of the Restricted Subsidiaries (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph;
4. the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor to all holders of any class of Capital Stock of such Restricted Subsidiary;
5. purchases deemed to occur as a result of cashless exercises of stock options or other payments under employee benefit plans of the Parent Guarantor or any Restricted Subsidiary; and
6. other Restricted Payments in an aggregate amount not to exceed US\$15.0 million (or the Dollar Equivalent thereof) since the Original Issue Date; *provided* that no Default shall have occurred and be continuing or would occur as a consequence of the relevant payment;

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Parent Guarantor or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized standing.

#### **Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries**

- (a) Except as provided below, the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

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1. pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any other Restricted Subsidiary;
  2. pay any Indebtedness owed to the Parent Guarantor or any other Restricted Subsidiary;
  3. make loans or advances to the Parent Guarantor or any other Restricted Subsidiary;
  4. sell, lease or transfer any of its property or assets to the Parent Guarantor or any Restricted Subsidiary.
- (b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:
1. existing in agreements as in effect on the Original Issue Date, in the New Notes, the Note Guarantees, or the Indenture, and any extensions, refinancings, supplements, amendments, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no less favorable in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, supplemented, amended, renewed or replaced;
  2. existing under or by reason of applicable law, rule, regulation, license, concession, approval, decree or order applicable to the relevant Restricted Subsidiary;
  3. resulting from restrictions on cash or other deposits or other customary requirements imposed by customers or suppliers under contracts entered into in the ordinary course of business;
  4. existing with respect to any Person or the property or assets of such Person, or relating to or existing under any Indebtedness or other obligations acquired or incurred by the Parent Guarantor or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, supplements, amendments, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are not materially less favorable to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, supplemented, amended, renewed or replaced;
  5. that (x) otherwise would be prohibited by the provision described in clause (a)(4) of this covenant if they arise or are agreed to in the ordinary course of business, (y) (i) restrict in a customary manner the subletting, assignment or other transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Indebtedness, Lien, agreement to transfer, option or similar right with respect to any property or assets of the Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, or (z) do not, individually or in the aggregate, detract from the value of property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or its Restricted Subsidiaries taken as a whole;
  6. contained in any agreement pursuant to which Indebtedness not otherwise prohibited by this Indenture was Incurred; *provided* that the encumbrance or restriction applies only in the event of a default with respect to a covenant contained in such Indebtedness; or
  7. imposed pursuant to an agreement that has been entered into for a sale or disposition that is permitted by the “—Limitation on Asset Sales” covenant.

#### **Limitation on Issuances of Guarantees by Restricted Subsidiaries**

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The Parent Guarantor will not permit any Restricted Subsidiary (other than the Issuer) which is not a Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness (“Guaranteed Indebtedness”) of the Parent Guarantor or any other Restricted Subsidiary, unless (1) (a) such Restricted Subsidiary, simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the New Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the New Notes have been paid in full or (2) such Guarantee and such Guaranteed Indebtedness are permitted by clauses (b) (2), (3) or (10) of the “—Limitation on Indebtedness and Disqualified Stock” covenant. Under the Indenture, and any supplemental indenture, as applicable, each Subsidiary Guarantee will be limited in an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the New Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the New Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the New Notes or the Subsidiary Guarantee.

Any Subsidiary Guarantee executed and delivered pursuant to the first paragraph of this covenant may provide that it shall automatically terminate upon the sale, exchange or transfer of all Capital Stock of the relevant Subsidiary Guarantor held by the Parent Guarantor or any Restricted Subsidiary, or all or substantially all the assets of such Subsidiary Guarantor, to a Person or Persons other than the Parent Guarantor or any Restricted Subsidiary. Any Subsidiary Guarantee executed and delivered pursuant to the first paragraph of this covenant may further provide that it shall automatically terminate upon termination of any and all obligations of the Subsidiary Guarantor under the Guarantee of the relevant Guaranteed Indebtedness.

#### **Limitation on Transactions with Affiliates**

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Parent Guarantor or any Restricted Subsidiary (each an “Affiliate Transaction”), unless:

1. the Affiliate Transaction is on terms that are not materially less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Parent Guarantor or such Restricted Subsidiary; and
2. the Parent Guarantor delivers to the Trustee:
  - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution or an approval by the audit committee of the Parent Guarantor set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors, or by a majority of the members of the audit committee, as applicable; and
  - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Affiliate Transaction from a financial

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point of view issued by an internationally recognized accounting, appraisal or investment banking firm.

The foregoing limitation does not limit, and will not apply to:

1. the payment of reasonable fees, compensation, benefits or indemnity to officers, employees and directors of the Parent Guarantor or any of its Restricted Subsidiaries;
2. transactions between or among the Parent Guarantor, the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
3. any Restricted Payment permitted by the covenant “—Limitation on Restricted Payments;”
4. transactions with customers, clients, suppliers, distributors, generators, transporters or purchasers or sellers of goods or services, in each case in the ordinary course of business;
5. loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding US\$2.0 million at any time; and
6. any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers, directors and employees of the Parent Guarantor or any of its subsidiaries approved by the Board of Directors in an aggregate amount not to exceed US\$1.5 million (or the Dollar Equivalent thereof) during any fiscal year, calculated at the time of such award or grant and without giving effect to subsequent changes in value.

#### **Limitation on Liens**

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired securing any Indebtedness, except Permitted Liens, unless the New Notes or the Note Guarantees are equally and ratably secured by (or, if the obligation so secured is subordinated in right of payment to the New Notes or the Note Guarantees, prior to) such Lien for so long as such Indebtedness is so secured.

#### **Limitation on Asset Sales**

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

1. the consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;
2. at least 75% of the consideration received consists of cash or Temporary Cash Investments. For purposes of this provision, each of the following will be deemed to be cash:
  - (a) any liabilities, as shown on the Parent Guarantor’s most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Parent Guarantor or such Restricted Subsidiary from further liability;

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- (b) any securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from such transferee that are to be converted by the Parent Guarantor or such Restricted Subsidiary into cash within 360 days of closing; and
  - (c) the Fair Market Value of (i) any assets or rights (including without limitation a present or future interest in raw materials) received by the Parent Guarantor or any Restricted Subsidiary to be used by it in a Permitted Business, (ii) Capital Stock in a Person that is a Restricted Subsidiary or in a Person engaged in a Related Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Person by the Parent Guarantor or any Restricted Subsidiary or (iii) a combination of (i) and (ii).

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

1. permanently repay Senior Indebtedness of the Parent Guarantor or a Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Parent Guarantor or a Restricted Subsidiary; and/or
2. acquire properties or other assets that replace the properties and assets that were the subject of such Asset Sale or other properties or assets that will be used or useful in a Permitted Business (“Replacement Assets”).

Any Net Cash Proceeds from Asset Sales that are not applied or invested (or irrevocably committed to be invested) as provided in clauses (1) and (2) in the paragraph above will constitute “Excess Proceeds.” Excess Proceeds of less than US\$15.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US\$15.0 million (or the Dollar Equivalent thereof), within 30 days thereof, the Issuer must make an Offer to Purchase Notes having a principal amount equal to:

1. accumulated Excess Proceeds, multiplied by;
2. a fraction (x) the numerator of which is equal to the outstanding principal amount of the New Notes and (y) the denominator of which is equal to the outstanding principal amount of the New Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US\$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount *plus* accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the New Notes (and such other *pari passu* Indebtedness) to be purchased on a *pro rata* basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate and in accordance with the procedures of DTC. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

#### **Preservation of Collateral**

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The Issuer, the Parent Guarantor and each Subsidiary Guarantor shall undertake all actions that are reasonably necessary to (i) establish, perfect, maintain and preserve the Trustee's and the Peruvian Trustee and Collateral Agent's Liens and that of the trustee for the Existing Notes (including the priority thereof) on the Collateral in full force and effect at all times, (ii) preserve and protect the Collateral and protect and enforce the Issuer's, the Parent Guarantor's and each Subsidiary Guarantor's rights, title and interest, and the rights of the Trustee and the Peruvian Trustee and Collateral to the Collateral and that of the trustee for the Existing Notes, and (iii) enable the Trustee and the Peruvian Trustee and Collateral, on behalf of the Holders, to exercise and enforce their rights, powers, remedies and privileges and that of the trustee for the Existing Notes under the Indenture, the Collateral Documents and any other documents ancillary thereto, including, but not limited to, the making of all filings and recordings, the payment of fees, expenses and other charges, the issuance of supplemental documentation, amendments and restatements, the publication and/or delivery of any required notices under applicable laws to governmental agencies, registries and third parties.

### **Limitation on Business Activities**

The Parent Guarantor and its Restricted Subsidiaries, taken as a whole, will continue to be primarily engaged in Permitted Businesses; *provided* that the Parent Guarantor or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption "—Limitation on Restricted Payments."

### **Maintenance of Insurance**

The Parent Guarantor will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Parent Guarantor may be necessary so that the business of the Parent Guarantor and its Restricted Subsidiaries may be properly conducted at all times except to the extent the failure to do so would not have a material adverse effect on the business and results of operations of the Parent Guarantor and its Restricted Subsidiaries taken as a whole; *provided* that nothing in this section prevents the Parent Guarantor or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Parent Guarantor, desirable in the conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries. The Parent Guarantor will, and will cause its Restricted Subsidiaries to, maintain property and casualty insurance or self-insurance with respect to its material operating assets against such risks and in such amounts as in the judgment of the Parent Guarantor is reasonable and appropriate for similarly-situated businesses.

### **Designation of Restricted and Unrestricted Subsidiaries**

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (i) such designation would not cause a Default and (ii) one of the following: (a) the Subsidiary to be so designated has total assets of US\$1,000 or less or (b) if such Subsidiary has total assets greater than US\$1,000, the Issuer would be permitted under the covenant described under "—Limitation on Restricted Payments" to make a Restricted Payment in the amount equal to the aggregate Fair Market Value of all Investments by the Parent Guarantor, the Issuer or any Restricted Subsidiary in such Subsidiary.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (i) such designation will not cause or result in a Default; (ii) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "—Limitation on Indebtedness and Disqualified Stock;" (iii) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "—Limitation on Liens;" and (iv) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

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## Government Approvals and Licenses; Compliance with Law

The Parent Guarantor will, and will cause each Restricted Subsidiary to, (i) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, *provided* that nothing in this section prevents the Parent Guarantor or any Restricted Subsidiary from discontinuing any approvals, authorizations, consents, permits, concessions or licenses if such discontinuance is, in the judgment of the Parent Guarantor, desirable in the conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries and (ii) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except in each case to the extent that failure so to obtain, maintain and comply would not have a material adverse effect on the business and results of operations of the Parent Guarantor and its Restricted Subsidiaries taken as a whole.

## Provision of Financial Statements and Reports

- (a) So long as any of the New Notes remain outstanding, the Parent Guarantor will make available in the English language on its website, and will also file with the Trustee:
  - 1. within 120 calendar days after the end of the fiscal year of the Parent Guarantor, copies of its consolidated financial statements in respect of such fiscal year (including a statement of income, balance sheet and cash flow statement), audited by a member firm of an internationally-recognized firm of independent accountants; and
  - 2. within 60 calendar days after the end of each of the first three fiscal quarters of the Parent Guarantor, copies of its unaudited financial statements (on a consolidated basis), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Parent Guarantor.
- (b) So long as any of the New Notes remain outstanding, the Parent Guarantor will provide to the Trustee concurrently with the delivery of consolidated financial statements pursuant to (1) above, an Officers' Certificate stating (A) the Consolidated Leverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation made in respect thereof, including the arithmetic computations of each component of the Consolidated Leverage Ratio and (B) that no Event of Default has occurred and is continuing, or, if an Event of Default has occurred and is continuing, specifying each such Event of Default and the nature and status thereof. The Parent Guarantor will also be obligated to notify the Trustee in writing of any Event of Default that has occurred and is continuing in respect of the performance of any material covenants or agreements under the Indenture and/or the Collateral Documents within 30 days of the occurrence of such Event of Default specifying the nature and status thereof.
- (c) So long as any of the New Notes remain outstanding, the Issuer will make available in the English language on its website and will also file with the Trustee:
  - 1. within 120 calendar days after the end of the fiscal year of the Issuer, copies of its consolidated financial statements in respect of such fiscal year (including a statement of income, balance sheet and cash flow statement), audited by a member firm of an internationally-recognized firm of independent accountants; and
  - 2. within 60 calendar days after the end of each of the first three fiscal quarters of the Issuer, copies of its unaudited financial statements (on a consolidated basis), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Issuer.
- (d) So long as any of the New Notes remain outstanding and secured by the Collateral, the Issuer will make available in the English language on its website and will also file with the Trustee the annual appraisal reports prepared in accordance with the Peruvian Trust Agreement.



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- (e) So long as any of the New Notes remain outstanding, the Issuer will continue to hold quarterly conference calls with investors to discuss the consolidated financial results for the relevant fiscal quarter, consistent with past practice.

Further, the Issuer, the Parent Guarantor and each Subsidiary Guarantor have agreed that, for as long as any New Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Issuer, the Parent Guarantor or such Subsidiary Guarantor is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer, the Parent Guarantor or such Subsidiary Guarantor, as the case may be, shall supply to (i) any Holder or beneficial owner of a New Note or (ii) a prospective purchaser of a New Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the U.S. Securities Act upon the request of any Holder or beneficial owner of a New Note.

### Events of Default

The following events are defined as “Events of Default” in the Indenture:

- (a) default in the payment of principal of (or premium, if any, on) the New Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (b) default in the payment of interest (or Additional Amounts, if any) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;
- (c) default in the performance or breach of the provisions of the covenant described under “—Consolidation, Merger and Sale of Assets;”
- (d) default in the performance or breach of the obligations described under the caption “—Repurchase of Notes upon a Change of Control Triggering Event”, and such default or breach continues for a period of 30 consecutive days after written notice is received by the Parent Guarantor from the Trustee at the request of the Holders or from the Holders of 25% or more in aggregate principal amount of the New Notes;
- (e) default in the performance or breach of any other material covenant or agreement in the Indenture or the Collateral Documents (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 60 consecutive days after written notice is received by the Parent Guarantor from the Trustee at the written request of the Holders or from the Holders of 25% or more in aggregate principal amount of the New Notes;
- (f) default by the Parent Guarantor or any Restricted Subsidiary under any Indebtedness (whether such Indebtedness now exists or is created after the Original Issue Date) which:
  - (i) is caused by a failure to pay, at the final scheduled maturity thereof, principal of such Indebtedness and such failure continues following the expiration of any applicable grace period provided in such Indebtedness and such failure has not been cured or waived; or
  - (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity;

and the principal amount of Indebtedness covered by clause (i) or (ii) at the relevant time, aggregates US\$20.0 million (or the Dollar Equivalent thereof) or more;

- (g) one or more final judgments or orders for the payment of money are rendered against the Parent Guarantor or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to

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exceed US\$20.0 million (or the Dollar Equivalent thereof) (to the extent not covered by insurance or self-insurance) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

- (h) an involuntary case or other proceeding is commenced against the Parent Guarantor, the Issuer or a Subsidiary Guarantor with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, bankruptcy, trustee, sequestrator or similar official of the Parent Guarantor, the Issuer or a Subsidiary Guarantor or for all or substantially all of the property and assets of the Parent Guarantor or the Issuer and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Parent Guarantor, the Issuer or a Subsidiary Guarantor under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (i) the Parent Guarantor, the Issuer or a Subsidiary Guarantor (A) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (B) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor, the Issuer or a Subsidiary Guarantor or for all or substantially all of the property and assets of the Parent Guarantor, the Issuer or a Subsidiary Guarantor or (C) effects any general assignment for the benefit of creditors;
- (j) the Parent Guarantor or any Subsidiary Guarantor denies in writing its obligations under its Note Guarantee or, except as permitted by the Indenture, such Note Guarantee is determined to be unenforceable or invalid; or
- (k) (i) the validity of the security interests created by the Collateral Documents or its applicability to the New Notes is disaffirmed in writing by the Parent Guarantor, the Issuer or any Subsidiary Guarantor, (ii) failure of the Collateral or any material portion thereof to constitute a perfected first priority security interest or (iii) the Collateral Documents or any material portion of the Liens created thereby shall fail to be in full force and effect (other than by reason of the release or termination of any such Liens in accordance with the terms of the Indenture and the Collateral Documents, as applicable), and in each case of clauses (ii) or (iii) of this paragraph (k), if the relevant failure is susceptible of cure, such failure continues for a period of forty-five (45) consecutive days; *provided* that a pending registration of the Peruvian Trust Agreement with the applicable Peruvian public registry shall not be deemed to constitute a failure under (ii) or (iii) of this clause (k).

If an Event of Default (other than an Event of Default specified in clause (h) or (i) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the New Notes, then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders will, declare the principal of, premium, if any, and accrued and unpaid interest on the New Notes to be immediately due and payable, subject always to the Trustee having been indemnified and/or provided security to its satisfaction. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default set forth in clause (f) above occurs, such Event of Default shall be automatically rescinded and annulled once the event of default triggering such Event of Default is remedied or cured or is waived by the holders of the relevant Indebtedness; provided, however, that no acceleration of the principal amount of the New Notes shall be rescinded or annulled upon the happening of any such events. No such rescission and annulment shall affect any subsequent Event of Default or impair any right consequent thereto. If an Event of Default specified in clause (h) or (i) above occurs with respect to the Parent Guarantor, the Issuer or any Subsidiary Guarantor, the principal of, premium, if any, and accrued and unpaid interest on the New Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding New Notes by written notice to the Issuer and to the Trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

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- (x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the New Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
  - (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The Holders of at least a majority in aggregate principal amount of the outstanding New Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, or for which it is not indemnified or offered security to its satisfaction, or that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the New Notes, or for the appointment of a receiver or trustee, or pursue any remedy with respect to the Indenture or the New Notes, unless:

1. the Holder has previously given the Trustee written notice of a continuing Event of Default;
2. the Holders of at least 25% in aggregate principal amount of outstanding New Notes make a written request to the Trustee to pursue the remedy;
3. such Holder or Holders offer the Trustee security and/or indemnity satisfactory to the Trustee against any loss, costs, liability or expense to be incurred in compliance with such request;
4. the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security and/or indemnity; and
5. during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding New Notes do not give the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request.

However, such limitations set forth in 1 through 4 above do not apply to the right of any Holder to bring suit for the enforcement of any payment of the principal of, premium, if any, or interest, and Additional Amounts, if any, on, such Note, which contractual right will not be affected without the consent of the Holder.

#### **Consolidation, Merger and Sale of Assets**

- (a) The Parent Guarantor will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:
  1. the Parent Guarantor will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Parent Guarantor Surviving Person") shall be a corporation organized and validly existing under the laws of the Cyprus, Peru, the United States of America, any state thereof or the District of Columbia or any other country that is a member country of the European Union and will expressly assume or guarantee, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Parent Guarantor under the Indenture and the Parent Guarantee, as the case may be, and the Indenture and the Parent Guarantee, as the case may be, will remain in full force and effect;

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2. immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;
  3. immediately after giving effect to such transaction on a *pro forma* basis, the Parent Guarantor or the Parent Guarantor Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction; and
  4. the Parent Guarantor delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision.
- (b) The Issuer will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:
1. the Issuer will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Issuer Surviving Person") shall be a corporation organized and validly existing under the laws of Peru, Cyprus, the United States of America, any state thereof or the District of Columbia or any other country that is a member country of the European Union and will expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of Issuer under the Indenture, and the Indenture will remain in full force and effect;
  2. immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;
  3. immediately after giving effect to such transaction on a *pro forma* basis, the Issuer or the Issuer Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Issuer immediately prior to such transaction; and
  4. the Issuer delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision.
- (c) The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Parent Guarantor that may adversely affect Holders.

### **No Payments for Consents**

The Parent Guarantor will not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the New Notes or any Note Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

### **Redeemed or Repurchased Notes**

A New Note does not cease to be outstanding because the Parent Guarantor or any Affiliate of the Parent Guarantor holds the Note, *provided* that in determining whether the Holders of the requisite amount of outstanding New Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture,

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Notes owned by the Parent Guarantor or any Affiliate of the Parent Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a responsible officer of the Trustee actually knows are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes that the pledgee's right to act with respect to such Notes and that the pledgee is not the Parent Guarantor or an Affiliate of the Parent Guarantor.

Any New Notes purchased or redeemed by the Issuer, the Parent Guarantor or any Affiliate of the Issuer or Parent Guarantor (including any third party making a Change of Control Offer) may not, following such purchase or redemption, be transferred to any Person other than the Issuer, the Parent Guarantor or an Affiliate if such Note would not be fungible with the other Notes. The Parent Guarantor or any Affiliate of the Issuer or Parent Guarantor may, at any time, purchase any Note in the open market or otherwise at any price. Any Note so purchased may be surrendered to the Trustee, and if so surrendered shall be cancelled by the Trustee.

### **Defeasance**

The Issuer may, at its option and at any time, elect to have the obligations of the Issuer discharged with respect to the New Notes ("Legal Defeasance"). Such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the New Notes, except for:

1. the rights of the Holders to receive payments in respect of the principal of, premium, if any, interest and Additional Amounts, if any, on the New Notes when such payments are due;
2. the Issuer's obligations with respect to the New Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;
3. the rights, powers, trust, duties and immunities of the Trustee, as set forth in the Indenture, and the Issuer's obligations in connection therewith; and
4. the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter the failure by the Issuer or any Restricted Subsidiary to comply with such obligations shall not constitute an Event of Default with respect to the New Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership and insolvency events) described under "—Events of Default" will no longer constitute an Event of Default with respect to the New Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

1. the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination thereof, in such amounts and at such times as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest and Additional Amounts, if any, on the New Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;
2. in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee, confirming that:
  - (a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

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- (b) since the date of the Indenture, there has been a change in the applicable United States federal income tax law;

in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

1. in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel in the United States confirming that the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
2. in the case of Legal Defeasance or Covenant Defeasance, the Issuer shall have delivered to the Trustee (i) an opinion of counsel to the effect that, based upon Peruvian law then in effect, the Holders will not recognize income, gain or loss for Peruvian tax purposes, including withholding tax except for withholding tax then payable on interest payments due, and the amounts to be payable shall not be subject to any deposit or temporary freezing of funds, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Peruvian taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred or (ii) a ruling directed to the Trustee received from tax authorities of Peru to the same effect as the opinion of counsel described in clause (i) above;
3. no Default or Event of Default shall have occurred and be continuing on the date of such deposit pursuant to clause (a) of this paragraph (except such Default or Event of Default resulting from the failure to comply with “—Limitation on Indebtedness and Disqualified Stock” as a result of the borrowing of funds required to effect such deposit);
4. such Legal Defeasance or Covenant Defeasance shall not result in a breach of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
5. the Trustee shall have received an Officers’ Certificate of the Issuer stating that the deposit was not made with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;
6. the Trustee shall have received an Officers’ Certificate of the Issuer and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and
7. the Trustee shall have received an Opinion of Counsel (subject to customary qualifications and exclusions) to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940.

### **Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the New Notes as expressly provided for in such Indenture) when:

1. the Issuer has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in U.S. dollars or U.S. Government Obligations sufficient to pay and discharge the entire Indebtedness on the New Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and

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- accrued and unpaid interest on the New Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Maturity Date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the New Notes at the applicable installment date or on the Redemption Date, as the case may be, and either:
- (a) all Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or
  - (b) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable at the Maturity Date within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name, and at our expense;
- 2. the Issuer has paid or caused to be paid all sums payable by the Issuer under the Indenture; and
  - 3. the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that:
    - (a) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied; and
    - (b) such satisfaction and discharge will not result in a breach or violation of, or constitute an Event of Default under, the Indenture or any other agreement or instrument to which the Parent Guarantor, the Issuer or any Restricted Subsidiary is a party or by which the Parent Guarantor, the Issuer or any Restricted Subsidiary is bound.

## **Amendments and Waiver**

### ***Amendments Without Consent of Holders***

The Indenture, the New Notes, any Note Guarantees or any Collateral Document may be amended by the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Peruvian Trustee and Collateral Agent, as the case may be, without the consent of any Holder, to:

- 1. to cure any ambiguity, or to correct or supplement any provision in the Indenture, the New Notes or any Collateral Document that may be defective or inconsistent with any other provision in the Indenture, the New Notes or this description in this offering memorandum;
- 2. to add to the Issuer's and the Parent Guarantor's covenants and those of any other obligor of the New Notes for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any other obligor of the New Notes, as applicable, in the Indenture, in the New Notes or any Collateral Document for the benefit of the Holders of the New Notes;
- 3. comply with the provisions described under "—Consolidation, Merger and Sale of Assets;"
- 4. evidence and provide for the acceptance of appointment by a successor Trustee;
- 5. add any Guarantor or any Guarantee or release any Guarantor from any Guarantee as provided or permitted by the terms of the Indenture;

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6. provide for the issuance of Additional New Notes in accordance with the limitations set forth in the Indenture;
  7. in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
  8. to further secure the obligations of the Issuer, the Parent Guarantor and the Subsidiary Guarantors under the Indenture, the New Notes and the Note Guarantees (in addition to the Collateral);
  9. effect any changes to the Indenture, the New Notes and/or the Collateral Documents in a manner necessary to comply with the procedures of DTC; or
  10. make any other change that does not materially and adversely affect the rights of the Holders.

***Amendments With Consent of Holders***

Amendments of the Indenture, the New Notes, any Note Guarantees or any Collateral Document may be made by the Issuer, the Parent Guarantor, the Subsidiary Guarantors, the Trustee and the Peruvian Trustee and Collateral Agent, as the case may be, with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding New Notes, and the Holders of a majority in principal amount of the outstanding New Notes may waive future compliance by the Issuer, the Parent Guarantor or any Subsidiary Guarantor with any provision of the Indenture, the New Notes, any Note Guarantee or any Collateral Document; *provided* that no such modification or amendment may, without the consent of each Holder directly and adversely affected thereby:

1. change the Stated Maturity of the principal of, or any installment of interest on, any Note;
2. reduce the principal amount of, or premium, if any, or stated rate of interest on, any Note;
3. change the currency of payment of principal of, or premium, if any, or interest on, any Note;
4. impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or Note Guarantees;
5. reduce the above-stated percentage of outstanding New Notes the consent of whose Holders is necessary to modify or amend the Indenture, the New Notes, any Note Guarantee or any Collateral Document;
6. waive a default in the payment of principal of, premium, if any, or interest on the New Notes;
7. release the Parent Guarantee, except as provided in the Indenture;
8. reduce the percentage or aggregate principal amount of outstanding New Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or any Collateral Document or for waiver of certain defaults; or
9. change or extend the redemption date or reduce the stated the redemption price of the New Notes from that stated under the captions “—Optional Redemption.”

In addition, any amendment to, or waiver of, the provisions of the Indenture, the New Notes, any Note Guarantees or any Collateral Document that (i) releases any Subsidiary Guarantee or (ii) releases all or substantially all of the Collateral from the Liens securing the New Notes shall require the consent of the Holders of at least 75% in aggregate principal amount of the New Notes then outstanding, except as provided in the Indenture.

Amendments to any Collateral Documents will also require the consent of the trustee under the indenture governing the Existing Notes.



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## **The Trustee**

The Bank of New York Mellon is to be appointed as Trustee, registrar, paying agent and transfer agent under the Indenture. Except during the continuance of an Event of Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing and the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

## **The Peruvian Trustee and Collateral Agent**

La Fiduciaria S.A. is to be appointed as Peruvian Trustee and Collateral Agent under the Peruvian Trust Agreement. The Peruvian Trustee and Collateral Agent will not be liable, except for willful misconduct or gross negligence in the performance of such duties as are specifically set forth in the Peruvian Trust Agreement. If an Event of Default has occurred and is continuing, the Peruvian Trustee and Collateral Agent will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Peruvian Trust Agreement as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

## **Payments; Registration of Transfer**

The Trustee will be responsible for (among other things) (a) maintaining a record of the aggregate holdings of New Notes represented by the Global Notes and accepting New Notes for exchange and registration of transfer, (b) making payments in respect of the New Notes to the Holders to the extent funds are available therefore (as contemplated by the Indenture) and (c) transmitting notices to Holders and from Holders to the Issuer (in each case as contemplated by the Indenture).

The Trustee will keep at its office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Trustee will provide for the registration of the New Notes and registration of transfers and exchanges of the New Notes. In the event of a partial transfer of a Definitive Note, New Notes will be obtainable at the office of the Trustee in connection with such transfer. In accordance with the Indenture, the Issuer may terminate the appointment of the Trustee or appoint additional trustees or other such agents. The Issuer will cause notice of any resignation, termination or appointment of the Trustee, and of any change in the office through which any such agent will act, to be provided to Holders in accordance with "—Notices" below.

## **Appointment to Fill Vacancy in Office of Trustee**

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Issuer will promptly appoint a successor Trustee meeting certain eligibility requirements by notifying the Trustee in writing. Within one year after the successor Trustee takes office, Holders representing at least 50% of the aggregate principal amount of the New Notes then outstanding may appoint a successor Trustee reasonably acceptable to the Issuer to replace the successor Trustee appointed by the Issuer and the failure of the Holders to do so will constitute acceptance of the successor Trustee appointed by the Issuer.

Each successor Trustee shall execute, acknowledge and deliver to the Holders, the Issuer and to its predecessor Trustee an instrument accepting such appointment and, upon the resignation or removal of the predecessor Trustee, and payment of all amounts due under the Indenture, such appointment shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Trustee. Upon written request of any such successor Trustee, the Holders and the Issuer shall execute any and all instruments in writing for fully and certainly vesting in and confirming to such successor Trustee all such rights and powers.

If no successor Trustee is appointed, the Trustee may petition a court of competent jurisdiction (at the sole cost of the Issuer) to appoint a successor Trustee.

## **Book-Entry; Delivery and Form**

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The certificates representing the New Notes were issued in fully registered form without interest coupons. Notes sold in reliance on Regulation S under the Securities Act were initially represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each, a “Regulation S Global Note”) and were deposited with the Trustee as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

New Notes sold in reliance on Rule 144A were represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each, a “Restricted Global Note” and, together with the Regulation S Global Notes, the “Global Notes”) and were deposited with the Trustee as custodian for, and registered in the name of a nominee of, DTC.

Each Restricted Global Note (and any New Notes issued for exchange therefore) is subject to certain restrictions on transfer set forth therein as described under “Transfer Restrictions.”

Ownership of beneficial interests in a Global Note is limited to persons who have accounts with DTC (“participants”) or persons who hold interests through participants. Ownership of beneficial interests in a Global Note is shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the New Notes represented by such Global Note for all purposes under the Indenture and the New Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC’s applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, nor any of the Guarantors, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Issuer expects that DTC will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note is credited and only in respect of such portion of the aggregate principal amount of New Notes as to which such participant or participants has or have given such direction. However, if

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there is an Event of Default under the New Notes, DTC will exchange the applicable Global Note for certificated notes, which it will distribute to its participants and which may be legended as set forth under the heading “Transfer Restrictions.”

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Parent Guarantor, any of the Subsidiary Guarantors, the Trustee or any Paying Agent will have any responsibility or liability for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depository for the Global Notes, the Issuer will use reasonable efforts to appoint a successor depository within 90 days. If a successor depository is not appointed by the Issuer within 90 days, the Issuer will issue Certificated Notes in registered form, which may bear the legend referred to under “Transfer Restrictions,” in exchange for the Global Notes. Holders of an interest in a Global Note may receive Certificated Notes, which may bear the legend referred to under “Transfer Restrictions,” in accordance with the DTC’s rules and procedures in addition to those provided for under the Indenture.

Upon redemption of any Certificated Note, the Issuer may request certain information from the Holder to establish the Holder’s tax basis in its Certificated Note in order to calculate the Peruvian capital gains tax withholding obligation the Issuer may have with respect to any capital gain realized by the Holder. Regardless of whether the Holder provides the requested information, the Issuer will, subject to the exceptions listed under the heading “Additional Amounts”, be required to pay Additional Amounts with respect to any amounts withheld or deducted to pay Peruvian taxes on such capital gain.

## **Listing**

Application will be made to list the New Notes on the Official List of the Luxembourg Stock Exchange and the Issuer will use its reasonable best efforts to maintain listing of the New Notes on the Luxembourg Stock Exchange. We will comply with any undertakings assumed or undertaken by us from time to time to the Luxembourg Stock Exchange in connection with the New Notes, and we will furnish to them all such information as the rules of the Luxembourg Stock Exchange may require in connection with the listing of the New Notes.

## **Luxembourg Listing Agent**

The Bank of New York Mellon (Luxembourg) S.A. is the Luxembourg Listing Agent in respect of the New Notes. The Issuer will maintain such agencies so long as the New Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of such exchange so require. The address of the Luxembourg Listing Agent and Transfer Agent are set forth on the inside back cover of this offering memorandum.

## **Paying Agent, Transfer Agent and Registrar**

The Bank of New York Mellon is initially acting as principal paying agent, transfer agent and registrar for the New Notes. The Issuer may appoint other paying agents. For so long as the New Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market, the Issuer will maintain a paying agent in Luxembourg, where the New Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. The Bank of New York Mellon (Luxembourg) S.A. will initially act as Luxembourg paying agent, transfer agent and registrar. Upon any change in a paying agent, the Issuer will publish a notice on the website of the Luxembourg Stock Exchange at <http://www.bourse.lu/> (or if the rules so require, in a leading daily newspaper of general circulation in Luxembourg which the Issuer expects to be the *Luxemburger Wort*).

## **Lost, Stolen and Mutilated New Notes**

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In case any Note shall become mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and the Trustee will, upon direction by the Issuer, authenticate, register and deliver a new definitive New Note of like tenor (including the same date of issuance) and equal principal amount registered in the same manner, dated the date of its authentication and bearing interest from the date to which interest has been paid on such New Note, in exchange and substitution for such New Note (upon surrender and cancellation thereof in the case of mutilated or defaced notes) or in lieu of and in substitution for such New Note. In case a New Note is destroyed, lost or stolen, the applicant for a substitute New Note shall furnish the Issuer and the Trustee (a) such security or indemnity as may be required by them to save each of them harmless and (b) satisfactory evidence of the destruction, loss or theft of such New Note and of the ownership thereof. Upon the issuance of any substituted New Note, the Trustee may require the payment by the registered Holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Trustee) connected therewith.

With respect to mutilated, defaced, destroyed, lost or stolen definitive New Notes, a Holder thereof may obtain new definitive registered New Notes from the office of the registrar.

Notwithstanding any statement herein, the Issuer and the Trustee reserve the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on New Notes, as they may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws.

## **The Clearing Systems**

### ***General***

The Issuer understands as follows:

*DTC.* DTC is a limited-purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the Initial Purchaser. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly (“indirect participants”). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the New Notes from the Trustee through such DTC participant.

*Euroclear and Clearstream.* Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

### ***Initial Settlement***

Initial settlement for the New Notes will be made in immediately available funds. All New Notes issued in the form of global notes will be deposited with the Trustee, as custodian for DTC. Investors’ interests in New Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

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Investors electing to hold their New Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their New Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. New Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the Business Day Following the settlement date against payment for value on the settlement date.

### ***Secondary Market Trading***

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any New Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

*Trading between DTC Participants.* Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same Day Funds Settlement System.

*Trading between Euroclear and Clearstream Participants.* Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

*Trading between DTC Seller and Euroclear or Clearstream Purchaser.* When New Notes are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the New Notes against payment. Payment will then be made to the DTC participant's account against delivery of the New Notes. Payment will include interest accrued on the New Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the New Notes. After settlement has been completed, the New Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. Credit for the New Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the New Notes will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the New Notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing New Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the New Notes were credited to their accounts. However, interest on the New Notes would accrue from the value date. Therefore, in many cases, the investment income on New Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

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The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream and that purchase New Notes from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

1. borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;
2. borrowing the New Notes in the United States from a DTC participant no later than one day prior to settlement, which would give the New Notes sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or
3. staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

*Trading between Euroclear or Clearstream Seller and DTC Purchaser.* Due to the time zone differences in their favor, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which New Notes are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. In these cases, Euroclear or Clearstream will credit the New Notes to the DTC participant's account against payment. Payment will include interest accrued on the New Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to the New Notes excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the New Notes. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York). If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued as of the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See “—Trading between DTC Seller and Euroclear or Clearstream Purchaser” above.

## Notices

Notices to holders of New Notes will be mailed to them at their registered addresses or delivered pursuant to the procedures of DTC. In addition, from and after the date the New Notes are listed on Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and so long as it is required by the rules of such exchange, all notices to holders of notes will be published in English:

1. in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or alternatively the Issuer may also publish a notice on the website of the Luxembourg Stock Exchange (<http://www.bourse.lu>); or

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2. if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it will be published in Saturday, Sunday or holiday editions.

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

### **Consent to Jurisdiction; Service of Process**

The Issuer, the Parent Guarantor and each of the Subsidiary Guarantors have irrevocably (i) submitted to the non-exclusive jurisdiction of any U.S. Federal or New York State court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the New Notes, any Note Guarantee, the Indenture, the Collateral Documents or any transaction contemplated thereby and (ii) designated and appointed CT Corporation System for receipt of service of process in any such suit, action or proceeding.

### **Governing Law**

Each of the New Notes, the Note Guarantees and the Indenture is governed by, and shall be construed in accordance with, the laws of the State of New York. The Collateral Documents are governed by, and shall be construed in accordance with, the laws of the Republic of Peru.

### **Immunity Waiver**

The Issuer and each of the Guarantors have waived any immunity (including sovereign immunity), to the fullest extent permitted by applicable law, from suit, action, proceeding or jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding in any U.S. federal or New York State court in the Borough of Manhattan, the City of New York or in any competent court in Peru or Cyprus.

### **Prescription**

Claims against the Issuer or any Guarantor for the payment of principal or interest and Additional Amounts in respect of the New Notes or the Note Guarantees, as the case may be, will be prescribed unless made within six years of the due date for payment of such principal or interest and Additional Amounts.

### **Definitions**

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this “Description of the New Notes” for which no definition is provided.

“Acquired Indebtedness” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary, *provided* that Indebtedness of such Person which is redeemed, defeased, retired or otherwise repaid at the time of or promptly upon consummation of such Asset Acquisition or the transactions by which such Person is merged or consolidated with or into the Parent Guarantor or any Restricted Subsidiary or becomes a Restricted Subsidiary shall not constitute Acquired Indebtedness.

“Additional Amounts” has the meaning given to it under “—Additional Amounts.”

“Additional New Notes” has the meaning given to it under “—General.”

“Adjusted Treasury Rate” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

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“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

“Affiliate Transaction” has the meaning given to it under “—Limitation on Transactions with Affiliates.”

“Applicable Premium” means with respect to a New Note at any redemption date, the excess of:

(A) the present value at such redemption date of (i) the redemption price of such Note at July 15, 2018, multiplied by the principal amount of such Note (such redemption price being set forth in the table appearing under the caption “—Optional Redemption”) *plus* (ii) all required interest payments due on such Note through July 15, 2018 (excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate *plus* 50 basis points; over

(B) the principal amount of such Note.

“Asset Acquisition” means (1) an investment by the Parent Guarantor or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or will be merged into or consolidated with the Parent Guarantor or any of its Restricted Subsidiaries, or (2) an acquisition by the Parent Guarantor or any of its Restricted Subsidiaries of the property and assets of any Person other than the Parent Guarantor or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“Asset Disposition” means the sale or other disposition by the Parent Guarantor or any of its Restricted Subsidiaries (other than to the Parent Guarantor or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary that constitutes a division of the business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole or (2) all or substantially all of the assets that constitute a division or line of business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole.

“Asset Sale” means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including Capital Stock of any Subsidiary) in one transaction or a series of related transactions by the Parent Guarantor or any of its Restricted Subsidiaries to any Person (other than the Parent Guarantor or any Restricted Subsidiary); *provided* that “Asset Sale” will not include:

1. sales or other dispositions of inventory, receivables and other assets in the ordinary course of business;
2. sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the “Limitation on Restricted Payments” covenant;
3. any sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$2.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
4. any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Parent Guarantor or its Restricted Subsidiaries;
5. any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
6. a transaction permitted by the covenant under the caption “—Consolidation, Merger and, Sale of Assets;” and



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7. a sale, transfer or other disposition to the Parent Guarantor or a Restricted Subsidiary, including the sale or issuance by the Parent Guarantor or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary to the Parent Guarantor or any Restricted Subsidiary.

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Board of Directors” means the board of directors elected or appointed by the stockholders of the Parent Guarantor to manage the business of the Parent Guarantor or any committee of such board duly authorized to take the action purported to be taken by such committee.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors in accordance with the articles of association of the Parent Guarantor.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York or in Lima, Peru are authorized by law or governmental regulation to close.

“Capitalized Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with IFRS, is required to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means the discounted present value of the rental obligations under a Capitalized Lease.

“Capital Stock” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

“Change of Control” means the occurrence of one or more of the following events:

1. the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent Guarantor and its Subsidiaries (including the Issuer) taken as a whole to any “person” (within the meaning of Section 13(d)(3) of the Exchange Act) or “group” (within the meaning of Rule 13d-5 of the Exchange Act), other than to one or more of the Issuer, any of its Subsidiaries, any one or more Permitted Holders or a “group” controlled by one or more Permitted Holders; or
2. the consummation of any transaction (including without limitation, any merger, consolidation or amalgamation) the result of which is that (A) any “person” (within the meaning of Section 13(d)(3) of the Exchange Act) or “group” (within the meaning of Rule 13d-5 of the Exchange Act) (other than any Permitted Holder or “group” controlled by one or more Permitted Holders) becomes the “beneficial owner” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33% of the outstanding Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or amalgamation), measured by voting power rather than number of shares, and (B) the Permitted Holders (including any “group” controlled by one or more Permitted Holders) “beneficially own” (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly and indirectly,

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in the aggregate a lesser percentage of the outstanding Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or amalgamation), measured by voting power rather than number of shares, than such other “person” or “group” and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Parent Guarantor (or its successor by merger, consolidation or amalgamation).

“Change of Control Offer” has the meaning given to it under “—Repurchase of Notes Upon a Change of Control Triggering Event.”

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Rating Decline.

“Clearstream” means Clearstream Banking, société anonyme, Luxembourg or any successor securities clearing agency.

“Collateral” has the meaning given to it under “—Collateral.”

“Collateral Agent” means La Fiduciaria S.A.

“Collateral Documents” has the meaning given to it under “—Collateral.”

“Commodity Hedging Agreement” means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

“Comparable Treasury Issue” means the U.S. Treasury security having a maturity comparable to July 15, 2018 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to July 15, 2018.

“Comparable Treasury Price” means, with respect to any redemption date:

1. the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities;” or
2. if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

“Consolidated Interest Expense” means, for any period, the amount that would be reflected as “Interest Expense,” net of interest income, on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“Consolidated Leverage Ratio” means, on any Transaction Date, the ratio of (i) Consolidated Net Indebtedness to (ii) EBITDA for the then most recent four fiscal quarters ending on or prior to the Transaction Date for which consolidated financial statements of the Parent Guarantor (which Parent Guarantor shall use its reasonable best efforts to compile in a timely manner) are available (the “Four Quarter Period”).

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In making the foregoing calculation:

- (A) *pro forma* effect will be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the “Reference Period”) commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, EBITDA for such period will be calculated as if the Parent Guarantor or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay such Indebtedness;
- (B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate will be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (C) *pro forma* effect will be given to the creation, designation or redesignation of Restricted Subsidiaries and Unrestricted Subsidiaries during the Reference Period as if such creation, designation or redesignation would have occurred on the first day of the relevant Four Quarter Period;
- (D) *pro forma* effect will be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and
- (E) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Parent Guarantor or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such Asset Dispositions or Asset Acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period; *provided* that to the extent that clause (D) or (E) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition, such *pro forma* calculation will be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS.

“Consolidated Net Worth” means, at any date of determination, stockholders’ equity as set forth on the most recently available quarterly or annual consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries, each item to be determined in conformity with IFRS.

“Consolidated Net Indebtedness” means, the sum of the total principal amount of Indebtedness (or, in the case of Indebtedness issued at less than its principal amount at maturity, the accreted value thereof) and the total amount of Disqualified Stock outstanding of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis and determined in accordance with IFRS on the Transaction Date, less the amount of cash, cash equivalents as determined in accordance with IFRS and Temporary Cash Investments held by the Parent Guarantor and its Restricted Subsidiaries on the Transaction Date.

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“Covenant Suspension” has the meaning given to it under “—Defeasance.”

“Covenant Suspension Event” has the meaning given to it under “—Certain Covenants.”

“Currency Agreement” means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

“Cypriot Government Obligations” means securities that are (1) direct obligations of Cyprus for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of Cyprus the payment of which is unconditionally guaranteed as a full faith and credit obligation by Cyprus, which, will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Cypriot Government Obligation or a specific payment of interest on or principal of any such Cypriot Government Obligation held by such custodian for the account of the holder of a depository receipt.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“Disqualified Stock” means any class or series of Capital Stock of any Person that by its terms is (1) required to be redeemed prior to the Stated Maturity of the New Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the New Notes or (3) convertible into or exchangeable for, at the option of the holder of such class or series of Capital Stock, Capital Stock referred to in clause (1) or (2) above or Indebtedness having a Stated Maturity prior to the Stated Maturity of the New Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the Stated Maturity of the New Notes will not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the “—Limitation on Asset Sales” and “—Repurchase of Notes upon a Change of Control Triggering Event” covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer’s repurchase of such Notes as are required to be repurchased pursuant to the “—Limitation on Asset Sales” and “—Repurchase of Notes upon a Change of Control Triggering Event” covenants.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

“DTC” means The Depository Trust Company and its successors.

“EBITDA” means sales minus cost of sales minus administrative expenses minus selling expenses *plus* depreciation *plus* amortization of intangibles *plus* stock options expense, and excluding the effect (positive or negative) of net change in fair value of biological assets.

“Equity Claw-Back Redemption” has the meaning given to it under “—Optional Redemption.”

“Equity Offering” means any underwritten primary public or private offering of Common Stock of the Parent Guarantor or the Issuer (to a person who is not the Parent Guarantor or a Subsidiary of the Parent Guarantor) after the Original Issue Date; *provided* that the aggregate gross cash proceeds received by the Parent Guarantor or the Issuer, as the case may be, from the primary component of such offering (excluding amounts received from the Parent Guarantor or any Subsidiary of the Parent Guarantor) being not less than US\$10.0 million (or the Dollar Equivalent thereof).

“Euroclear” means Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor securities clearing agency.

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“Excess Proceeds” has the meaning given to it under “—Limitation on Asset Sales.”

“Exchange Offer” means the Issuer’s offer to holders of Existing Notes to exchange such Existing Notes for the New Notes pursuant to the terms described in the Exchange Offer Memorandum.

“Existing Notes” means the US\$200,000,000 aggregate principal amount of the Issuer’s 9.875% senior notes due 2017.

“Fair Market Value” means the price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

“Fitch” means Fitch Ratings Ltd. and its Affiliates.

“Further Issue” has the meaning given to it under “—Further Issues.”

“Global Notes” has the meaning given to it under “—Book-Entry; Delivery and Form.”

“Guarantee” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term “guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “guarantee” used as a verb has a corresponding meaning.

“Hedging Obligations” of any Person means the payment obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

“Holder” means the Person in whose name a New Note is registered in the Note register.

“IFRS” means International Financial Reporting Standards, as issued and interpreted by the International Accounting Standards Board (IASB), as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with IFRS applied on a consistent basis.

“Incur” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary, (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms “Incurrence,” “Incurred” and “Incurring” have meanings correlative with the foregoing.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

1. all indebtedness of such Person for borrowed money;
2. all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
3. all obligations of such Person in respect of letters of credit and bankers’ acceptances;

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4. all obligations of such Person to pay the deferred and unpaid purchase price of property or services which purchase price is due more than nine months after the date of placing such property in service or taking delivery and title thereto or such services are completed, except Trade Payables;
  5. all Capitalized Lease Obligations;
  6. all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
  7. all Indebtedness of other Persons to the extent such Indebtedness is guaranteed by such Person; and
  8. to the extent not otherwise included in this definition, Hedging Obligations.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligations; *provided*

- (A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with IFRS;
- (B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest; and
- (C) that the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount due and payable if such Hedging Obligation terminated at that time due to default by such Person.

“Indenture” has the meaning given to it in the preamble.

“Initial Non-Guarantor Subsidiaries” has the meaning given to it under “—The Subsidiary Guarantors.”

“Interest Payment Date” has the meaning given to it under “—General.”

“Interest Rate Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“Investment” means:

1. any direct or indirect advance, loan or other extension of credit (including a guarantee) to another Person;
2. any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others); or
3. any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person.

For the purposes of the provisions of the “Designation of Restricted and Unrestricted Subsidiaries” and “Limitation on Restricted Payments” covenants: (1) the Parent Guarantor will be deemed to have made an

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Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the assets (net of liabilities owed to any Person other than the Parent Guarantor or a Restricted Subsidiary and that are not guaranteed by the Parent Guarantor or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (2) any property transferred to or from any Person will be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “—” indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns or a rating of “Aaa,” or “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which will have been designated by the Parent Guarantor as having been substituted for Fitch or Moody’s or both, as the case may be.

“Issuer” means Camposol S.A.

“Legal Defeasance” has the meaning given to it under “—Defeasance.”

“Lien” means any mortgage, pledge, security interest, lien, charge or similar encumbrance.

“Luxembourg Paying Agent” means The Bank of New York Mellon (Luxembourg) S.A.

“Make-Whole Redemption” has the meaning given to it under “—Optional Redemption.”

“Maturity Date” has the meaning given to it under “—General.”

“Moody’s” means Moody’s Investors Service, Inc. and its Affiliates.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, in each case net of:

1. brokerage commissions and all accounting, legal, investment banking, title and recording tax expenses, commissions and other fees and expenses related to such Asset Sale;
2. provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;
3. payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;
4. appropriate amounts to be provided by the Parent Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with IFRS; and
5. with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of

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other property received when converted to cash or Temporary Cash Investments, net of counsel, accountant, underwriter or placement agent fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

“Non-Guarantor Subsidiary” has the meaning given to it under “—The Subsidiary Guarantors.”

“Notes” means a collective reference to the New Notes and the Existing Notes.

“Offer to Purchase” means an offer to purchase New Notes by the Issuer or the Parent Guarantor from the Holders commenced by the Issuer or the Parent Guarantor mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the New Note register stating:

1. the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;
2. the purchase price and the date of purchase (which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the “Offer to Purchase Payment Date”);
3. that any Note not tendered will continue to accrue interest pursuant to its terms;
4. that, unless the Issuer or the Parent Guarantor defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase will cease to accrue interest on and after the Offer to Purchase Payment Date;
5. that Holders electing to have a New Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date;
6. that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
7. that Holders whose New Notes are being purchased only in part will be issued new New Notes equal in principal amount to the unpurchased portion of the New Notes surrendered; *provided* that each New Note purchased and each new New Note issued will be in a principal amount of US\$2,000 and integral multiples of US\$1,000 in excess thereof.

On the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor will (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers’ Certificate specifying the New Notes or portions thereof accepted for payment by the Issuer or the Parent Guarantor. The Paying Agent will promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee will promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued will be in a principal amount of US\$2,000 and integral multiples of US\$1,000 in excess thereof.

To the extent that the provisions of any securities laws or regulations conflict with the requirements of the relevant Offer to Purchase, the Parent Guarantor and the Issuer will comply with the applicable securities laws and



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regulations and shall not be deemed to have breached their obligations under the New Notes, the Guarantees and the Indenture by virtue of their compliance with such securities laws or regulations.

“Officer” means one of the executive officers of the Issuer or the Parent Guarantor, as the case may be, or, in the case of a Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor.

“Officers’ Certificate” means a certificate signed by a duly authorized Officer and delivered to the Trustee.

“Opinion of Counsel” means a written opinion in a form satisfactory to the Trustee from counsel. The counsel may be internal counsel of the Parent Guarantor or the Issuer. The Trustee may require an opinion under New York law.

“Original Issue Date” means May 27, 2016.

“Other Expenses” means, for any period, non-cash or non-recurring expenses that would be reflected as “Other Expenses,” on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries.

“Other Income” means, for any period, non-cash or non-recurring income that would be reflected as “Other Income,” on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries.

“Parent Guarantor” means Camposol Holding Ltd.

“Parent Guarantor Surviving Person” has the meaning given to it under “—Consolidation, Merger and Sale of Assets.”

“Permitted Businesses” means any business which is the same as or related, ancillary or complementary to any of the businesses of the Parent Guarantor or its Restricted Subsidiaries on the Original Issue Date.

“Permitted Holder” means (a) any “person” (within the meaning of Section 13(d)(3) of the Exchange Act) or “group” (within the meaning of Rule 13d-5 of the Exchange Act), holding beneficially and/or of record, as of the Original Issue Date, at least 25% of the Voting Stock of the Parent Guarantor (measured by voting power rather than number of shares), outstanding as of the Original Issue Date, (b) each of the parents, spouses, brothers, sisters, children and other family members, descendants, heirs, legatees and successors of such “persons”, and the respective spouses, descendants, heirs, legatees and successors of each of the foregoing (and any trust or other entity organized for the benefit of any one or more of the foregoing), (c) the executor, administrator or other personal representative of any “person” described in (a) or (b) above who is deceased or incompetent and (d) any Affiliate of any one or more of the “persons” described in (a), (b) or (c) above.

“Permitted Indebtedness” has the meaning given to it under “—Limitation on Indebtedness and Disqualified Stock.”

“Permitted Investment” means:

1. any Investment in the Parent Guarantor or any of its Restricted Subsidiaries or a Person which will, upon the making of such Investment, become a Restricted Subsidiary or to be merged with or into or transfer or convey all or substantially all its assets to, or as a result the financial statements will be consolidated with, the Parent Guarantor or any of its Restricted Subsidiaries;
2. any investment in Temporary Cash Investments;
3. payroll, travel and similar advances in the ordinary course of business and not in excess of US\$2.0 million (or the Dollar Equivalent thereof) outstanding at any time;

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4. any Investment received in compromise, settlement or resolution of (or foreclosure with respect to) (a) obligations created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments including as a result of the bankruptcy or reorganization of any Person or (b) litigation, arbitration or other disputes;
  5. any Investment existing on the Original Issue Date and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property, other than reasonable expenses incidental to the structuring, negotiation and consummation of such extension, modification or renewal);
  6. any Investment pursuant to a Hedging Obligation permitted to be entered into under the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock;”
  7. receivables owing to the Parent Guarantor or any Restricted Subsidiary, if created or acquired in the ordinary course of business;
  8. extensions of credit to suppliers and customers in the ordinary course of business in accordance with customary trade terms in the industry;
  9. any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Sales made in compliance with the covenant described under “—Limitation on Asset Sales;”
  10. pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—Limitation on Liens;”
  11. any Investment to the extent the consideration therefore consists of Capital Stock (other than Disqualified Stock) of the Parent Guarantor or a Restricted Subsidiary;
  12. guarantees permitted to be incurred under the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock;”
  13. Investments held by a Person at the time such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged with or into the Parent Guarantor or any Restricted Subsidiary and not made in contemplation of such Person becoming a Restricted Subsidiary;
  14. Investments in any Person engaged in a Permitted Business the Fair Market Value of which, when taken together with all other Investments made pursuant to this clause (14), do not exceed 10% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated as of the end of the most recent fiscal quarter ending prior to the date of such Investment; and
  15. in addition to the Investments permitted in clauses (1)-(14) above, additional Investments which, when taken together with other Investments made pursuant to this clause (15), do not exceed US\$10.0 million when made.

“Permitted Liens” means:

1. Liens for taxes, assessments, governmental charges or claims that are being contested in good faith and for which a reserve or other appropriate provision, if any, to the extent required by IFRS, has been made;
2. statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other Liens imposed by law;

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3. Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, letters of credit, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
  4. leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;
  5. Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Parent Guarantor or its Restricted Subsidiaries relating to such property or assets;
  6. Liens securing Indebtedness permitted to be Incurred under clause (9) of paragraph (b) of the covenant described under the caption entitled "—Limitation on Indebtedness and Disqualified Stock"; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets acquired; *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
  7. Liens in favor of the Parent Guarantor or any Restricted Subsidiary;
  8. Liens arising from the rendering of a judgment or order against the Parent Guarantor or any Restricted Subsidiary that does not give rise to an Event of Default;
  9. Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
  10. Liens existing on the Original Issue Date;
  11. Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (4) of paragraph (b) of the covenant described under the caption entitled "—Limitation on Indebtedness and Disqualified Stock"; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
  12. Encumbrances, ground leases, easements or reservations of, or right of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of the Parent Guarantor or any Subsidiary of the Parent Guarantor or to the ownership of its properties which do not individually or in the aggregate materially and adversely affect the value of such properties or materially impair their use in the operation of the business of the Parent Guarantor or any Subsidiary of the Parent Guarantor;
  13. Liens for the purpose of securing the payment of all or a part of the purchase price of, purchase money obligations or other Indebtedness Incurred to finance the acquisition, lease, improvement or construction of, assets or property acquired, leased, improved or constructed in the ordinary course of business to the extent permitted under the covenant described under the caption "—Limitation on Indebtedness and Disqualified Stock;"
  14. Liens securing Indebtedness under Hedging Obligations permitted to be Incurred under the covenant described under the caption "—Limitation on Indebtedness and Disqualified Stock;"
  15. Liens arising under any retention of title, hire, purchase or conditional sale arrangement or arrangements having similar effect in respects of goods supplied to the Parent Guarantor or a Restricted Subsidiary in the ordinary course of business;

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16. Liens securing Indebtedness which is permitted to be Incurred under clause (12) of paragraph (b) of the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock;” and
17. in addition to Liens permitted in clauses (1)-(16) above, Liens securing Indebtedness permitted to be Incurred under the covenant described under “—Limitation on Indebtedness and Disqualified Stock” in an aggregate principal amount outstanding not to exceed 10.0% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS, as of the end of the most recent fiscal quarter ending prior to the date of such Incurrence.

“Permitted Refinancing Indebtedness” has the meaning given to it under “—Limitation on Indebtedness and Disqualified Stock.”

“Permitted Subsidiary Indebtedness” means Indebtedness of Restricted Subsidiaries, other than the Issuer or a Subsidiary Guarantor, (but excluding the amount of any Indebtedness of any Restricted Subsidiary permitted under clauses (b) (1), (3), (4) and (9) and any guarantees permitted under clause (11) of paragraph (b) of the covenant described under the caption “—Limitation on Indebtedness and Disqualified Stock”); *provided* that, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness does not exceed an amount equal to 10% of the total assets of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis measured in accordance with IFRS for the most recent quarterly or annual consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries are available.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Peru” means the Republic of Peru.

“Peruvian Government Obligations” means securities that are (1) direct obligations of Peru for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of Peru the payment of which is unconditionally guaranteed as a full faith and credit obligation by Peru, which, will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Peruvian Government Obligation or a specific payment of interest on or principal of any such Peruvian Government Obligation held by such custodian for the account of the holder of a depository receipt.

“Peruvian Trust Agreement” means that certain guaranty trust governed by Peruvian laws (*Fideicomiso de Garantía*) dated the Original Issue Date among the Issuer and the Peruvian Trustee and Collateral Agent, as the same may be amended or supplemented from time to time.

“Peruvian Trustee and Collateral Agent” means La Fiduciaria S.A., as Peruvian Trustee and Collateral Agent under the Peruvian Trust Agreement.

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Rating Agencies” means (1) S&P, (2) Moody’s and (3) Fitch. In the event that S&P, Moody’s or Fitch is no longer in existence or issuing ratings, such organization may be replaced by an internationally recognized statistical rating organization designated by the Parent Guarantor with written notice to the Trustee.

“Rating Category” means (1) with respect to S&P and Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); and (3) the equivalent of any such category of S&P, Fitch or Moody’s used by another Rating Agency. In determining whether the rating of the New Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P and Fitch; “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into

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account (e.g., with respect to S&P and Fitch, a decline in a rating from “BB+” to “BB,” as well as from “BB-” to “B+,” will constitute a decrease of one gradation).

“Rating Date” means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Parent Guarantor or any other Person or Persons to effect a Change of Control.

“Rating Decline” means in connection with a Change of Control Triggering Event, the occurrence, on or within 90 days after the earlier to occur of public notice of (i) the occurrence of a Change of Control or (ii) the intention by the Parent Guarantor or any other Person or Persons to effect a Change of Control (which period will be extended for an additional 90 days so long as the rating of the New Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies expressly as a result of the Change of Control Triggering Event) of any of the events listed below, in each case expressly as a result of such Change of Control:

- (a) in the event the New Notes are rated by both Moody’s and Fitch on the Rating Date as Investment Grade, the rating of the New Notes by either Rating Agency will be changed to below Investment Grade;
- (b) in the event the New Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the New Notes by such Rating Agency will be changed to below Investment Grade; or
- (c) in the event the New Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the New Notes by either Rating Agency will be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Real Estate” has the meaning given to it under “—Collateral.”

“Record Date” has the meaning given to it under “—General.”

“Reference Treasury Dealer” means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Parent Guarantor in good faith.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

“Relevant Jurisdiction” has the meaning given to it under “—Additional Amounts.”

“Replacement Assets” has the meaning given to it under “—Limitation on Asset Sales.”

“Restricted Global Note” has the meaning given to it under “—Book-Entry; Delivery and Form.”

“Restricted Subsidiary” means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

“Reversion Date” has the meaning given to it under “—Certain Covenants.”

“S&P” means Standard & Poor’s Ratings Services and its Affiliates.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Parent Guarantor or any of its Restricted Subsidiaries transfers such property to another Person and the Parent Guarantor or any of its Restricted Subsidiaries leases it from such Person. No transaction solely between the Parent Guarantor and any of its Wholly Owned

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Subsidiary Guarantors or between any of the Subsidiary Guarantors Wholly Owned by the Parent Guarantor shall be considered a Sale and Leaseback Transaction.

“Senior Indebtedness” of the Parent Guarantor or a Restricted Subsidiary, as the case may be, means any Indebtedness of the Parent Guarantor or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Subordinated Indebtedness; *provided* that Senior Indebtedness does not include (1) any obligation to the Parent Guarantor or any Restricted Subsidiary or (2) Indebtedness Incurred in violation of the Indenture.

“Stated Maturity” means, with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness.

“Subsidiary Guarantor” means any subsidiary of the Parent Guarantor that executes a Subsidiary Guarantee in accordance with the provisions of the Indenture.

“Subordinated Indebtedness” means any Indebtedness of the Issuer, the Parent Guarantor or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the New Notes, the Parent Guarantee or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“Subsidiary” means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

“Suspended Covenant” has the meaning given to it under “—Certain Covenants.”

“Suspension Period” has the meaning given to it under “—Certain Covenants.”

“Surviving Person” has the meaning given to it under “—Redemption for Taxation Reasons.”

“Tax Redemption Date” has the meaning given to it under “—Redemption for Taxation Reasons.”

“Temporary Cash Investment” means investments in any of the following:

1. U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations, or securities issued directly and fully guaranteed or insured by any member of the European Union, or any agency or instrumentality thereof (*provided* that the full faith and credit of such member is pledged in support of those securities or other sovereign debt obligations (other than those of Argentina) rated “A” or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act, in each case with maturities not exceeding one year from the date of acquisition;
2. Peruvian Government Obligations (including those of the Central Bank) or Cypriot Government Obligations (including those of the Central Bank) or certificates representing an ownership interest in Peruvian Government Obligations or Cypriot Government Obligations (including those of the Central Bank) with maturities not exceeding one year from the date of acquisition;
3. (a) demand deposits, (b) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (c) bankers’ acceptance with maturities not exceeding one year from the date of acquisition, and (d) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of (x) Peru or any political subdivision thereof or (y) the United States, any state thereof or member state of the European Union whose short-term debt is rated “investment grade” or higher or such the local equivalent thereof by at least one recognized statistical rating organization;

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4. repurchase obligations with a term of not more than 30 days for underlying securities of the type described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (3) above;
  5. commercial paper rated “A-2” or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act and maturing within six months after the date of acquisition;
  6. money market funds at least 90% of the assets of which consist of investments of the type described in clauses (1) through (5) above; and
  7. similar investments of comparable credit quality, denominated in the currency of any jurisdiction in which such Person conducts business.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

“Transaction Date” means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

“Trustee” means The Bank of New York Mellon.

“Unrestricted Subsidiary” means (1) any Subsidiary of the Parent Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

“U.S. Government Obligations” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the New Notes, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“Voting Stock” means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

“Wholly Owned” means, with respect to any Subsidiary of any Person, the ownership, directly or indirectly, of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or *de minimis* Investments by particular residents or citizens mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

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## TAXATION

### Peruvian Income Taxation

**The discussion in this Listing Memorandum is not intended or written to be used, and cannot be used by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of the Listing Memorandum. Each investor should seek advice based on their particular circumstances from an independent tax advisor.**

The following is a general summary of the material consequences, under the Peruvian tax law as in effect as of the date of this Listing Memorandum, derived from the ownership and disposition of the New Notes and beneficial interests therein by non-Peruvian Holders. For purposes of this section, “non-Peruvian Holder” means either: (i) an individual who is not domiciled in Peru or (ii) a legal entity that is not incorporated under the laws of Peru, or any branch, agent, representative or permanent establishment thereof that is not established in Peru. For purposes of Peruvian taxation, an individual is deemed domiciled in Peru if he or she (i) is a Peruvian citizen who has regular residence in Peru, or (ii) is not a Peruvian citizen but has remained present in Peru for more than 183 days within any 12-month period.

This summary does not purport to address all Peruvian income tax consequences that may be applicable or relevant to particular non-Peruvian Holders.

### *Income Tax*

#### *Interest*

Non-Peruvian Holders are subject to income tax in Peru only on Peruvian source income. For this purpose, interest derived from debt securities (e.g. notes, short-term instruments) issued by entities incorporated in Peru is considered Peruvian source income.

Except for interests paid on the situations described below (which will be subject to a withholding tax rate of 30%), all payments of interest will be subject to withholding tax rate of 4.99%:

- a) The interest is paid to a related party.
- b) The interest is paid to an individual who has purchased the notes from, or by means of, a country that is qualified as a tax haven by Peruvian Income Tax Law.

#### *Capital Gains*

Proceeds received by a non-Peruvian holder on a sale, exchange or disposition of a beneficial interest in the global notes held through a clearing system should not be subject to any Peruvian withholding or capital gains tax. In the event that the beneficial interests in the global notes are exchanged for definitive notes, any capital gain arising from the sale, exchange or other disposition of these notes by non-Peruvian holders would be subject to Peruvian income tax with a 5% rate, only if these two requirements are satisfied: (i) the Notes are registered in the Securities Public Registry of the SMV and (ii) the Notes are negotiated in a Peruvian Centralized Stock Market. Otherwise, capital gains will be taxable at a 30% rate.

Capital gains are defined as the positive difference between the price at which the notes are sold and the holder’s tax basis in the notes (i.e., the acquisition value). The acquisition value has to be certified by the Peruvian Tax Administration through a form presented by the seller along with back-up documentation. This certification is not needed in case the sale is made through the Peruvian Centralized Stock Market.



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### ***Redemption***

Any premium received upon an early redemption of the New Notes will be subject to withholding tax at a rate of either 4.99% or 30%, depending on whether the premium is characterized as interest or capital gain. Prospective investors should seek advice from an independent tax advisor regarding the proper characterization of such premium payments upon early redemption of the New Notes. However, a 30% withholding tax rate will apply to any premium received by a non-Peruvian Holder of the New Notes which is related to us.

### ***Financial Transaction Tax (“ITF”)***

ITF is levied on, among other transactions, any transfer, turnover, deposit, credit or debit from accounts opened by individuals or corporations in the Peruvian financial system. Currently, the tax rate is 0.005%.

### ***VAT***

Interest paid on the Notes will be exempted from VAT pursuant to Law No. 30050 which is in force since July 1, 2013. Moreover, the sale, exchange or other disposition of the New Notes is not subject to VAT.

**THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE INVESTMENT IN THE OFFERED NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.**

### **Certain U.S. Federal Income Tax Consequences**

The following is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the New Notes by U.S. Holders (as defined below). This summary applies only to New Notes that are held as capital assets for U.S. federal income tax purposes (generally, property held for investment). In addition, this summary does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the New Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a U.S. Holder whose “functional currency” is not the U.S. dollar; or

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- a United States expatriate.

As used herein, “U.S. Holder” means a beneficial owner of the New Notes that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds New Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding New Notes, you should consult your tax advisors.

This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), proposed, temporary and final Treasury regulations promulgated under the Code, and administrative rulings and judicial decisions, in each case as of the date hereof. These authorities are subject to differing interpretations and may be changed, perhaps retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not obtained, nor do we intend to obtain, a ruling from the Internal Revenue Service (the “IRS”) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions.

This summary does not contain a detailed description of all the U.S. federal income tax consequences to you in light of your particular circumstances and does not address other U.S. tax laws (such as the Medicare contribution tax on net investment income or estate or gift tax laws) or the effects of any state, local or non-U.S. tax laws. You should consult your own tax advisors concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of the New Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

### ***Payments of Interest***

Interest on a New Note (including any Peruvian tax withheld and additional amounts paid in respect thereof) will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes. Interest income on a New Note generally will be considered foreign source income.

### ***Market Discount***

If you purchase a New Note for an amount that is less than its stated principal amount, the amount of the difference will be treated as “market discount” for U.S. federal income tax purposes, unless that difference is less than a specified de minimis amount (generally, 0.25% of the stated principal amount multiplied by the number of complete years to maturity from the purchase of the New Note). Under the market discount rules, you will be required to treat any gain on the sale, exchange, retirement or other taxable disposition of a New Note as ordinary income to the extent of the market discount that is treated as having accrued on the New Note during your holding period and which you have not previously included in income. Any gain treated as ordinary income pursuant to the market discount rules generally should be treated as foreign source income (although the matter is not free from doubt).

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In addition, you may be required to defer, until the maturity of the New Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the New Note.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the New Note, unless you elect to accrue on a constant interest method. You may elect to include market discount in income currently as it accrues, on either a ratable or constant interest method, in which case the rule described above regarding deferral of interest deductions will not apply. An election to accrue market discount on a current basis will apply to all debt instruments acquired with market discount that you acquire on or after the first day of the first taxable year to which the election applies. The election may not be revoked without the consent of the IRS.

### ***Bond Premium***

If you purchase a New Note for an amount in excess of its stated principal amount, you will be considered to have acquired the New Note with “amortizable bond premium.” You generally may elect to amortize the bond premium over the remaining term of the New Note on a constant yield method as an offset to interest when includible in income under your regular accounting method. However, because the New Notes may be redeemed by us prior to maturity at a premium, special rules apply that may reduce, eliminate or defer the amount of bond premium that you may amortize with respect to a New Note. You should consult your tax advisors about these special rules. If you do not elect to amortize bond premium, that bond premium will decrease the gain or increase the loss you would otherwise recognize upon the retirement or other taxable disposition of the New Note. An election to amortize bond premium on a constant yield method will also apply to all other taxable debt instruments held or subsequently acquired by you on or after the first day of the first taxable year for which the election is made. Such an election may not be revoked without the consent of the IRS.

### ***Sale, Exchange, Retirement or Other Taxable Disposition of the New Notes***

Upon the sale, exchange, retirement or other taxable disposition of a New Note, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other taxable disposition (less an amount equal to any accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the New Note. For these purposes, if a Peruvian or other foreign tax is withheld on the sale, exchange, retirement or other taxable disposition, your amount realized will include the gross amount of the proceeds before deduction of such tax. Your adjusted tax basis in a New Note will generally be your cost for the New Note, increased by any market discount previously included in income with respect to the New Note and reduced by any bond premium previously amortized with respect to the New Note.

Subject to the market discount rules discussed above, any gain or loss on the sale, exchange, retirement or other taxable disposition of a New Note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if you have held the New Note for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

### ***Foreign Tax Credits***

Since interest income on the New Notes generally will be considered foreign source income, you may be entitled to deduct or credit any Peruvian tax withheld from interest payments on the New Notes, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular tax year). Interest income (including any additional amounts) on the New Notes generally will be considered “passive category” income for purposes of the U.S. foreign tax credit rules. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the New Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss.

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As discussed above, subject to the market discount rules, any gain recognized on the sale, exchange, retirement or other taxable disposition of the New Notes generally will be treated as U.S. source gain. Consequently, you may not be able to claim a credit for any Peruvian or other foreign tax imposed upon such sale, exchange, retirement or other taxable disposition unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. You may, however, be able to deduct any such tax if you elect to deduct (rather than credit) all of your foreign taxes paid or accrued during the tax year.

The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

***Backup Withholding and Information Reporting***

In general, information reporting will also apply to payments of interest on the New Notes and proceeds from a disposition (including a retirement or redemption) of the New Notes. Backup withholding (at a current rate of 28%) may apply to any payments described in the preceding sentence if you fail to:

- furnish your taxpayer identification number (social security or employer identification number);
- certify that your number is correct;
- certify that you are not subject to backup withholding; or
- otherwise comply with the requirements of the backup withholding rules.

You generally can satisfy these certification and other requirements by completing an IRS Form W-9. Certain U.S. Holders (including most corporations) are not subject to backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, so long as the required information is timely furnished to the IRS.

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## TRANSFER RESTRICTIONS

The New Notes have not been registered, and will not be registered, under the Securities Act or any other applicable securities laws, and the New Notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the New Notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 of Regulation S under the Securities Act.

### Representations and Restrictions on Resale and Transfer

Each holder who received New Notes in the Exchange Offer and each owner of any beneficial interest therein was deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

- It is accepting or purchasing the New Notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States.
- It acknowledges that the New Notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below.
- It understands and agrees that New Notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that New Notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes.
- It will not resell or otherwise transfer any of such New Notes except (a) to us or one of our subsidiaries, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to an effective registration statement under the Securities Act.
- It agrees that it will give to each person to whom it transfers the New Notes notice of any restrictions on transfer of such New Notes.
- It acknowledges that prior to any proposed transfer of New Notes (other than pursuant to an effective registration statement or in respect of New Notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such New Notes may be required to provide certifications relating to the manner of such transfer as provided in the New Indenture.
- It acknowledges that the trustee, registrar or transfer agent for the New Notes will not be required to accept for registration transfer of any New Notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with.
- It acknowledges that we, the Dealer Managers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its acceptance of the New Notes are no longer accurate, it will promptly notify us and the Dealer Managers. If it is receiving the New Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole

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investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations, and agreements on behalf of each account.

The following is the form of restrictive legend which appears on the face of the Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This Note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws. The holder hereof, by purchasing this Note, agrees that this Note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to us, (2) so long as this Note is eligible for resale pursuant to Rule 144A under the Securities Act (“Rule 144A”), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this Note, represents and agrees that it will notify any purchaser of this Note from it of the resale restrictions referred to above.**

**The foregoing legend may be removed from this Note only at the option of the Company.”**

The following is the form of restrictive legend which appears on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This Note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any other securities laws. The holder hereof, by purchasing this Note, agrees that neither this Note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.**

**The foregoing legend may be removed from this Note after 40 days beginning on and including the later of (a) the date on which the notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this Note.”**

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## LEGAL MATTERS

Certain legal matters in connection with this international offering will be passed upon for Camposol S.A. and Camposol Holding Ltd. with respect to New York law by Simpson Thacher & Bartlett LLP, with respect to Peruvian law by Rebaza, Alcazar & De las Casas Abogados Financieros and with respect to Cypriot law by Harneys, Aristodemou Loizides Yiolitis LLC. Certain legal matters in connection with the international offering will be passed upon for the Dealer Managers with respect to New York law by Skadden, Arps, Slate, Meagher & Flom LLP and with respect to Peruvian law by Estudio Echeopar, a member firm of Baker & McKenzie International.

## INDEPENDENT AUDITORS

The consolidated financial statements of Camposol Holding Limited as of December 31, 2013, 2014 and 2015 and for the years then ended, included in this Listing Memorandum, have been audited by PricewaterhouseCoopers Limited, independent auditors, as stated in their audit report appearing herein. PricewaterhouseCoopers Limited, has registered offices at Julia House, 3 Themistocles Dervis Street CY-1066 Nicosia, Cyprus and is a member of the Institute of Certified Public Accountants of Cyprus.

The audited financial statements of Camposol S.A. as of December 31, 2013, 2014 and 2015 and for the years then ended, included in this Listing Memorandum have been audited by Gaveglío Aparicio Sociedad Civil de Responsabilidad Limitada, independent auditors, as stated in their audit report appearing herein. Gaveglío Aparicio Asociados Sociedad Civil de Responsabilidad Limitada has registered offices at Av. Santo Toribio 143, Lima 27 Peru. Dongo Soria Gaveglío y Asociados Sociedad Civil de Responsabilidad Limitada is a member of the *Colegio de Contadores Públicos de Lima*.

## AVAILABLE INFORMATION

We will furnish, upon prior written request of any registered owner of a note, or note holder, or beneficial owner of a note, or note owner, such information as is specified in paragraph (d)(4) of Rule 144A under the Securities Act: (a) to such note holder or note owner, (b) to a prospective purchaser of such note (or beneficial interest therein) who is a qualified institutional buyer designated by such note holder or note owner or (c) to the trustee for delivery to such note holder or note owner or such prospective purchaser so designated, in each case in order to permit compliance by such note holder or note owner with Rule 144A in connection with the resale of such note (or a beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, (1) we are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or (2) we qualify for the exemption to Rule 12g3-2(b).

For the life of the listing particulars, the following documents or copies thereof may be collected at the office of the trustee and the Luxembourg paying and transfer agent:

(a) the memorandum and articles of association of the Issuer and the Guarantors, and English transcripts thereof;

(b) all reports, letters, valuations etc. prepared by an expert at the Issuer's request, any part of which is included or referred to in this Listing Memorandum;

(c) the historical financial statements included in this Listing Memorandum;

(d) the information required to be provided by the Company pursuant to the terms of the New Notes as set forth under "Description of the New Notes"; and

(e) the New Indenture.

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## GENERAL INFORMATION

### Legal Information

The issuance of US\$147,490,000 New Notes was approved by resolution of our shareholders' meeting dated April 6, 2016. We initially issued and sold US\$41,656,000 principal amount of New Notes pursuant to Rule 144A and US\$105,834,000 principal amount of New Notes pursuant to Regulation S.

The New Indenture and the New Notes are governed by New York law. We have submitted to the non-exclusive jurisdiction of the United States federal and state courts located in the Borough of Manhattan in The City of New York, in respect of any action arising out of or based on the New Notes. The Peruvian Trust Agreement is governed by the laws of Peru.

### Corporate Information

Camposol S.A. was incorporated for an indefinite period on January 31, 1997.

Camposol Holding Ltd. was incorporated for an indefinite period on August 11, 2007.

Marinazul S.A. was incorporated for an indefinite period on July 13, 2006.

Campoinca S.A. was incorporated for an indefinite period on April 3, 2007.

### Clearing Information

*For 144A Global Note:* CUSIP No. 134638 AC9 and ISIN No. US134638AC941; Common Code: 142802775.

*For Regulation S Global Note:* CUSIP No. P19189 AC6 and ISIN No. USP19189AC692; Common Code: 142803313.

### No Material Adverse Change

Except as disclosed in this Listing Memorandum, there has been no material change in either Camposol S.A.'s or Camposol Holding Ltd.'s financial or trading positions since December 31, 2016.



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**CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2015, 2014 AND 2013 TOGETHER WITH THE  
REPORT OF THE INDEPENDENT AUDITORS

## **CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

### **CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2015, 2014 AND 2013 TOGETHER WITH THE REPORT OF THE INDEPENDENT AUDITORS**

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USD = United States dollar  
PEN = Sol  
€ = Euros  
NOK = Norwegian Krone

## **CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

### **OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2015, 2014 AND 2013**

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Camposol Holding Limited and Subsidiaries  
General information  
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## **GENERAL INFORMATION**

### **Directors**

Samuel Barnaby Dyer Coriat - Chairman  
Piero Martin Dyer Coriat (appointed 5 November 2015)  
Samuel Edward Dyer Ampudia (appointed 15 January 2008 and resigned 5 November 2015)  
Rosa Amelia Coriat Valera (appointed 15 May 2014 and resigned 5 November 2015)  
Maria Susana Elespuru Guerrero  
Carmen Rosa Graham Ayllon  
Mariano Felipe Paz Soldan Franco (appointed 15 May 2014 and resigned 7 July 2015)  
William Paul Dyer Osorio (appointed 23 July 2015)  
Sheyla Dyer Coriat (appointed 5 November 2015)  
Raul Ubaldo Fernandez (appointed 6 November 2015)

### **Company Secretary**

Altruco Secretarial Limited  
Kanika International  
Business Center, 6th Floor,  
Profiti Ilia No 4 Germasogeia,  
Limassol 4046,  
Cyprus

### **Registered office**

Kanika International  
Business Center, 6th Floor,  
Profiti Ilia No 4 Germasogeia,  
Limassol 4046,  
Cyprus

### **Independent auditors**

PricewaterhouseCoopers Limited  
Cyprus



## **Independent auditor's report**

### **To the Board of Directors of Camposol Holding Limited**

#### **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Camposol Holding Limited (the "Company") and its subsidiaries (together with the Company, "the Group"), which comprise the consolidated statements of financial position as at 31 December 2015, 31 December 2014 and 31 December 2013 and the consolidated statements of comprehensive income, changes in equity and cash flows for the three years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the consolidated financial statements*

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Opinion***

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015, 31 December 2014 and 31 December 2013 and of its financial performance and its cash flows for the three years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

### **Other matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

*/S/PricewaterhouseCoopers Limited*  
PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

Nicosia, 5 April 2016

Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

**CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(IN THOUSANDS OF U.S. DOLLARS)

		<b>At 31 December</b>		
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	176,905	194,102	128,604
Investment in associate	7	2,036	1,782	864
Intangible assets	8	13,717	16,584	18,149
Non-current portion of biological assets	9	300,783	237,725	282,982
Deferred income tax		4,131	2,667	1,247
Total non-current assets		<u>497,572</u>	<u>452,860</u>	<u>431,846</u>
<b>CURRENT ASSETS</b>				
Prepaid expenses		970	1,142	1,027
Current portion of biological assets	9	14,211	19,227	19,187
Inventories	12	47,102	95,236	63,082
Other accounts receivable	13	14,115	15,657	8,721
Income tax credit		7,281	7,949	3,907
Trade accounts receivable	14	40,709	45,994	55,170
Cash subject to restriction	15	-	7,500	-
Cash and cash equivalents	15	<u>26,647</u>	<u>30,505</u>	<u>27,240</u>
		151,035	223,210	178,334
Assets classified as held for sale	37	<u>9,058</u>	<u>-</u>	<u>-</u>
Total current assets		<u>160,093</u>	<u>223,210</u>	<u>178,334</u>
<b>Total assets</b>		<u><b>657,665</b></u>	<u><b>676,070</b></u>	<u><b>610,180</b></u>
<b>Equity attributable to shareholders of the parent</b>				
Share capital	16	507	507	507
Share premium	16	212,318	212,318	212,318
Other reserves	16	825	825	825
Retained earnings		<u>89,222</u>	<u>76,570</u>	<u>111,285</u>
		302,872	290,220	324,935
Non-controlling interest		<u>7,841</u>	<u>8,142</u>	<u>806</u>
<b>Total equity</b>		<u><b>310,713</b></u>	<u><b>298,362</b></u>	<u><b>325,741</b></u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long - term debt	19	204,851	206,117	133,327
Deferred income tax		46,201	35,139	41,371
Provisions	22	<u>4,930</u>	<u>4,833</u>	<u>-</u>
Total non-current liabilities		<u>255,982</u>	<u>246,089</u>	<u>174,698</u>
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	19	9,924	11,682	9,898
Trade accounts payable	20	34,355	48,315	60,655
Other accounts payable	21	5,223	6,637	9,715
Income tax payable		1,420	1,948	971
Provisions	22	<u>3,928</u>	<u>3,434</u>	<u>2,477</u>
Bank loans	23	<u>36,120</u>	<u>59,603</u>	<u>26,025</u>
Total current liabilities		<u>90,970</u>	<u>131,619</u>	<u>109,741</u>
<b>Total liabilities</b>		<u><b>346,952</b></u>	<u><b>377,708</b></u>	<u><b>284,439</b></u>
<b>Total equity and liabilities</b>		<u><b>657,665</b></u>	<u><b>676,070</b></u>	<u><b>610,180</b></u>

**Directors**

Samuel Barnaby Dyer Coriat - Chairman

/S/ Samuel Barnaby Dyer Coriat  
Signature

Piero Martin Dyer Coriat - Director

/S/ Piero Martin Dyer Coriat  
Signature

The notes on pages F-12 to F-80 are an integral part of these consolidated financial statements.



Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

**CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December		
		2015	2014	2013
<b>Continuing operations</b>				
Revenue	25	272,692	253,456	218,469
Cost of sales	26	(193,203)	(171,300)	(145,974)
<b>Gross profit</b>		<u>79,489</u>	<u>82,156</u>	<u>72,495</u>
Net gain (loss) arising from changes in fair value of biological assets	9	39,634	(46,807)	40,057
Gross profit after adjustment for biological assets		<u>119,123</u>	<u>35,349</u>	<u>112,552</u>
Selling expenses	27	(30,319)	(37,562)	(25,556)
Administrative expenses	28	(24,904)	(28,703)	(22,389)
Other income	30	9,518	18,431	1,334
Other expenses	30	(15,534)	(9,411)	(3,415)
Net foreign exchange transactions losses		<u>(5,222)</u>	<u>(3,063)</u>	<u>(2,750)</u>
<b>Operating profit (loss)</b>		<u>52,662</u>	<u>(24,959)</u>	<u>59,776</u>
Share of profit of investments accounted for using the equity method	7	253	918	305
Financial income	31	13	116	81
Financial cost	31	(24,969)	(22,798)	(19,465)
<b>Profit (loss) before income tax</b>		<u>27,959</u>	<u>(46,723)</u>	<u>40,697</u>
Income tax benefit (expense)	33	(11,055)	12,623	(10,431)
Profit (loss) for the year from continuing operations (attributable to equity holders of the parent)		<u>16,904</u>	<u>(34,100)</u>	<u>30,266</u>
<b>Discontinued operations:</b>				
Profit for the year from discontinued operations	37	514	456	1,248
<b>Profit (loss) for the year</b>		<u>17,418</u>	<u>(33,644)</u>	<u>31,514</u>
<b>Other comprehensive income (loss):</b>				
Currency translation adjustment (Item that may be subsequently reclassified to profit or loss)		(4,879)	(764)	18
Other adjustment (Items that will not be reclassified to profit or loss)		-	-	(18)
<b>Total comprehensive income (loss) for the year</b>		<u>12,539</u>	<u>(34,408)</u>	<u>31,514</u>
<b>Profit (loss) attributable to:</b>				
Owners of the parent		16,114	(34,407)	30,040
Non-controlling interest		16,628	(33,951)	31,288
		<u>790</u>	<u>307</u>	<u>226</u>
		<u>17,418</u>	<u>(33,644)</u>	<u>31,514</u>
<b>Total comprehensive income (loss) for the year attributable to:</b>				
Owners of the parent		12,652	(34,715)	31,288
Non-controlling interests		(113)	307	226
		<u>12,539</u>	<u>(34,408)</u>	<u>31,514</u>
<b>Total comprehensive income attributable to owners of the parent arises from:</b>				
Continuing operations		12,138	(35,171)	30,040
Discontinued operations		514	456	1,248
		<u>12,652</u>	<u>(34,715)</u>	<u>31,288</u>
<b>Total comprehensive income attributable to non-controlling interests:</b>				
Continuing operations		(113)	307	226
Discontinued operations		-	-	-
		<u>(113)</u>	<u>307</u>	<u>226</u>
<b>Basic and diluted earnings per share from continuing and discontinued operations to the equity holders of parent during the year (expressed in U.S. Dollars per share):</b>				
From continuing operations		0.505	(1.153)	1.100
From discontinuing operations		0.016	0.015	0.046
Basic and diluted earnings (losses) per ordinary share	34	<u>0.521</u>	<u>(1.138)</u>	<u>0.981</u>

Items in other comprehensive income above are disclosed net of tax.

The notes on pages F-12 to F-80 are an integral part of these consolidated financial statements.

Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for the years ended 31 December 2015, 2014 and 2013  
(IN THOUSANDS OF U.S. DOLLARS)

	Notes	Attributable to owners of the parent						Non- controlling interest	Total equity
		Number of shares	Share capital	Share premium	Treasury shares reserves	Retained earnings	Total		
<b>Balances as of 1 January 2013</b>		29,435	507	212,318	(11,592)	79,997	281,230	580	281,810
<b>Comprehensive income:</b>									
Profit for the year		-	-	-	-	31,288	31,288	226	31,514
<b>Other comprehensive income:</b>									
Currency translation adjustment		-	-	-	-	18	18	-	18
Other adjustments		-	-	-	-	(18)	(18)	-	(18)
<b>Total comprehensive income</b>		-	-	-	-	31,288	31,288	226	31,514
Transactions with owners:									
Disposal of treasury shares		2,969	-	-	12,417	-	12,417	-	12,417
Total transactions with owners		2,969	-	-	12,417	-	12,417	-	12,417
<b>Balances as of 31 December 2013</b>		32,404	507	212,318	825	111,285	324,935	806	325,741
<b>Balances as of 1 January 2014</b>		32,404	507	212,318	825	111,285	324,935	806	325,741
<b>Comprehensive income:</b>									
Loss for the year		-	-	-	-	(33,951)	(33,951)	307	(33,644)
<b>Other comprehensive income:</b>									
Currency translation adjustment		-	-	-	-	(764)	(764)	-	(764)
<b>Total comprehensive income</b>		-	-	-	-	(34,715)	(34,715)	307	(34,408)
Transactions with owners:									
Non-controlling interest arising on business combination	24	-	-	-	-	-	-	7,029	7,029
Total transactions with owners		-	-	-	-	-	-	7,029	7,029
<b>Balances as of 31 December 2014</b>		32,404	507	212,318	825	76,570	290,220	8,142	298,362
<b>Balances at 1 January 2015</b>		32,404	507	212,318	825	76,570	290,220	8,142	298,362
<b>Comprehensive income:</b>									
Profit for the year		-	-	-	-	16,628	16,628	790	17,418
<b>Other comprehensive income:</b>									
Currency translation adjustment		-	-	-	-	(3,976)	(3,976)	(903)	(4,879)
<b>Total comprehensive income</b>		-	-	-	-	12,652	12,652	(113)	12,539
Transactions with owners:									
Dividends distribution		-	-	-	-	-	-	(188)	(188)
Total transactions with owners		-	-	-	-	-	-	(188)	(188)
<b>Balances as of 31 December 2015</b>		32,404	507	212,318	825	89,222	302,872	7,841	310,713

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages F-12 to F-80 are an integral part of these consolidated financial statements.

Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

**CAMPOSOL HOLDING LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
(IN THOUSANDS OF U.S. DOLLARS)

		For the year ended 31 December		
	Note	2015	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from costumers		285,932	277,021	215,743
Cash paid to suppliers and employees		(232,118)	(301,112)	(201,533)
Interest paid		(23,564)	(19,201)	(17,984)
Income tax paid		(2,734)	(1,816)	(1,553)
Custom duties refund collections		7,660	9,034	7,868
Other collections		-	5,251	2,713
Other payments		(1,587)	-	-
Net cash generated from (used in) operating activities	32	33,589	(30,823)	5,254
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Transfer to cash subject to restriction		7,500	(7,500)	-
Purchases of property, plant and equipment		(11,921)	(34,941)	(5,406)
Investment in biological assets		(11,183)	(4,490)	(7,581)
Purchase of intangibles, excluding goodwill	8	(1,683)	(156)	(415)
Acquisition of subsidiary, net of cash acquired		-	(15,449)	-
Proceeds from sale of property, plant and equipment		7,461	203	429
Net cash used in investing activities		(9,826)	(62,333)	(12,973)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Bank loans proceeds	23	128,383	121,590	101,495
Bank loans payments	23	(151,866)	(88,987)	(105,350)
Sales of own shares	16	-	-	12,417
Bonds issue, net of transaction costs	19	-	73,374	-
Long-term debt proceeds	19	-	-	1,300
Payments of long-term debt	19	(4,138)	(9,556)	(3,426)
Net cash (used in) generated from financial activities		(27,621)	96,421	6,436
Net (decrease) increase in cash and cash equivalents		(3,858)	3,265	(1,283)
Cash and cash equivalents at beginning of year		30,505	27,240	28,523
Cash and cash equivalents at end of year	15	26,647	30,505	27,240
Non-cash transactions:				
Property, plant and equipment acquired under finance lease	19	-	5,273	3,887

The notes on pages F-12 to F-80 are an integral part of these consolidated financial statements.

(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

## 1 GENERAL INFORMATION

### a) Business activities -

Camposol Holding Limited (hereinafter the Company) formerly Camposol Holding PLC until 30 April 2014, was incorporated in Cyprus on 9 July 2007, in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company was a public limited liability company until 30 April 2014 and was converted to a private limited liability company, in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Camposol Holding Limited and subsidiaries are hereinafter referred as the Group. The Company through its subsidiaries is mainly engaged in investing in the agriculture business, shrimp farming and managing the export of agricultural products mainly to the United States and to the European Union.

The Company's legal address is Kanika International Business Center, 6th Floor, Profiti Ilia No 4 Germasogeia, Limassol 4046, Cyprus.

The Company's shares were listed in the Oslo Axess Stock Exchange from May 2008 and the last day of listing was 20 December 2013.

As of 31 December 2015 Generación del Pacífico Grupo S.L., ultimate controlling party, (formerly Dyer Coriat Holding SL) has 82.59% (2014 and 2013: 100%) of the Shares of the Company. The remainder of the Company's issued share capital in 2015 is spread amongst several shareholders.

On 16 October 2015, the Board of Directors of the Company approved the resolution in writing to transfer the Registered Office of the Company to Peru.

The subsidiaries and their activities are as follows:

Company	Principal activity	Country of incorporation	Direct or indirect equity interest as of 31 December		
			2015	2014	2013
Camposol S.A.	Agribusiness	Peru	100%	100%	100%
Nor Agro Perú S.A.C.	Farmland owner	Peru	100%	100%	100%
Prodex S.A.C.	Agriculture	Peru	100%	100%	100%
VegeSol S.A.	Agriculture	Peru	100%	100%	100%
Campoinca S.A.	Farmland owner	Peru	100%	100%	100%
Muelles y Servicios Paita S.R.L.	Services	Peru	100%	100%	100%
Marinazul S.A.	Shrimp farming	Peru	99.99%	99.99%	99.99%
Domingo Rodas S.A.	Shrimp farmland rental	Peru	100%	100%	100%
Camarones S.A.C.	Shrimp farmland rental	Peru	100%	100%	100%
Marinasol S.A.	Fish canning	Peru	100%	100%	100%
Inversiones Agrícolas Inmobiliarias S.A.C.	Farmland owner	Peru	99.99%	99%	-
Corporación Refrigerados Iny S.A.	Shrimp farming	Peru	80%	80%	-
Pesquera ABC S.A.C.	Seafood processing business	Peru	75%	75%	-
Pacífico Azul S.A.	Shrimp farmland rental	Peru	100%	100%	-
Camposol Europa S.L.	Distribution	Spain	100%	100%	100%
Camposol Fresh B.V.	Distribution	Netherlands	100%	100%	100%
Madoca Corp.	Holding	Panama (*)	100%	100%	100%
Grainlens Limited	Holding	Cyprus (*)	100%	100%	100%
Blacklocust Limited	Holding	Cyprus (*)	100%	100%	100%
Siboure Holding Limited	Holding	Cyprus (*)	100%	100%	100%
Persea, Inc.	Holding	USA	100%	100%	100%
Camposol Fresh U.S.A., Inc.	Distribution	USA	100%	100%	100%
Camposol Specialties, Inc.	Distribution	USA	100%	100%	100%

(\*) In process to transfer the Registered Office of these entities to Peru.

Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

Camposol S.A. is one of the subsidiaries of the Group which is a Peruvian agribusiness corporation incorporated in the city of Lima on 31 January 1997. Camposol S.A. contributes substantially with all of the consolidated Group's revenues and net profit.

The legal address of Camposol S.A. is Avenida El Derby 250, Urbanización El Derby de Monterrico, Santiago de Surco, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km. 497.5, Chao, Viru, La Libertad, three production establishments or agricultural lands are located in Carretera Panamericana Norte Kms. 510, 512 and 527 in the department of La Libertad, Peru. In addition, Camposol S.A. operates two administrative offices in the department of Piura and Arequipa.

In addition, the Company has an associate, Empacadora de Frutos Tropicales S.A.C. which is engaged in the processing and commercialization of fresh fruit products (Note 7).

The subsidiary Inversiones Inmobiliarias Agrícolas S.A.C. was incorporated on 28 August 2014.

The subsidiaries Corporación Refrigerados Iny S.A., Pesquera ABC S.A.C. and Pacifico Azul S.A., were acquired from third parties during 2014 (Note 24).

The company Agro Industrial Santa Angela S.A., was acquired from third parties during 2015, as part of an assets purchase (Note 6).

On 17 December 2015, the Group signed a contract of sale in which transfers the ownership of its asparagus line of preserved products to a third party (Sociedad Agrícola Viru S.A.C.), the same that will be effective in January 2016.

The table below presents details of the available agricultural land of the Group:

Land	Peruvian region	Area in Hectares (Ha)		
		2015	2014	2013
Mar Verde	La Libertad	2,496	2,496	2,496
Agricultor	La Libertad	1,726	1,726	1,726
Gloria	La Libertad	1,018	1,018	1,018
Agromás	La Libertad	414	414	414
Virú - San José	La Libertad	616	616	616
Compositan	La Libertad	3,778	3,778	3,778
Yakuy Minka	La Libertad	2,770	2,770	2,770
INAIN	La Libertad	11	11	-
Huangala - Terra	Piura	2,677	2,677	2,677
Santa Ana	Piura	3,370	3,370	3,370
Santa Anita	Piura	128	128	128
Santa Julia	Piura	2,183	2,183	2,183
María Auxiliadora	Piura	1,980	1,980	1,980
La Merced	Piura	1,000	1,000	1,000
Ocoto Alto	Piura	112	112	112
Ocoto Bajo	Piura	31	31	31
Ica	Ica	900	900	900
Tumbes	Tumbes	2,887	1,579	933
		<u>28,097</u>	<u>26,789</u>	<u>26,132</u>

The Group carries out its activities over the following planted areas:

	<b>Area in Hectares (Ha)</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asparagus	1,261	1,922	2,395
Avocados	2,655	2,653	2,643
Mangoes	450	527	450
Grapes	327	451	451
Shrimp	724	1050	636
Pepper	-	-	332
Tangerine	145	102	102
Blueberry	1,050	566	212
	<u>6,612</u>	<u>7,271</u>	<u>7,221</u>

b) Economic environment of the Company

Following three years of economic recession, the Cyprus economy has recorded positive growth in the first half of 2015. As from April 2015, the restrictive measures and capital controls which were in place since March 2013 have been lifted. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have upgraded the credit ratings for the Cypriot sovereign, however the rating continues to be "non-investment grade". At the same time there are some major downside risks emanating from the high level of non-performing loans in the banking sector and the limited availability of credit.

The economic conditions described above, did not impact the operations of the Group, since the Group conducts its operating, financing and investing activities outside the Cypriot territory.

c) Approval of the financial statements -

The 2015 consolidated financial statements of the Group were approved by the Board of Directors' Meeting held in the offices of the Company in Lima on 5 April 2016.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation -

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) and IFRIC Interpretations.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value, investment in associate recognized under the equity method accounting and assets of disposal group classified as held for sale recognised at the lower of their carrying amount and fair value less costs to sell. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

The consolidated financial statements have been prepared using three years presentation and the same accounting policies have been applied for all three years presented.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## **2.2 Adoption of new and revised IFRSs -**

As of the date of the authorisation of the consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2015 have been adopted by the EU through the endorsement procedure established by the European Commission.

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Group.

At the date of preparation of these financial statements the following International Financial Reporting Standards were issued by the International Accounting Standards Board but were not yet effective in the European Union:

### **i) Adopted by the European Union**

#### **Amendments**

- Amendments to IAS 19 – Defined benefit plans: Employee contributions (effective for annual periods beginning 1 February 2015).
- Annual Improvements 2012 (effective for annual periods beginning on or after 1 February 2015).
- Amendments to IFRS 11 – Accounting for acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 16 and IAS 41 - Agriculture: Bearer plants (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 27 - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).
- Annual Improvements 2014 (effective for annual periods beginning on or after 1 January 2016)
- Amendments to IAS 1 - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).

### **ii) Not yet adopted by the European Union**

#### **New standards**

- IFRS 9 "Financial Instruments" (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2018).
- IFRS 14, Regulatory Deferral Accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).
- IFRS 15, Revenue from Contracts with Customers (issued in May 2014) including amendments and effective for annual periods beginning on or after 1 January 2018.
- IFRS 16 "Leases" (issued in January 2016 and effective for annual periods beginning on or after 1 January 2019).

### **Amendments**

- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016).
- Amendment to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).
- Amendments to IAS 12 (issued in January 2016 and effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 7 (issued on 29 January 2016 and effective for annual periods beginning on or after 1 January 2017).

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Group, with the exception of the following:

Amendments to IAS 16 and IAS 41 - Agriculture: Bearer plants (effective for annual periods beginning on or after 1 January 2016). The amendments change the financial reporting for bearer plants, such as avocados, asparagus, mangoes, tangerine, grapes and blueberries, which now should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

As required under IAS 8, the change in accounting policy must be applied retrospectively. As a consequence, the bear plants describe above will be reclassified to property, plant and equipment effective 1 January 2015 and comparative figures will be restated accordingly.

The bear plants will be depreciated over their useful life which are estimated as follow: i) avocados, mangoes, tangerine and grapes between 20-25 years; ii) asparagus between 8-10 years; and iii) blueberries 11 years.

As permitted under the transitional rules, the fair value of the bear plants at 1 January 2015 will be deemed to be their cost going forward. At the date of preparation of these financial statements, the Group have not calculated the fair value of the bear plants to the transition date, and is assessing whether these assets will be accounted for under cost or revaluation method accordingly to IAS 16.

The Group expects to conclude the calculation and decide the accounting method in the second quarter of 2016, therefore it is not possible to determine the impacts of this change at the transition date nor at 31 December 2015.

### **2.3 Consolidation -**

The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its subsidiaries detailed in Note 1-(a).

#### **a) Subsidiaries -**

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The entity has power over the investee where the investor possess the right that gives it the current ability to direct the relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.



The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a business is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2.8 - a). If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the business acquired, these cases are defined as a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b) Associates -

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss, where appropriate.

The Group's share of post-acquisition profit or loss of an associate, is recognized in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income of the associate is recognized in other comprehensive income of the Group with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising from changes in the interest on investments in associates are recognized in the consolidated statement of comprehensive income.

The carrying amount of equity-accounted investments in associates is tested for impairment in accordance with the policy described in Note 2.11.

## **2.4 Segment information -**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assess performance of the operating segments and makes strategic decisions has been identified as the Board of Directors.

## **2.5 Foreign currency translation -**

### **a) Functional and presentation currency -**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency.

### **b) Transactions and balances -**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the consolidated statement of comprehensive income within 'net foreign exchange transactions losses'.

### **c) Group companies -**

The results and financial position of all the Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- (c) equity balances, except for retained earnings, are translated at the historical exchange rates; and
- (d) all resulting exchange differences are recognized in other comprehensive income and included in retained earnings.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

## 2.6 Property, plant and equipment -

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful life of individual assets, as follows:

	<u>Years</u>
Buildings and other constructions	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management.

The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end. At 31 December 2015, there were no changes resulting from the review.

An assets' carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income' or 'other expenses', respectively, in the consolidated statement of comprehensive income.

## 2.7 Assets held for sale -

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) or is recognised at the date of derecognition.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

## **2.8 Intangible assets -**

### **a) Goodwill -**

Goodwill is initially measured as the excess of the consideration transferred over the fair value of the net acquirer's identifiable assets, liabilities, contingent liabilities and non-controlling interest at the date of acquisition. When the accounting for a business combination is not completed by the end of the reporting period in which the business combinations took place, the Group reports provisional amounts for those items with valuation process still incomplete.

The net identifiable assets acquired and liabilities assumed accounted at provisional fair values at acquisition date may be retroactively adjusted to reflect additional information gathered on facts and circumstances existing at acquisition date which, if known, would have affected the measurement of the amounts originally recognized. The period allowed by the IFRS 3 for the amendment of provisional amounts recognized should not exceed one year from the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating-units, or groups of cash-generating-units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU which goodwill is allocated to is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### **b) Customer relationships -**

Customer relationships acquired in a business combination are initially recognized at fair value at the date of the acquisition and subsequently at cost less amortization over their estimated useful lives which range from 2 to 8 years.

The intangible asset is valued using an income approach and the "multi-period excess earnings" method. The excess of earnings is defined as the difference between after-tax operating cash flows generated by the existing customers at the acquisition date; and, the contribution costs required by the remaining assets (tangible and intangible) for maintaining the relationships with the customer. The application of the "multi-period excess earnings" requires the following estimations:

- Future sales attributable to the existing customer list at the acquisition date, excluding any sales from other customers without an established and clear relationship. The sales forecast for each customer, or customer category, takes into consideration organic sales growth as well as the deterioration rate for this customer list.

- Calculation of operating margins (EBIT), taking into account only costs related to the existing customer base at the acquisition date.

c) Computer software -

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

Costs associated with maintaining computer software or programs are recognized as an expense as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

## **2.9 Impairment of non-financial assets -**

Goodwill, intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization and other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Fair value is the price received to sell an asset in an orderly transaction between market participants at measurement date. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## **2.10 Financial assets -**

### **Classification -**

The Group classifies its financial assets in the category loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade accounts receivable', 'other accounts receivable' and 'cash and cash equivalents and cash subject to restriction' in the consolidated statement of financial position (Notes 14, 13 and 15, respectively).

### **Recognition, derecognition and measurement -**

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Loans and receivable are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

### **Offsetting financial instruments -**

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## **2.11 Impairment of financial assets -**

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss of loans and receivables category is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of comprehensive income.

## **2.12 Biological assets -**

Biological assets are living animals or plants managed by the Group for sale. These are asparagus, avocados, mangoes, grapes, shrimp, pepper, tangerine and blueberry which are to be harvested as agricultural produce.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangoes, avocados and grapes). Cost that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals and fertilizers are capitalized. Administrative, selling and other expenses not related to the production of the biological assets are expensed in the consolidated statement of comprehensive income. Bearer biological assets are classified as current and non-current depending on their maturity period.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

- i) the productive life of the asset;
- ii) the period over which the asset will mature;
- iii) the expected future sales price;
- iv) the cost expected to arise through the life of the asset;
- v) a pre-tax discount rate; and
- vi) volume produced.

The application of factors mentioned above requires the use of estimates and judgments by management (Note 4).

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise. Agricultural produce harvested from the Group's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the consolidated statement of comprehensive income for the period in which it arises. The cost of the agricultural produce included in



inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

### **2.13 Inventories -**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.12).

Net realizable value is the estimated sale price in the ordinary course of business, less estimated cost to place inventories in selling conditions and commercialization and distributions expenses.

The cost of inventories may not be recovered if: i) the inventories are damaged or become wholly or partially obsolete; and ii) their selling prices decline or the estimated necessary costs to be incurred to produce their sale increase. In such circumstances, inventories are written-off to their net realizable value. The Group determines the provision for obsolescence as follows:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years

The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar other characteristics).

### **2.14 Trade accounts receivable -**

Trade accounts receivable are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the consolidated statement of comprehensive income in 'other expenses'. Accounts receivable provided for are written-off when they are assessed as uncollectible.

### **2.15 Cash and cash equivalents -**

In the consolidated statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term, highly liquid investments funds, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less. Cash and cash equivalents excludes cash subject to restriction.

### **2.16 Share capital -**

Ordinary shares are classified as equity. Any excess received over the par value of issued shares is classified as share premium.



Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

#### **2.17 Trade accounts payable -**

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

#### **2.18 Bank loans and long-term debt -**

Bank loans and long-term debt are recognized initially at fair value, net of transaction costs incurred. Bank loans and long-term debt are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Long-term debt are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Bank loans for working capital uses are classified as current liabilities as the settlement of these liabilities are in the short-term.

#### **2.19 Leases -**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in long-term debt. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. The unearned finance income is recognized as income over the term of the lease on a straight-line basis.

## **2.20 Current and deferred income tax -**

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets are recognized on deductible temporary differences, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group did not recognise any deferred income tax liability for unremitted earnings from Peruvian subsidiaries to Cyprus companies, since there is no legal obligation to pay income tax to the tax authorities of Cyprus and Peru until dividends are distributed. Additionally, it is unlikely a distribution of dividends to take place in the foreseeable future based on the decision of the board of Directors.

## **2.21 Provisions -**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

## **2.22 Employee benefits -**

Workers' profit sharing and other employee benefits -

In accordance with Peruvian Legislation, Peruvian entities of the Group are required to provide for workers' profit sharing equivalent to 10% of taxable income in Peru of each year. This amount is charged to the consolidated statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

Statutory bonuses -

The Peruvian Group Companies recognizes the expense in bonuses and the related liabilities under Peruvian legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year.

Employees' severance indemnities -

Employees' severance indemnities of Peruvian Group Companies personnel comprise indemnities determined under Peruvian laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employees' severance indemnities equal one-month salary. The Group does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

## **2.23 Revenue recognition -**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The following specific recognition criteria must also be met before revenue is recognized:

a) Sales of goods -

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of asparagus, avocados, blueberries, mangoes and grapes. Revenue is recognized when export delivery conditions are met. The delivery conditions are met when the Group does not retain control, neither risk and benefits of the products according to the contract and there is no unfulfilled obligation that could affect the buyer acceptance of the products. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced). In the case of sales invoiced in a preliminary liquidation basis, the value of the provisionally priced fresh products is initially and subsequently re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts that occurred after the end of the period but before the issue of the financial statements up-to 15 February, is recorded as an adjustment to revenue and to trade receivables within the period.
- Exports of preserved and frozen products. This mainly includes asparagus, peppers, shrimps and artichokes. Revenue is recognized when export delivery conditions are met. The delivery conditions are met when the Group does not retain control, neither risk and benefits of the products according to the contract and there is no unfulfilled obligation that could affect the buyer acceptance of the products.
- Domestic sales. Revenue is recognized on delivery.

b) Interest income -

Interest income is recognized using the effective interest method.

**2.24 Costs and expenses -**

Cost of sales corresponds to the cost of production of goods sold, and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on an accrual basis and recorded in the periods to which they are related.

**2.25 Contingent liabilities and assets -**

Contingent liabilities are not recognized in the financial statements but disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements, unless virtually certain, and are disclosed only if their realization is assessed as probable.

**2.26 Custom duties refunds -**

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government by means of which the Group is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the consolidated statement of comprehensive income when the Group has the right to claim the refund (when the export is completed).

## **2.27 Non-controlling interest -**

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in, the Group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets. See Note 2.3 for the Group's accounting policies for business combinations.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position, respectively.

## **2.28 Reclassification of items -**

In 2015 the Group reclassified "net foreign exchange transactions losses" USD5,222 of the consolidated statement of comprehensive income from the financial results to operating results. The Group considers that classification of this item is more appropriate based on their nature, as it has generated from operating activities. The net foreign exchange transferred in 2015, 2014 and 2013 amounts to USD5,222, USD3,063 and USD2,750, respectively.

In 2015 the Group reclassified "payable interest" of the consolidated statement of financial position from other accounts payable to long-term debt. The Group considers that classification of this item is more appropriate based on their nature, as it has generated from long-term debt. The interest payable transferred in 2015, 2014 and 2013 amounts to USD8,400, USD8,690 and USD5,648, respectively.

# **3 FINANCIAL RISK MANAGEMENT**

## **3.1 Financial risk factors**

The Group activities is exposed to risks arising from climatic changes and financing risks (including foreign exchange risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk.

The Group's geographic spread of agricultural lands allows a high degree of mitigation against adverse climatic conditions such as droughts and temperature changes as a result of climatic events. The Group has strong environmental policies and procedures in place to mitigate climatic risk.

The seasonal nature of the agricultural products of the Group requires a high level of cash flow in the second half of the year. The Group actively manages the working capital requirements and has sufficient credit facilities to meet the cash flow requirements.

### **a) Market risk -**

#### **i) Foreign exchange risk -**

The Group's entities operate locally and internationally and are exposed to foreign exchange risk arising from other currency exposures, primarily with respect to the Sol and Euros. The Group's entities buy and sell its products and services and obtain funding for its working capital and investments mainly in its functional currency. Some minor costs are incurred in Sol and some sales are made in Euros, therefore Group's entities financial results are not significantly affected by exchange rate fluctuations between their functional currency and foreign currency. Management assumes the exchange risk related to its operations; therefore it does not carry out a hedging strategy with derivative financial instruments to cover its exchange risk.

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As of 31 December 2015, 2014 and 2013 the Group had the following assets and liabilities in Sol (PEN) and Euros (€) (expressed in USD000):

	<u>2015</u>		<u>Total</u>	<u>2014</u>		<u>Total</u>	<u>2013</u>		<u>Total</u>
	PEN	€	USD	PEN	€	USD	PEN	€	USD
Assets -									
Cash and cash equivalents	1,941	8,902	10,843	3,206	2,766	5,972	3,670	4,962	8,632
Trade and other accounts receivable	<u>14,817</u>	<u>10,294</u>	<u>25,111</u>	<u>19,658</u>	<u>13,999</u>	<u>33,657</u>	<u>10,021</u>	<u>15,098</u>	<u>25,119</u>
	<u>16,758</u>	<u>19,196</u>	<u>35,954</u>	<u>22,864</u>	<u>16,765</u>	<u>39,629</u>	<u>13,691</u>	<u>20,060</u>	<u>33,751</u>
Liabilities -									
Accounts payable	<u>14,365</u>	<u>2,976</u>	<u>17,341</u>	<u>25,283</u>	<u>3,131</u>	<u>28,414</u>	<u>24,252</u>	<u>3,129</u>	<u>27,381</u>
Asset position, net	<u>2,393</u>	<u>16,220</u>	<u>18,613</u>	<u>(2,419)</u>	<u>13,634</u>	<u>11,215</u>	<u>(10,561)</u>	<u>16,931</u>	<u>6,370</u>

The remaining balance of cash and cash equivalents and trade and other accounts receivable amounting to USD45,684 relates to balances denominated in United States Dollar (2014: USD67,976 and 2013: USD61,287).

The remaining balance of liabilities, except for the deferred income tax, amounting to USD 246,984 relates to balances denominated in United States Dollar (2014: USD 331,354 and 2013: USD215,687).

The following table demonstrates the sensitivity to a reasonable possible change in Sol exchange rate and Euro exchange rate for twelve months against the US Dollar, with all other variables held constant, on the Group's pre-tax profit:

	<u>Increase/ decrease PEN rate</u>	<u>Effect on in profit before tax</u>	<u>Increase/ decrease € rate</u>	<u>Effect on in profit before tax</u>
2015	+8%	190	+8%	1,298
	-8%	( 190)	-8%	( 1,298)
2014	+4%	96	+4%	545
	-4%	( 96)	-4%	( 545)
2013	+4%	754	+4%	580
	-4%	( 754)	-4%	( 580)

ii) Cash flows and fair value of interest rate risk -

Changes in interest rates impact primarily loans and long-term borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Since all interest bearing loans and borrowings have a fixed interest rate, the Group is not exposed to cash flow interest rate risk.

Fixed rate borrowings of the Group are negotiated at market rates on a timely basis, in order to reduce the Group's exposure to fair value interest rate risk. However, the Group is exposed to interest rate risk on fair value of its borrowings. The Group assumes this risk; therefore it does not carry out a hedging strategy with derivative financial instruments to cover its fair value interest rate risk.

iii) Price risk -

The Group is not exposed to commodity price risk.

The Group is exposed to fresh products price risk as the value of the provisionally priced fresh products re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The Group assumes this risk and does not use hedge instruments to manage its price risks.

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable and its deposits in financial institutions (Note 15) as shown on the consolidated statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Group seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customers (over 6 months). As of 31 December 2015, 2014 and 2013, no credit limits were exceeded during the reporting period, and management does not expect significant losses from non-performance by these counterparties.

The accounts receivable from a single customer represent 14 per cent of the balance as of 31 December 2015 (18 per cent as of 31 December 2014 and 9 percent as of 31 December 2013). All new transactions with this customer are being executed with letters of credit to mitigate credit risk exposure.

In addition, the Group has a multimarket credit insurance coverage over the exports of fresh and preserved products in an aggregate amount up to USD185, 000 at 31 December 2015 (USD216, 000 in 2014 and USD158,000 in 2013).

c) Liquidity risk -

The Group has sufficient credit capacity to have access to credit lines with top-ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Group develops new bank relationships in order to have adequate funding available all the time. However, with the current world financial crisis there is a risk that banks may revise the terms of the lines of credit. The Group assumes this risk. As of 31 December 2015, lines of credit available not used amounts to USD32,100.

The table below analyses the Group's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months (with the exception of borrowings) equal their carrying balances as the impact of discounting is not significant.



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	<u>Within 1 year</u> <u>USD</u>	<u>Between 1</u> <u>and 2 years</u> <u>USD</u>	<u>Between 2</u> <u>and 6 years</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>2015 -</b>				
Long - term debt	21,597	205,240	1,502	228,339
Trade accounts payable	34,355	-	-	34,355
Other accounts payable (Note 10)	4,782	-	-	4,782
Bank loans	<u>36,315</u>	<u>-</u>	<u>-</u>	<u>36,315</u>
	<u>97,049</u>	<u>205,240</u>	<u>1,502</u>	<u>303,791</u>
<b>2014 -</b>				
Long - term debt	24,703	23,579	206,204	254,486
Trade accounts payable	48,315	-	-	48,315
Other accounts payable (Note 10)	6,634	-	-	6,634
Bank loans	<u>87,160</u>	<u>-</u>	<u>-</u>	<u>87,160</u>
	<u>166,812</u>	<u>23,579</u>	<u>206,204</u>	<u>396,595</u>
<b>2013 -</b>				
Long - term debt	18,022	17,120	144,591	179,733
Trade accounts payable	60,655	-	-	60,655
Other accounts payable (Note 10)	7,814	-	-	7,814
Bank loans	<u>26,221</u>	<u>-</u>	<u>-</u>	<u>26,221</u>
	<u>112,712</u>	<u>17,120</u>	<u>144,591</u>	<u>274,423</u>

### 3.2 Capital risk management -

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

As of December 2015, 2014 and 2013, the Group's strategy was to maintain the gearing ratio in no more than 0.5. The gearing ratios at 31 December 2015, 2014 and 2013 were as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Bank loans (Note 23)	36,120	59,603	26,025
Long - term debt (Note 19)	214,775	217,799	143,225
Less cash and cash equivalents (Note 15)	(26,647)	(30,505)	(27,240)
Net debt (a)	<u>224,248</u>	<u>246,897</u>	<u>142,010</u>
Total equity as per statement of financial position (b)	<u>310,713</u>	<u>298,362</u>	<u>325,741</u>
Total capital as defined by management (a) + (b)	<u>534,961</u>	<u>545,259</u>	<u>467,751</u>
Gearing ratio (a) / (a) + (b)	<u>0.42</u>	<u>0.45</u>	<u>0.30</u>

At 2015 the decrease in the gearing ratio is mainly due to the decrease in bank loans balances and the increase in total equity, due to net gain arising from changes in fair value of biological assets for the year 2015.



### **3.3 Fair value estimation -**

The carrying amount of trade accounts receivable and trade accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The information used by the Group to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See Note 9 for disclosures of the measurement of biological assets.

As of 31 December 2015, 2014 and 2013, the Group does not maintain any other financial assets or liabilities measured at fair value since they are measured at amortized cost.

## **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

### **4.1 Critical accounting estimates and assumptions -**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analysis as a way of determining the potential impact of the changes of estimates on the fair value of biological assets.

The most significant use of judgment is the estimation of the fair value of biological assets, including asparagus, avocados, mangoes, grapes, shrimp and blueberries. The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of plantation volumes, cost per ton, depletion and the discount rate used to estimate the fair value. The valuation of biological assets is described in more detail in Note 9.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Estimation of fair value of biological assets - Note 2.12 and 9

To assess the fair value of biological assets the Group takes into account the criteria set out in IAS 41 and IFRS 13, which requires that a biological asset should be measured at its fair value less the estimated point-of-sale costs. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, in determining fair value, the Management uses estimates for plantation volumes, cost per

ton and exhaustion to the point of harvest. The changes in assumptions or estimates used in the calculations could influence the outcome thereof.

The model inputs involve estimates that are updated annually. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a discount rate determined in relation to the cost of financing of the Group (Weighted Average Cost of Capital). The Group carries out a sensitivity analysis of the biological assets taking into consideration the WACC discount, and taking into account the discount rate that the most representative companies used in the market.

Management considers that volatility levels of higher/lower than 5% would give rise to a material effect in its profits for the year. These sensitivity percentages have been determined based on the effect on profits for the year resulting of the application of the fair value of biological assets under IAS 41 and IFRS 13. The variables used in the determination of the fair values of the biological assets that may be subject to variance are: i) the forecast of revenue and costs, and ii) determination of the discount rate under WACC. With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the coming years, which Management considers their changes of estimates depend on quality factors of the produce. These quality factors are monitored by Management through a detailed ongoing follow-up. With respect to the discount rate under WACC, its determination has been subject to sensitivity analysis in relation with comparable companies having a similar financial structure.

	<u>Increase/ decrease rate</u>	<u>Effect on profit before tax USD</u>
2015	+5%	1,982
	-5%	( 1,982)
2014	+ 5%	( 2,340)
	-5%	2,340
2013	+ 5%	2,003
	-5%	( 2,003)

- Review of long-lived assets carrying amounts and impairment charges - Notes 6 and 8

The Group assesses annually whether a provision for impairment is required to be made under the accounting policy described in Note 2. This determination requires Management's judgment in analyzing evidence of impairment as well as in determining value in use. For the latter, judgment is required in preparing the expected future cash flows, including forecasts of the Group's future operation, forecasts of economic factors that may impact revenue and costs as well as in determining the discount rate to be applied to those cash flows. As a result of the evaluation of internal and external evidence, the Group arrived at the conclusion that there is no sufficient relevant evidence of impairment that may require impairment test to be performed on these assets.

- Estimation of income tax - Notes 2.20, 17 and 33

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Group receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Group recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Group performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of change of estimates to quantify its impact on the financial statements.

Where the actual final outcome (on the judgment areas) differs by 10% from management's estimates, the Group would need to:

	<b>Effect on income tax</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Decrease the income tax liability	( 1,106)	( 1,262)	( 1,043)
Increase the income tax liability	1,106	1,262	1,043

#### 4.2 Critical judgments in applying the Group's accounting policies

Determination of functional currency - Note 2.5

Management has determined the functional currency of the Group's principal operating entities to be the US Dollar. These entities sell their products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in US Dollars and the price of some raw materials and supplies are influenced by the US Dollar. The borrowings and cash balances of these entities are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the United States Dollar.

Biological assets (Note 2.12 and 9)

In measuring the fair value of biological assets, critical judgments were used:

Critical judgments in determining the fair value of biological assets involved various key assumptions, such as: (i) impact of weather conditions on expected yields which are built on theoretical expected yields, (ii) projected prices which considers current and historic volatility, (iii) projected costs which considers current and historic performance, and (iv) projected production which considers current and historic performance. The impact on changing these assumptions is disclosed in Note 9.

#### Impairment test on goodwill (Note 2.9)

Critical judgments used in determining the recoverable amount of avocado's CGU relates to Management's consideration of prior-year events in the market that corresponds to an increase in the supply of avocado in the Group's principal markets, which affected prices of avocado and resulted in a change in the Group's sales strategy. These considerations were relevant to estimate the expected future cash flows and have been factored into the coming years.

Critical judgments used in determining the recoverable amount of asparagus's CGU relates to Management's consideration of prior-year events that corresponds to climatic changes and weather conditions as well as year to come expectations, which affected the expected volumes to be harvested. These considerations were relevant to estimate the expected future cash flows and have been factored into the coming years.

## 5 SEGMENT INFORMATION

The Group's Chief Operating Decision-Maker uses product information to manage resources and to identify those production lines which may eventually cease to generate value for the Group, and based on that information, decisions are made to develop other production lines. The Group has eight reportable segments which comprised nine cash-generating units, namely asparagus, avocado, artichoke, pepper, mango, seafood (shrimps and shellfish), grapes and blueberry. Goodwill arising from the acquisition of Camposol S.A. was allocated to the cash generating units of asparagus and avocado. Goodwill arising from the acquisition of Pesquera ABC S.A.C. was allocated to the cash generating unit of Shellfish.

Since the acquisition of Pesquera ABC S.A.C. in 2014, the Group formed the segment Seafoods, which includes the cash generating unit Shrimps and the cash generating unit Shellfish, which is composed by the business acquired. Shrimps cash generating unit is engaged in production, cultivation, harvesting, processing and sales of shrimps and Shellfish cash generating unit is engaged in collecting, processing and export sales of shellfish and other seafoods.

The eight reportable segments are engaged in producing, processing and commercializing a number of agricultural products, presented in fresh, preserved (until 2015) and frozen, which are mainly exported to European markets and the United States of America.

The products include asparagus, avocado, pepper, mango, seafoods, grapes and blueberry. These are further distinguished in fresh and frozen products.

All production and related assets are in Peru.

The analysis of sales below is based on the country/area in which the customer is located.

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Europe	140,100	101,664	112,763
USA	91,633	109,561	68,538
Asia	16,233	20,591	19,861
Canada	2,697	3,948	6,502
South America	20,893	16,504	9,646
Other	<u>1,136</u>	<u>1,188</u>	<u>1,159</u>
	<u>272,692</u>	<u>253,456</u>	<u>218,469</u>

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The following table shows revenues, gross profit and profit (loss) after adjustment for biological assets by segment:

	<u>Asparagus USD</u>	<u>Mango USD</u>	<u>Blueberry USD</u>	<u>Avocado USD</u>	<u>Pepper USD</u>	<u>Seafoods USD</u>	<u>Grapes USD</u>	<u>Artichokes USD</u>	<u>Total USD</u>
<b>2015 –</b>									
Revenues	42,833	23,082	48,093	53,678	21,214	57,156	16,844	16,637	279,537
Cost of sales	( 37,335)	( 15,804)	( 12,001)	( 27,131)	( 20,846)	( 56,279)	( 16,959)	( 15,646)	( 202,001)
Gross profit	5,498	7,278	36,092	26,547	367	877	( 115)	992	77,536
Gain (loss) arising from changes in fair value of biological assets	( 14,147)	1,047	112,934	( 45,868)	31	310	( 15,673)	-	38,634
Gross profit (loss) after adjustment for biological assets by segment	<u>( 8,649)</u>	<u>8,325</u>	<u>149,026</u>	<u>( 19,321)</u>	<u>398</u>	<u>1,187</u>	<u>( 15,788)</u>	<u>992</u>	<u>116,170</u>
<b>2014 –</b>									
Revenues	65,222	23,499	9,542	73,400	14,681	33,755	23,694	14,098	257,891
Cost of sales	( 51,286)	( 15,362)	( 2,756)	( 34,910)	( 14,075)	( 24,343)	( 19,381)	( 13,089)	( 175,202)
Gross profit	13,936	8,137	6,786	38,490	606	9,412	4,313	1,009	82,689
Gain (loss) arising from changes in fair value of biological assets	( 9,463)	( 1,723)	7,287	( 50,990)	( 21)	( 402)	( 2,802)	-	( 58,114)
Gross profit (loss) after adjustment for biological assets by segment	<u>4,473</u>	<u>6,414</u>	<u>14,073</u>	<u>( 12,500)</u>	<u>( 585)</u>	<u>9,010</u>	<u>1,511</u>	<u>1,009</u>	<u>24,575</u>
<b>2013 –</b>									
Revenues	69,955	18,689	8,638	49,244	18,730	26,629	21,245	12,772	225,902
Cost of sales	( 51,508)	( 14,422)	( 1,573)	( 26,460)	( 15,716)	( 16,827)	( 13,968)	( 10,906)	( 151,380)
Gross profit	18,447	4,267	7,065	22,784	3,014	9,802	7,277	1,866	74,522
Gain (loss) arising from changes in fair value of biological assets	9,691	2,546	6,025	16,668	( 291)	388	5,330	-	40,357
Gross profit after adjustment for biological assets by segment	<u>28,138</u>	<u>6,813</u>	<u>13,090</u>	<u>39,452</u>	<u>2,723</u>	<u>10,190</u>	<u>12,607</u>	<u>1,866</u>	<u>114,879</u>

The following table shows assets by segment:

	<u>Asparagus USD</u>	<u>Mango USD</u>	<u>Blueberry USD</u>	<u>Avocado USD</u>	<u>Pepper USD</u>	<u>Seafoods USD</u>	<u>Grapes USD</u>	<u>Artichoke USD</u>	<u>Total USD</u>
<b>2015 –</b>									
Current portion of biological assets	1,214	434	3,298	2,042	-	5,714	1,510	-	14,212
Non-current portion of biological assets	7,451	3,502	161,617	100,038	-	-	7,018	-	279,626
Goodwill	-	-	-	9,219	-	885	-	-	10,104
Finished products	11,211	2,896	1,879	2,141	3,139	8,686	639	3,888	34,479
Property, plant and equipment	<u>1,475</u>	<u>7,350</u>	<u>11,848</u>	<u>52,732</u>	<u>-</u>	<u>56,581</u>	<u>10,768</u>	<u>-</u>	<u>140,754</u>
Total assets by segment	<u>21,351</u>	<u>14,182</u>	<u>178,642</u>	<u>166,172</u>	<u>3,139</u>	<u>71,866</u>	<u>19,935</u>	<u>3,888</u>	<u>479,175</u>
Area (Has)	1,261	450	1,050	2,655	-	724	327	-	6,467
<b>2014 –</b>									
Current portion of biological assets	3,012	331	676	2,892	-	8,307	4,009	-	19,227
Non-current portion of biological assets	18,505	2,679	33,136	144,971	-	-	18,262	-	217,553
Goodwill	3,778	-	-	9,219	-	1,009	-	-	14,006
Finished products	20,115	1,123	1,221	1,276	12,978	7,739	3,012	10,202	57,666
Property, plant and equipment	<u>21,471</u>	<u>13,341</u>	<u>1,374</u>	<u>48,391</u>	<u>16,252</u>	<u>56,384</u>	<u>14,513</u>	<u>-</u>	<u>171,726</u>
Total assets by segment	<u>66,881</u>	<u>17,474</u>	<u>36,407</u>	<u>206,749</u>	<u>29,230</u>	<u>73,439</u>	<u>39,796</u>	<u>10,202</u>	<u>480,178</u>
Area (Has)	1,922	527	566	2,653	-	1,050	451	-	7,169
<b>2013</b>									
Current portion of biological assets	3,760	467	448	3,878	570	6,193	3,871	-	19,187
Non-current portion of biological assets	30,487	3,783	23,268	194,429	-	-	22,029	-	273,996
Goodwill	3,778	-	-	9,219	-	-	-	-	12,997
Finished products	17,309	1,268	298	935	6,725	1,758	2,536	6,305	37,134
Property, plant and equipment	<u>28,902</u>	<u>7,585</u>	<u>493</u>	<u>40,758</u>	<u>4,026</u>	<u>15,847</u>	<u>6,024</u>	<u>-</u>	<u>103,635</u>
Total assets by segment	<u>84,236</u>	<u>13,103</u>	<u>24,507</u>	<u>249,219</u>	<u>11,321</u>	<u>23,798</u>	<u>34,460</u>	<u>6,305</u>	<u>446,949</u>
Area (Has)	2,395	450	212	2,643	332	636	451	-	7,119

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At 31 December 2015, 2014 and 2013 no transactions between reportable segments are carried out.

Disclosure of segment profit measurement is made using the gross profit and profit and loss after adjustment for biological assets, which is used in assessing the performance of each segment.

Administrative expenses, selling expenses, other income and other expenses are not considered as expenses and income segments.

Following is a reconciliation of revenue of reportable segments with the total revenue of the Group:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Total revenue of reportable segments	279,537	257,891	225,902
Discontinued operations	( 16,637)	( 14,098)	( 12,772)
Unallocated revenue	<u>9,792</u>	<u>9,663</u>	<u>5,339</u>
Total revenue of the Group	<u>272,692</u>	<u>253,456</u>	<u>218,469</u>

Following is a reconciliation of profit after adjustment for biological assets by segments with the operating (loss) profit:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Profit after adjustment for biological assets by segments	116,170	24,575	114,879
Gross loss of discontinued operations	( 991)	( 1,009)	( 1,866)
Unallocated revenue	9,792	9,663	5,339
Unallocated cost of sales	( 6,848)	( 9,187)	( 5,500)
Unallocated (loss) gain arising from changes in fair value of biological assets	1,000	11,307	( 300)
Selling expenses	( 30,319)	( 37,562)	( 25,556)
Administration expenses	( 24,904)	( 28,703)	( 22,389)
Other income	9,518	18,431	1,334
Other expenses	( 15,534)	( 9,411)	( 3,415)
Net foreign exchange transactions losses	<u>( 5,222)</u>	<u>( 3,063)</u>	<u>( 2,750)</u>
Operating profit (loss)	<u>52,662</u>	<u>( 24,959)</u>	<u>59,776</u>

Following is a reconciliation of total assets by segments with total assets:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Total assets by segments	479,175	480,178	446,949
Unallocated biological assets	21,156	20,172	8,986
Unallocated inventories	12,623	37,570	25,948
Unallocated property, plant and equipment	36,151	22,376	24,969
Unallocated intangible assets	3,613	2,578	5,152
Investment in associate	2,036	1,782	864
Deferred income tax	4,131	2,667	1,247
Assets classified as held for sale, excluding artichoke	9,058	-	-
Prepaid expenses	970	1,142	1,027
Other accounts receivable	14,115	15,657	8,721
Income tax credit	7,281	7,949	3,907
Trade accounts receivable	40,709	45,994	55,170
Cash and cash equivalents	26,647	30,505	27,240
Cash subject to restriction	-	7,500	-
Total assets	<u>657,665</u>	<u>676,070</u>	<u>610,180</u>
Unallocated area (Has)	145	102	102

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The following table shows revenues and gross profit by customer:

	<b>Major 10 customers USD</b>	<b>Major 11 to 20 customers USD</b>	<b>Major 21 to 28 customers USD</b>	<b>Other customers USD</b>	<b>Total USD</b>
<b>Year 2015</b>					
Revenues	142,178	28,142	13,365	89,007	272,692
Gross profit	54,947	5,938	3,012	15,592	79,489
<b>Year 2014</b>					
Revenues	104,030	27,954	15,577	105,895	253,456
Gross profit	36,687	8,468	3,015	33,986	82,156
<b>Year 2013</b>					
Revenues	84,207	35,207	15,633	83,422	218,469
Gross profit	23,501	10,515	6,769	31,710	72,495

Gross profit by type of produce for the year ended 31 December is as follows:

	<b>2015</b>			<b>2014</b>			<b>2013</b>		
	<b>Revenue USD</b>	<b>Cost of sales USD</b>	<b>Gross profit USD</b>	<b>Revenue USD</b>	<b>Cost of sales USD</b>	<b>Gross profit USD</b>	<b>Revenue USD</b>	<b>Cost of sales USD</b>	<b>Gross profit USD</b>
Fresh	151,662	( 74,758)	76,904	146,637	( 84,753)	61,884	115,330	( 64,606)	50,724
Preserved	39,716	( 39,175)	541	46,287	( 39,216)	7,071	53,180	( 44,088)	9,092
Frozen	72,349	( 69,714)	2,635	48,756	( 34,668)	14,088	42,312	( 28,313)	13,999
Others	8,965	( 9,556)	( 591)	11,776	( 12,663)	( 887)	7,647	( 8,967)	( 1,320)
	<u>272,692</u>	<u>(193,203)</u>	<u>79,489</u>	<u>253,456</u>	<u>( 171,300)</u>	<u>82,156</u>	<u>218,469</u>	<u>( 145,974)</u>	<u>72,495</u>

## 6 PROPERTY, PLANT AND EQUIPMENT

	<b>Land USD</b>	<b>Building and other constructions USD</b>	<b>Plant and equipment USD</b>	<b>Furniture, fixtures and equipment USD</b>	<b>Vehicles USD</b>	<b>Construction in progress USD</b>	<b>Total</b>
<b>At 1 January 2013</b>							
Cost	42,182	32,539	57,535	8,458	5,991	16,267	162,972
Accumulated depreciation	-	( 6,328)	( 21,344)	( 3,719)	( 3,848)	-	( 35,239)
Net book amount	<u>42,182</u>	<u>26,211</u>	<u>36,191</u>	<u>4,739</u>	<u>2,143</u>	<u>16,267</u>	<u>127,733</u>
<b>Year ended 31 December 2013</b>							
Opening net book amount	42,182	26,211	36,191	4,739	2,143	16,267	127,733
Additions	20	179	860	2,439	198	5,597	9,293
Disposals	-	( 93)	( 2)	( 23)	( 65)	-	( 183)
Transfers	2,640	6,493	6,978	( 1)	134	( 16,244)	-
Adjustments	67	1,594	( 2,158)	205	( 309)	1,308	707
Depreciation charge	-	( 1,402)	( 5,930)	( 1,101)	( 513)	-	( 8,946)
Closing net book amount	<u>44,909</u>	<u>32,982</u>	<u>35,939</u>	<u>6,258</u>	<u>1,588</u>	<u>6,928</u>	<u>128,604</u>
<b>At 31 December 2013</b>							
Cost	44,909	40,712	63,213	11,078	5,949	6,928	174,079
Accumulated depreciation	-	( 7,730)	( 27,274)	( 4,820)	( 4,361)	-	( 45,205)
Net book amount	<u>44,909</u>	<u>32,982</u>	<u>35,939</u>	<u>6,258</u>	<u>1,588</u>	<u>6,928</u>	<u>128,604</u>
<b>Year ended 31 December 2014</b>							
Opening net book amount	44,909	32,982	35,939	6,258	1,588	6,928	128,604
Acquisition of subsidiaries	14,646	14,834	5,568	1,450	102	2,044	38,644
Additions	761	94	7,871	4,161	405	26,922	40,214
Disposals	-	-	( 450)	( 87)	( 87)	( 26)	( 650)
Transfers	-	11,513	89	-	-	( 11,602)	-
Adjustments	-	23	( 84)	( 354)	-	( 2,416)	( 2,831)
Depreciation charge	-	( 1,874)	( 6,287)	( 1,313)	( 405)	-	( 9,879)
Closing net book amount	<u>60,316</u>	<u>57,572</u>	<u>42,646</u>	<u>10,115</u>	<u>1,603</u>	<u>21,850</u>	<u>194,102</u>
<b>At 31 December 2014</b>							
Cost	60,316	75,238	83,101	17,071	5,299	21,850	262,875
Accumulated depreciation	-	( 17,666)	( 40,455)	( 6,956)	( 3,696)	-	( 68,733)
Net book amount	<u>60,316</u>	<u>57,572</u>	<u>42,646</u>	<u>10,115</u>	<u>1,603</u>	<u>21,850</u>	<u>194,102</u>

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	<u>Land</u> USD	<u>Building and other constructions</u> USD	<u>Plant and equipment</u> USD	<u>Furniture, fixtures and equipment</u> USD	<u>Vehicles</u> USD	<u>Construction in progress</u> USD	<u>Total</u> USD
<b>Year ended 31 December 2015</b>							
Opening net book amount	60,316	57,572	42,646	10,115	1,603	21,850	194,102
Additions	3,708	-	7,658	2,637	104	5,887	19,994
Transferred to disposal group classified as held for sale	( 3,567)	-	( 1,751)	-	-	-	( 5,318)
Disposals	( 323)	( 1,871)	( 1,140)	( 80)	( 93)	( 587)	( 4,094)
Transfers	-	11,633	-	-	-	( 11,633)	-
Adjustments	-	( 22)	302	( 30)	42	( 10,734)	( 10,442)
Impairment charge	-	-	( 1,148)	-	-	-	( 1,148)
Exchanges differences	( 1,460)	( 1,486)	( 700)	( 233)	24	( 194)	( 4,049)
Depreciation charge	-	( 3,152)	( 6,946)	( 1,682)	( 360)	-	( 12,140)
Closing net book amount	<u>58,674</u>	<u>62,674</u>	<u>38,921</u>	<u>10,727</u>	<u>1,320</u>	<u>4,589</u>	<u>176,905</u>
<b>At 31 December 2015</b>							
Cost	58,674	82,317	78,788	19,035	4,496	4,589	247,899
Accumulated Impairment	-	-	( 1,148)	-	-	-	( 1,148)
Accumulated depreciation	-	( 19,643)	( 38,719)	( 8,308)	( 3,176)	-	( 69,846)
Net book amount	<u>58,674</u>	<u>62,674</u>	<u>38,921</u>	<u>10,727</u>	<u>1,320</u>	<u>4,589</u>	<u>176,905</u>

- a) As of 31 December 2015 gain on disposal of property, plant and equipment amounts to USD6,697 (losses of USD177 as of 31 December 2014 and gain of USD246 as of 31 December 2013) (see Note 30). The carrying amount of assets disposed of during 2015 amounted to USD4,094 (USD650 as of 31 December 2014 and USD183 as of 31 December 2013).
- b) The carrying amount of property, plant and equipment acquired under finance leases is as follows:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Building and other constructions	4,029	4,004	1,145
Plant and equipment	6,387	6,647	4,603
Furniture, fixtures and equipment	877	938	864
Vehicles	<u>229</u>	<u>383</u>	<u>53</u>
	<u>11,522</u>	<u>11,972</u>	<u>6,665</u>

The payments of these obligations are secured with the assets acquired under the lease contracts.

- c) At 31 December 2015 the net adjustments to construction in progress correspond to the negative variation of permanent investments in the year amounting to USD8,148 which are related to the costs of preparation of a land prior to planting, but have not yet assigned a crop, USD1,400 to the reclassifications of intangible assets and USD894 related to other assets. At 31 December 2014 the net adjustments mainly corresponds to units in transit amounting to USD1,715 and negative variation of permanent investments for the year amounting to USD701. The other adjustments in buildings and other constructions, plant and equipment, and other equipment, correspond to the reclassifications for presenting the fixed assets in the corresponding category according to their nature. At 31 December 2013 the net adjustments in construction in progress correspond to the reclassification of materials amounting to USD 1,294 related to the constructions of irrigation infrastructure and USD 587 corresponding to the negative variation of permanent investments for the year.
- d) As of 31 December 2015 and 2014, property, plant and equipment are insured up to a value of USD80,000 (USD60,000 at 2013). Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.



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- e) The total depreciation for the year 2015 includes USD1,450 that corresponds to the depreciation of the fair value of acquired assets in business combinations (USD1,584 at 2014 and USD1,569 at 2013).
- f) The allocation of the depreciation charge is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of sales (Note 26)	11,259	9,122	8,184
Administrative expenses (Note 28)	<u>881</u>	<u>757</u>	<u>762</u>
	<u>12,140</u>	<u>9,879</u>	<u>8,946</u>

- g) Bank borrowings are secured by fixed assets with a total amount of USD 55,300 in 2015 (USD47,000 in 2014 and USD45,000 in 2013) (Note 19).

## 7 INVESTMENT IN ASSOCIATE

	<u>% share in the</u> <u>in the capital</u> <u>%</u>	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Empacadora de Frutos Tropicales S.A.C.	40.00	<u>2,036</u>	<u>1,782</u>	<u>864</u>

On 30 September 2006 Camposol S.A. participated in the incorporation of Empacadora de Frutos Tropicales S.A.C (Empafrut), a Peruvian company engaged in the processing and commercialization of fresh fruit products, mainly mangoes. The cost of the investment amounted to USD600. Empafrut is not a listed entity.

The Group's share in the 2015 income of this company amounted to USD253 (USD918 in 2014 and USD305 in 2013) which are shown separately in the consolidated statement of comprehensive income.

There were no transactions with the owners of the rest of the interest.

The summarized financial information at 100% for this associated company available at 31 December is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Total assets	8,460	7,468	5,098
Total liabilities	3,370	3,011	2,938
Total revenue	6,125	7,282	3,806
Profit for the year	1,799	2,507	813
Total equity	5,090	4,457	2,160

## 8 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangibles assets is as follows:

	<u>Goodwill</u> <u>USD</u>	<u>Customer</u> <u>relationships</u> <u>USD</u>	<u>Software</u> <u>USD</u>	<u>Other</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Year ended 31 December 2013</b>					
Opening net book amount	12,997	4,265	2,923	158	20,343
Additions	-	-	415	-	415
Amortization charge	-	( 2,132)	( 477)	-	( 2,609)
Closing net book amount	<u>12,997</u>	<u>2,133</u>	<u>2,861</u>	<u>158</u>	<u>18,149</u>
<b>As at 31 December 2013</b>					
Cost	12,997	9,566	4,854	162	27,579
Accumulated amortization	-	( 7,433)	( 1,993)	( 4)	( 9,430)
Net book amount	<u>12,997</u>	<u>2,133</u>	<u>2,861</u>	<u>158</u>	<u>18,149</u>
<b>Year ended 31 December 2014</b>					
Opening net book amount	12,997	2,133	2,861	158	18,149
Additions	-	-	152	-	156
Acquisition of subsidiary	1,009	-	-	-	1,009
Disposals	-	-	( 45)	( 28)	( 73)
Amortization charge	-	( 2,133)	( 490)	( 34)	( 2,657)
Closing net book amount	<u>14,006</u>	<u>-</u>	<u>2,478</u>	<u>100</u>	<u>16,584</u>
<b>As at 31 December 2014</b>					
Cost	14,006	9,566	5,015	396	28,983
Accumulated amortization	-	( 9,566)	( 2,537)	( 296)	( 12,399)
Net book amount	<u>14,006</u>	<u>-</u>	<u>2,478</u>	<u>100</u>	<u>16,584</u>
<b>Year ended 31 December 2015</b>					
Opening net book amount	14,006	-	2,478	100	16,584
Additions	-	-	1,683	-	1,683
Impairment charge	( 3,778)	-	-	-	( 3,778)
Exchange differences	( 124)	-	-	-	( 124)
Amortization charge	-	-	( 548)	( 100)	( 648)
Closing net book amount	<u>10,104</u>	<u>-</u>	<u>3,613</u>	<u>-</u>	<u>13,717</u>
<b>As at 31 December 2015</b>					
Cost	13,882	9,566	6,994	-	30,442
Accumulated impairment	( 3,778)	-	-	-	( 3,778)
Accumulated amortization	-	( 9,566)	( 3,381)	-	( 12,947)
Net book amount	<u>10,104</u>	<u>-</u>	<u>3,613</u>	<u>-</u>	<u>13,717</u>

The amortization of customer relationship amounting to USD2,133 in 2014 (USD2,132 in 2013) was charged to selling expenses (Note 27) and the amortization of software was charged to administrative expenses (Note 28) by USD537 (USD482 for 2014 and USD469 for 2013) and to cost of sales (Note 26) by USD11 for 2015 (USD 8 in 2014 and 2013) in the consolidated statement of comprehensive income.

Goodwill -

On 17 October 2007, Camposol AS acquired 100% of the outstanding shares of Siboure Holding Inc, parent of Camposol S.A.; as a result of this transaction the Group recognized a goodwill amounting to USD9,542.

In 2010 Marinazul S.A. acquired 100% of the shares of Domingo Rodas S.A. for a consideration of USD164. The fair value of the net liabilities acquired amounted to USD883 giving rise to a goodwill amounting to USD1,047. In addition the Group acquired in 2010 100% of the outstanding shares of Camarones S.A. for a consideration of USD321. The fair value of the net assets acquired amounted to USD399, giving rise to the recognition of a gain amounting to USD78.

In 2011 the Group recorded an adjustment of USD2,408 to the deferred tax liability, which has been recognised in goodwill instead of the results for the year, since it related to Peruvian tax laws which existed at the date of Group reorganization and affected fixed assets acquired as part of transaction.

In February 2014, Marinazul S.A. acquired 100% of the outstanding shares of Pacífico Azul S.A.C. for a consideration of USD4,338. The fair value of the net assets acquired amounted to USD5,102 (Note 24), giving rise to the recognition of a gain amounting to USD764.

In November 2014, Marinazul S.A. acquired 80% of the outstanding shares of Corporación Refrigerados INY S.A. for a consideration of USD9,876. The fair value of the net assets acquired amounted to USD30,280 (Note 24), giving rise to the recognition of a gain amounting to USD14,348. In addition, the Group acquired 75% of the outstanding shares of Pesquera ABC S.A.C., for a consideration of USD3,928. The fair value of the net assets acquired amounted to USD3,892 (Note 24), giving rise to a goodwill amounting to USD1,009.

The impairment charge in asparagus CGU arose following the decision in November 2015 of not to continue producing preserved asparagus and the decision to reduce the number of cultivate Has in asparagus for focusing on giving priority to other products and lines of business.

Impairment tests on goodwill -

The carrying amount of asparagus segment has been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss has been included in 'other expenses' in the statement of comprehensive income.

An impairment test on goodwill was performed by comparing the recoverable amount of the cash-generating units (value in use for asparagus, avocados and shellfish for 2015; value in use for asparagus and avocados and fair value less cost to sell for shellfish for 2014) and their carrying amount (including goodwill). To estimate the value in use, the Group has used the following assumptions:

- Projections are based on the Group's forecasts approved by management.
- 7-year term (8-year in 2014 and 5-year in 2013) for asparagus and avocado and 5-year term for shellfish of cash flows has been used in the calculation, as the forecasted cash flows can be based on reasonable and reliable assumptions. In the case of asparagus and avocado a seven-year term is used to be consequent with long-term contracts with clients and cash flows applied for all other business with biological assets.
- Projections do not include cash inflows or outflows from financing activities.
- Future cash flows are real pre-tax for asparagus, avocado and shellfish (post-tax for shellfish in 2014).
- The risk adjusted rate is affected by the specific industry and market risks; therefore it represents the rate that a market participant would use.
- Goodwill is allocated to three cash-generating units (asparagus, avocado and shellfish) as follows:

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	Asparagus	Avocado	Shellfish
2015	-	9,219	885
2014	3,778	9,219	1,009
2013	3,778	9,219	-

- Cash flows projections comprise the entire cash flows expected to be generated in the normal course of business, including the cash flows that relate to biological assets. All relevant non-current assets have been allocated to each CGU.
- Cash flows beyond the seven-year (eight-year in 2014 and five-year in 2013) for asparagus and avocado and five-year for shellfish period are extrapolated using the estimated growth rates of 0% for asparagus and avocado and 1.5% for shellfish. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.

The key assumptions used for value in use calculations in 2015, 2014 and 2013 are as follows:

	<u>2015</u>			<u>2014</u>		
	<u>Asparagus</u>	<u>Avocado</u>	<u>Shellfish</u>	<u>Asparagus</u>	<u>Avocado</u>	<u>Shellfish</u>
Compound annual growth rate (%)	-42	13	23	-3.3	7	14.1
Budgeted gross margin (%)	15	56	20	25	56	20
Export prices (USD)	4	1.6	5.7	4.4	1.6	10.4
Risk adjusted rate (%)	11.6	12.5	10.8	11.1	11.6	10.2
Recoverable amount of the CGU	8,991	-	-	-	-	-

	<u>2013</u>	
	<u>Asparagus</u>	<u>Avocado</u>
Compound annual growth rate (%)	14	28
Budgeted gross margin (%)	18	41
Export prices (USD)	4.2	1.8
Risk adjusted rate (%)	10.9	11.9

Compound annual growth rate, budgeted gross margin, export prices and risk adjusted rate disclosure above corresponds to the initial seven-year (eight-year in 2014 and five-year in 2013) for asparagus and avocado and to the initial five-year for shellfish for 2015 and 2014.

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross margin based on past performance and its expectations of market development.

Budgeted gross margin used in value in use for Asparagus has decreased. This is mainly driven by the decision of the Group not to continue with the preserved line of Asparagus and focusing on new products and line of business.

The average growth rates used are consistent with the actual performance in the avocado, asparagus and shellfish CGU's and with the forecasts included in industry reports.

The average growth rate used in the value in use calculation for asparagus has decreased, since there are older crops that have lower yield expectations as well as the actual management decision not to continue producing preserved asparagus and the decision of reducing the number of hectares in asparagus for focusing on giving priority to other products and lines of business.

Export prices are the average in the initial seven-year period for asparagus and avocado and five-year period for shellfish. Management determined budgeted export prices based on past performance, current industry trends and its expectations of market development.

The risk adjusted rates used are pre-tax for asparagus, avocado and shellfish and reflect specific risks relating to the relevant operating segment (pre-tax for asparagus and avocado and post-tax for shellfish in 2014 and 2013)

Sensitivity analysis of asparagus, avocado and shellfish -

Management performs a sensitivity analysis to assess the impact of changes in the assumptions used in the valuation model. In this respect, during 2015 the risk adjusted rate used by the Group was 12.5% for avocado, 11.6% for Asparagus and 10.8% for Shellfish. By modifying the risk adjusted rate to 16.0%, 7.2% and 30.24% for avocado, asparagus and shellfish, respectively, the recovery amounts would be equal to the carrying amounts in 2015, 20.71%, 13.65% and 13.9% in 2014, respectively and 23.95% and 13.47% in 2013, respectively.

<b>Budgeted compound annual growth (Avocado CGU)</b>			<b>Budgeted compound annual growth (Asparagus CGU)</b>			<b>Budgeted compound annual growth (Shellfish CGU)</b>		
<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>
2015	-10%	-	2015	-5%	7,866	2015	-10%	-
2014	-2%	-	2014	-2%	-	2014	-5%	-
2013	-6%	402	2013	-7%	-			

<b>Prices (Avocado CGU)</b>			<b>Prices (Asparagus CGU)</b>			<b>Prices (Shellfish CGU)</b>		
<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>
2015	-15%	-3,661	2015	-5%	6,402	2015	-15%	-
2014	-8%	261	2014	-22%	893	2014	-10%	-
2013	-5%	830	2013	-15%	-			

<b>Budgeted Gross Margin (Avocado CGU)</b>			<b>Budgeted Gross Margin (Asparagus CGU)</b>			<b>Budgeted Gross Margin (Shellfish CGU)</b>		
<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>
2015	-10%	927	2015	-5%	6,876	2015	-15%	-
2014	-13%	308	2014	-15%	-	2014	-15%	-
2013	-6%	860	2013	-15%	-			

<b>Yields (Avocado CGU)</b>			<b>Yields (Asparagus CGU)</b>			<b>Yields (Shellfish CGU)</b>		
<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>	<u>Year</u>	<u>Variation</u>	<u>Impairment</u>
2015	-5%	-	2015	-5%	4,968	2015	-5%	-
2014	-5%	-	2014	-5%	-	2014	-5%	-
2013	-5%	-	2013	-5%	-			

Despite the small growth rate in avocado, there is enormous potential for growth based on the opening of new markets for the coming years, improvements in production processes, and improvement in the performance of harvest.

Customer relationships -

The relationships with customers established over time become a valuable intangible for the Group. The loyalty of the customers had positive impacts on sales and profits during the last 10 years of operation of Camposol Group enabling the Group to reach a foreseeable growth.

Predictable commercial relationships generate a set of economic benefits to the Group, including increased sales and minimization of sharp fluctuations in sales.

The useful life of customer relationships is amortized over their estimated useful lives ranging from 2 to 8 years. As of 31 December 2014 the customer relationship is fully amortized.

## 9 BIOLOGICAL ASSETS

The Group measures the value of agricultural plants and shrimps using the expected cash flows for the production of each of its biological assets. The cash flows included in the projections are discounted at the risk adjusted rates between 10.80% and 12.32%.

The movement for the period in the fair value of biological assets is as follows:

Opening balance			Additions and deductions		Closing balance			
Area	Market value		Area	Market value		Final balance	Less current portion	Non current portion
Has	USD		Has	(Note 32) USD		Has USD	USD	USD
2015								
Asparagus	1,922	21,517	( 661)	( 12,853)		1,261	8,664	( 1,214) 7,450
Avocados	2,653	147,863	2	( 45,783)		2,655	102,080	( 2,042) 100,038
Mangoes	527	3,010	( 77)	925		450	3,935	( 433) 3,502
Shrimp	1,050	8,307	( 326)	( 2,593)		724	5,714	( 5,714) -
Grapes	451	22,271	( 126)	( 13,742)		327	8,529	( 1,510) 7,019
Tangerine	102	20,172	44	985		145	21,157	- 21,157
Blueberry	566	33,812	485	131,103		1,050	164,915	( 3,298) 161,617
	<u>7,271</u>	<u>256,952</u>	<u>( 659)</u>	<u>58,042</u>		<u>6,612</u>	<u>314,994</u>	<u>( 14,211) 300,783</u>
2014								
Asparagus	2,395	34,247	( 473)	(12,730)		1,922	21,517	( 3,012) 18,505
Avocados	2,643	198,307	10	(50,444)		2,653	147,863	( 2,892) 144,971
Mangoes	450	4,250	77	(1,240)		527	3,010	( 331) 2,679
Pepper	332	570	( 332)	(570)		-	-	- -
Shrimp	636	6,193	414	2,114		1,050	8,307	( 8,307) -
Grapes	451	25,900	-	(3,629)		451	22,271	( 4,009) 18,262
Tangerine	102	8,986	-	11,186		102	20,172	- 20,172
Blueberry	212	23,716	354	10,096		566	33,812	( 676) 33,136
	<u>7,221</u>	<u>302,169</u>	<u>50</u>	<u>( 45,217)</u>		<u>7,271</u>	<u>256,952</u>	<u>( 19,227) 237,725</u>
2013								
Asparagus	2,516	27,429	( 121)	6,818		2,395	34,247	( 3,760) 30,487
Avocados	2,616	177,782	27	20,525		2,643	198,307	( 3,878) 194,429
Mangoes	450	2,976	-	1,274		450	4,250	( 467) 3,783
Pepper	291	619	41	( 49)		332	570	( 570) -
Shrimp	635	5,203	1	990		636	6,193	( 6,193) -
Grapes	451	20,638	-	5,262		451	25,900	( 3,871) 22,029
Tangerine	102	8,786	-	200		102	8,986	- 8,986
Blueberry	206	15,667	6	8,049		212	23,716	( 448) 23,268
	<u>7,267</u>	<u>259,100</u>	<u>( 46)</u>	<u>43,069</u>		<u>7,221</u>	<u>302,169</u>	<u>( 19,187) 282,982</u>

The main assumptions used to estimate the fair values of the biological assets were as follows:

Asparagus:

- 34 plots in Mar Verde, Agricultor, San José, Sincromax, and Yakuy Minka (44 plots in 2014 and 53 plots in 2013).
- Plots have a useful life of 10 years for 2015, 2014 and 2013.
- Each harvest cycle lasts 6 months for 2015, 2014 and 2013.
- Assumed reduction of 45% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 1 year from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.57% for 2015 (11.1% for 2014 and 10.9% for 2013).

Avocados:

- 57 plots in Agromás, Marverde, Frusol, Terra, Agricultor and Yakuy Minka. (56 plots in 2014 and 2013).
- Plots have a useful life of 20 years for 2015, 2014 and 2013.
- Every harvest cycle lasts 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting 2015, 2014 and 2013.
- Risk adjusted rate of 12.45% for 2015 (11.64% for 2014 and 11.9% for 2013).

Mangoes:

- 16 plots in Atypsa, Balfass and Dunas (14 plots in 2014 and 9 plots in 2013).
- Plots have a useful life of 25 years for 2015 (20 years in 2014 and 2013).
- Every harvest cycle lasts 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.74% for 2015 (12.24% for 2014 and 10.9% for 2013).

Grapes:

- 20 plots in Agroalegre (14 plots in 2014 and 2013).
- The plots have a useful life of 20 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 1 year from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.98 % for 2015 (11.39% for 2014 and 10.9% for 2013).

Pepper:

- 0 plots lands from Terra in 2015 and 2014 (13 plots in 2013).
- The plots have a useful life of 8 months for 2013.
- Each harvest cycle last 8 months including preparation, maintenance and harvest for 2013.
- Risk adjusted rate of 10.9% for 2013.

Blueberry:

- 31 plots in Agromas, Marverde, Gloria, Agricultor, Oro azul and Yakuy Minka (21 plots in 2014 and 5 plots in 2013).
- The plots have a useful life of 11 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 45% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 2 years from planting 2015, 2014 and 2013
- Risk adjusted rate of 11.13 % for 2015 (11,14% for 2014 and 10.9% for 2013).

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Tangerine:

- 6 plots in Yakuy Minka (5 plots in 2014 and 4 plots in 2013).
- The plots have a useful life of 20 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting.
- Risk adjusted rate of 12.45 % for 2015 (11.64% for 2014 and 10.9% for 2013).

Shrimps:

- 204 shrimp farms that cover an area of 1,330.35 Has for 2015 (1,050 Has for 2014 and 2013)
- Each has a useful life between 180 and 200 days, for 2015, 2014 and 2013.
- Each harvest cycle of shrimps lasts approximately 25 weeks, including preparation, maintenance, and harvest for 2015, 2014 and 2013.
- Risk adjusted rate of 10.82% for 2015 (10.68% for 2014 and 10.9% for 2013).

The following table demonstrates the sensitivity to a reasonably possible change in the projected production, with all other variables held constant, on the Group's pre-tax profit:

<u>Increase/ decrease production rate</u>	<u>Effect on profit before tax USD</u>
<b>2015</b>	
+2%	10,005
-2%	( 10,005)
<b>2014</b>	
+2%	8,363
-2%	( 8,363)
<b>2013</b>	
+2%	9,403
-2%	( 9,403)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Group's pre-tax profit:

<u>Increase/ decrease prices</u>	<u>Effect on profit before tax USD</u>
<b>2015</b>	
+2%	9,947
-2%	( 9,947)
<b>2014</b>	
+2%	8,094
-2%	( 8,094)
<b>2013</b>	
+2%	10,398
-2%	( 10,398)



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The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Group's pre-tax profit:

<u>Increase/ decrease costs</u>	<u>Effect on profit before tax USD</u>
<b>2015</b>	
+2%	( 5,390)
-2%	5,390
<b>2014</b>	
+2%	( 5,393)
-2%	5,393
<b>2013</b>	
+2%	( 5,333)
-2%	5,333

The following table demonstrates the sensitivity to a reasonably possible change in expected yields performance for each biological asset, with all other variables held constant, on the Group's pre-tax profit:

<u>Increase/ decrease yields</u>	<u>Effect on profit before tax USD</u>
<b>2015</b>	
+2%	7,112
-2%	( 7,112)
<b>2014</b>	
+2%	9,372
-2%	( 9,372)
<b>2013</b>	
+2%	9,331
-2%	( 9,331)

The reconciliation in the fair value of the biological assets within level 3 of the hierarchy is as follows:

	<u>Asparagus USD</u>	<u>Avocados USD</u>	<u>Mangoes USD</u>	<u>Pepper USD</u>	<u>Shrimp USD</u>	<u>Grapes USD</u>	<u>Tangerine USD</u>	<u>Blueberry USD</u>	<u>Total USD</u>
<b>31 December 2015</b>									
Initial balance of fair value	21,517	147,863	3,010	-	8,307	22,271	20,172	33,812	256,952
Harvest	( 7,847)	( 12,713)	( 2,785)	(189)	( 52,870)	( 7,140)	( 1,152)	( 2,679)	( 87,375)
Price change	1,102	( 12,883)	2,293	-	( 2,596)	785	1,382	5,369	( 4,548)
Change in fair value due to biological transformation	( 15,249)	( 32,985)	( 1,246)	31	2,906	( 16,458)	( 382)	107,565	44,182
Increase due to purchases	<u>9,141</u>	<u>12,798</u>	<u>2,663</u>	<u>158</u>	<u>49,967</u>	<u>9,071</u>	<u>1,137</u>	<u>20,848</u>	<u>105,783</u>
Final balance of fair value	<u>8,664</u>	<u>102,080</u>	<u>3,935</u>	<u>-</u>	<u>5,714</u>	<u>8,529</u>	<u>21,157</u>	<u>164,915</u>	<u>314,994</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	( 14,147)	( 45,868)	1,047	31	310	( 15,673)	1,000	112,934	39,634

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	<u>Asparagus</u> USD	<u>Avocados</u> USD	<u>Mangoes</u> USD	<u>Pepper</u> USD	<u>Shrimp</u> USD	<u>Grapes</u> USD	<u>Tangerine</u> USD	<u>Blueberry</u> USD	<u>Total</u> USD
<b>31 December 2014</b>									
Initial balance of fair value	34,247	198,307	4,250	570	6,193	25,900	8,986	23,716	302,169
Harvest	( 14,493)	( 14,371)	( 2,234)	( 570)	(22,601)	( 9,839)	( 990)	( 752)	( 65,850)
Price change	5,764	( 19,114)	1,965	-	2,323	1,026	3,936	( 9,449)	( 13,549)
Change in fair value due to biological transformation	( 15,227)	( 31,876)	( 3,689)	( 21)	( 2,725)	( 3,828)	7,371	16,737	( 33,258)
Increase due to purchases	11,226	14,917	2,727	21	25,117	9,012	869	3,560	67,449
Final balance of fair value	<u>21,517</u>	<u>147,863</u>	<u>3,010</u>	<u>-</u>	<u>8,307</u>	<u>22,271</u>	<u>20,172</u>	<u>33,812</u>	<u>256,952</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	( 9,463)	( 50,990)	( 1,724)	( 21)	( 402)	( 2,802)	11,307	7,288	( 46,807)
<b>31 December 2013</b>									
Initial balance of fair value	24,681	170,975	6,257	619	5,203	16,086	5,459	16,419	245,699
Harvest	( 5,251)	( 9,707)	( 527)	( 708)	(10,938)	( 1,861)	( 178)	( 845)	( 30,015)
Price change	17,997	3,784	65	192	686	1,262	1,832	( 2,244)	23,574
Change in fair value due to biological transformation	( 2,193)	7,663	( 1,545)	-	-	10,413	1,873	272	16,483
Increase due to purchases	( 987)	25,592	-	467	11,242	-	-	10,114	46,428
Final balance of fair value	<u>34,247</u>	<u>198,307</u>	<u>4,250</u>	<u>570</u>	<u>6,193</u>	<u>25,900</u>	<u>8,986</u>	<u>23,716</u>	<u>302,169</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	9,691	16,668	2,546	( 291)	388	5,330	( 300)	6,025	40,057

Valuation processes of the Group

The Group's finance department includes a team that performs the valuations of biological assets required for financial reporting purposes, including level 3 fair values.

This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

At 31 December 2015, 2014 and 2013 valuation inputs for biological assets correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

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The following unobservable inputs were used to measure the Group's biological assets:

Description	Fair value at 31 December			Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2015 USD	2014 USD	2013 USD				
Asparagus plantation	8,664	21,517	34,247	Discounted cash flows	Crop yield - tonnes	2.8 – 9.2 (6.4)	The higher the crop yield, the higher the fair value
					Per hectare (white)	per year	
					Crop yield - tonnes	1.3 – 6.8 (4.1)	The higher the crop yield, the higher the fair value
					Per hectare (green)	per year	
					White asparagus price	1,571 – 1,401 per tonne	The higher the market price, the higher the fair value
					Green asparagus price	1,571 – 1,401 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (11.57%) 2014 (11.1%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
Avocados plantation	102,080	147,856	198,307	Discounted cash flows	Crop yield - tonnes	3.7 – 18.2 (16.5)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Avocados price	936 – 953 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (12.45%) 2014 (11.64%) 2013 (11.9%)	The higher the discount rate, the lower the fair value
Mangoes plantation	3,935	3,010	4,250	Discounted cash flows	Crop yield - tonnes	2.9 – 34 (20.6)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Mangoes price	532 – 565 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (11.74%) 2014 (12.24%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
Shrimp plantation	5,714	8,307	6,193	Discounted cash flows	Crop yield - tonnes	0.542 – 2.95	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Shrimp price	4,554	The higher the market price, the higher the fair value
					Discounted rate	2015 (10.82%) 2014 (10.68%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
Grapes plantation	8,529	22,271	25,900	Discounted cash flows	Crop yield - tonnes	11.9 – 24.6 (23.6)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Grapes price	1,291 – 1,387 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (11.98%) 2014 (11.39%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
Tangerine plantation	21,157	20,172	8,896	Discounted cash flows	Crop yield - tonnes	17 – 75 (61.9)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Tangerine price	683 – 712 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (12.45%) 2014 (11.64%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
Blueberry plantation	164,915	33,812	23,716	Discounted cash flows	Crop yield - tonnes	8.5 – 16.8 (12.1)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Blueberry price	4,529 – 4,648 per tonne	The higher the market price, the higher the fair value
					Discounted rate	2015 (11.13%) 2014 (11.14%) 2013 (10.9%)	The higher the discount rate, the lower the fair value

## 10 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position as of 31 December 2015, 2014 and 2013 are as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Loans and receivables:</b>			
Trade accounts receivable (Note 14)	40,709	45,994	55,170
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	6,414	3,648	2,573
Cash and cash equivalents (Note 15)	<u>26,647</u>	<u>38,005</u>	<u>27,240</u>
	<u>73,770</u>	<u>87,647</u>	<u>84,983</u>

Financial liabilities as per the consolidated financial position as of 31 December 2015, 2014 and 2013 are as follow:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Other financial liabilities</b>			
Trade accounts payable (Note 20)	34,355	48,315	60,655
Other accounts payable (excluding statutory liabilities and non-financial liabilities) (Note 21)	4,782	6,634	7,814
Bank loans (Note 23)	36,120	59,603	26,025
Long-term debt (Note 19)	<u>214,775</u>	<u>217,799</u>	<u>143,225</u>
	<u>290,032</u>	<u>332,351</u>	<u>237,719</u>

## 11 CREDIT QUALITY OF FINANCIAL ASSETS

The Group assesses the credit quality of its accounts receivable by reference to historical information about the counterparties' default rates as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Trade accounts receivable</b>			
New costumers (less than 6 months as a costumer)	1,359	7,440	2,171
Existing customers (more than 6 months) without non-compliance experience in the past	26,872	30,660	50,216
Existing customers (more than 6 months) with some non-compliance experience in the past	<u>10,102</u>	<u>7,894</u>	<u>1,912</u>
	<u>38,333</u>	<u>45,994</u>	<u>54,299</u>
<b>Other accounts receivable</b>			
Existing customers (more than 6 months) without non-compliance experience in the past	<u>5,091</u>	<u>3,648</u>	<u>2,573</u>

See credit quality of deposits in banks in Note 15.

## 12 INVENTORIES

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Finished products:			
- Asparagus	11,211	20,115	17,309
- Peppers	3,139	12,978	6,725
- Artichokes	148	10,202	6,305
- Shrimp	8,686	7,739	1,758
- Avocados	2,141	1,276	935
- Mangoes	2,896	1,123	1,268
- Grapes	639	3,012	2,536
- Blueberry	1,879	1,221	298
Product in process	1,536	1,862	715
Supplies	11,385	15,806	9,517
Packs	7,975	13,602	12,108
Seeds, seedlings and others	2,186	4,005	1,953
In-transit raw material and supplies	747	2,596	2,046
Other	<u>1,094</u>	<u>2,516</u>	<u>477</u>
	55,662	98,053	63,950
Provision for obsolescence of inventories	<u>( 8,560)</u>	<u>( 2,817)</u>	<u>( 868)</u>
	<u>47,102</u>	<u>95,236</u>	<u>63,082</u>

As of 31 December 2015, remaining artichoke inventory correspond to frozen produce.

Finished products by type of produce for the year ended 31 December is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Fresh	3,275	12,882	4,896
Preserved	17,915	39,219	27,843
Frozen	<u>13,289</u>	<u>5,565</u>	<u>4,395</u>
	<u>34,479</u>	<u>57,666</u>	<u>37,134</u>

As of 31 December 2015, 2014 and 2013 inventories are free of any pledges as guarantee on liabilities.

The cost of inventories of continued and discontinued operations recognized as expense and included in the cost of sales amounted to USD154,651 (2014: USD133,997 and 2013: USD112,499).

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Movement in the provision for obsolescence of inventories:			
Opening balance	( 2,817)	( 868)	( 1,484)
Additions (Notes 30 and 32)	( 4,969)	( 5,102)	( 1,218)
Net realizable value impairment (Note 32)	( 2,482)	-	-
Write-off (Note 32)	1,710	3,377	1,834
Provisions arising from business combination	-	( 224)	-
Others	<u>( 2)</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>( 8,560)</u>	<u>( 2,817)</u>	<u>( 868)</u>

The additions corresponds mainly to impaired supplies (Note 30 and 32) and net realizable value impairment is related to finished products (Note 32).

### 13 OTHER ACCOUNTS RECEIVABLE

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Value added tax (IGV in Perú)	6,169	8,074	3,056
Custom duties refund (Drawback in Perú)	1,240	2,491	2,551
Due from employees	209	344	143
Prepayments to suppliers	292	1,444	541
Rental of the pepper plant	1,300	-	-
Loans to third parties	4,231	2,266	1,489
Related companies (Note 36)	40	-	80
Subsidies	353	332	193
Claims to third parties	625	444	163
Accounts receivable for services rendered to third parties	395	395	274
Other	<u>127</u>	<u>750</u>	<u>840</u>
	14,981	16,540	9,330
Less:			
Provision for impairment of other accounts receivable	( <u>866</u> )	( <u>883</u> )	( <u>609</u> )
	<u>14,115</u>	<u>15,657</u>	<u>8,721</u>

Loans to third parties corresponds to loans granted to minor farmers, that Camposol makes to incentive the agro in the region. This loans are short term and are not guarantee.

The movement of the provision for impairment of other accounts receivable is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Opening balance	( 883 )	( 609 )	( 786 )
Additions (Note 30)	( 14 )	( 205 )	-
Written-off	-	-	145
Provisions arising from business combination	-	( 83 )	-
Reclassification	<u>31</u>	<u>14</u>	<u>32</u>
Balance at the end of the year	( <u>866</u> )	( <u>883</u> )	( <u>609</u> )

Other accounts receivables not provisioned are current and are not impaired.

The drawback (custom duties refund) recovered during the year 2015 amounted to USD7,660 (USD9,034 in 2014 and USD7,675 in 2013). Receivables from employees are not interest-bearing and are unsecured.

### 14 TRADE ACCOUNTS RECEIVABLE

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Third parties	46,597	52,150	60,063
Less:			
Provision for impairment of trade accounts receivable	( <u>5,888</u> )	( <u>6,156</u> )	( <u>4,893</u> )
	<u>40,709</u>	<u>45,994</u>	<u>55,170</u>

Trade accounts receivable mainly comprise invoices for the sale of fresh, preserved and frozen products. Turnover ranges between 30 and 120 days (between 30 and 180 days in 2014 and 2013) and are not interest-bearing.

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Trade accounts receivable in foreign currency amounts to USD10,242 in Euros (in 2014 USD13,999, in Euros, and, in 2013 USD14,608, USD59 and USD30 in Euros, NOK and Sol, respectively).

The remaining balances for both years are denominated in US Dollars.

The movement of the provision for impairment of trade accounts receivable is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Opening balance	( 6,156)	( 4,893)	( 5,001)
Additions (Notes 30 and 32)	( 285)	( 1,356)	-
Recoveries (Note 30)	121	-	1
Write-Off	268	-	110
Reclassification	164	93	( 3)
Balance at the end of the year	<u>( 5,888)</u>	<u>( 6,156)</u>	<u>( 4,893)</u>

The Group does not ask for collaterals to secure the full collection of its trade accounts receivable.

As of 31 December 2015, 2014 and 2013, the accounts provided for impairment have more than one year past due.

As of 31 December 2015, 2014 and 2013, the ageing analysis of trade accounts receivable is as follows:

	<u>Total</u> <u>USD</u>	<u>Current</u> <u>USD</u>	<u>31-90</u> <u>days</u> <u>USD</u>	<u>91-180</u> <u>days</u> <u>USD</u>	<u>180-360</u> <u>days</u> <u>USD</u>	<u>More than</u> <u>360 days</u> <u>USD</u>
At 31 December 2015	40,709	37,541	2,364	165	558	81
At 31 December 2014	45,994	38,860	4,969	409	1,649	107
At 31 December 2013	<u>55,170</u>	<u>35,810</u>	<u>17,203</u>	<u>245</u>	<u>1,767</u>	<u>145</u>

As of 31 December 2015, trade accounts receivable amounting to USD81 (USD107 in 2014 and USD145 in 2013) although past due for more than one year, are not impaired; therefore, no provision for impairment on these accounts has been accounted for. As of December 31, 2015, trade accounts receivable amounting to USD5,888 (USD6,156 in 2014 and USD4,893 in 2013) are impaired; for which the Group has recognized a provision for impairment. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or / and under litigation. These accounts are past due for more than a year.

As of 31 December 2015, 2014 and 2013 these impaired customers have not pledged any security for their debt.

The fair value of accounts receivable approximates their carrying amounts due to their short-term maturities.

# 15 CASH AND CASH EQUIVALENTS AND CASH SUBJECT TO RESTRICTION

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cash in hand	36	42	32
Cash at banks	18,163	20,789	20,984
In-transit remittances	337	5	-
Short-term deposits	6,000	7,500	-
Short-term investments	2,111	2,169	6,224
Cash and cash equivalents	<u>26,647</u>	<u>30,505</u>	<u>27,240</u>
Cash subject to restriction	-	7,500	-
	<u>26,647</u>	<u>38,005</u>	<u>27,240</u>

The Group's cash at bank amounts to USD15,802, USD1,944 and USD8,901 (in 2014 USD32,030, USD3,206 and USD2,766 and in 2013 USD12,381, USD3,641 and USD4,962) in U.S. Dollars, Sol and Euros, respectively. The 2015 short-term deposits are denominated in U.S. Dollars.

The short-term deposits for 2015 and 2014 comprise balance in banks with maturities of less than three months. As of 31 December 2015 the time deposits have generated interest for USD 13 (USD116 to 31 December 2014 and USD36 to 31 December 2013) (Note 31).

Cash subject to restriction corresponds to guarantee deposits in a bank account in Scotiabank. On December 23, 2014, Camposol S.A. voiced its interest of private initiative called "Supplemental Development of Santa Anita Wholesale Market". The project includes the concession for the design, construction, financing, maintenance and operation of a modular and multifunctional for handling fresh produce plant. In order to formalize this intention, Camposol S.A. constituted a joint bank letter of guarantee in favor of the City Hall of Lima by a rising value to USD 7.5 million with a term of 180 days from the date of issuance. Since Camposol S.A. lost the public tender in March 2015, the restricted cash was released to the Company.

The short-term investments correspond to a fixed portfolio of debt instruments which bears a short-term market interest rate of 1.57%. At 31 December 2015 have been generated a negative profitability for USD57 (negative profitability for USD 8 to 31 December 2014 and negative profitability for USD623 to 31 December 2013) (Note 31).

Their credit classification is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Bank deposits</b>			
Classification Aaa	3,717	2,814	3,764
Classification A +	11,909	24,157	17,606
Classification A	10,646	3,325	5,777
Others	<u>2</u>	<u>162</u>	<u>61</u>
	<u>26,274</u>	<u>30,458</u>	<u>27,208</u>

The balances above do not include the balance of cash in hand and in-transit remittances.



## 16 SHAREHOLDERS' EQUITY

Share capital and premium –

The share capital and premium are as follows:

	<u>Number of shares</u>	<u>Share capital USD</u>	<u>Share premium USD</u>	<u>Total</u>
31 December 2015, 2014 and 2013	<u>32,404</u>	<u>507</u>	<u>212,318</u>	<u>212,825</u>

In 2015, 2014 and 2013, the total authorized number of ordinary shares is 40,000,000 shares with a par value of €0.01 per share. All shares issued have been fully paid-in.

The Group's 2,570,000 initial shares do not entitled the holder to any voting rights or the right to dividend distribution. These shares correspond to the first capital contribution for purposes of creating the entity.

On March 13, 2015 the Shareholders approved the conversion, re-assignment and the re-classification of the initial 2,570,000 dormant shares to ordinary shares; therefore, these shares grant the voting rights, participation in dividend distributions.

In April 2008, the Company issued 27,925,070 shares to the shareholders of Camposol AS (Norway) in exchange for an equal number of shares in that company.

In May 2008, the Company issued 1,908,750 new ordinary shares at a price of 7,859 US dollars per share.

Share premium reserve is not available for distribution by way of a dividend.

Treasury shares -

The Group was authorized to acquire own shares up to a maximum of 10% of the issued shares of the Company granted by the Annual General Meeting held on 24 May 2011. As of 31 December 2012, the Group held 2,968,502 own shares, constituting approximately 9.95% of the issued shares in the Company.

The Group paid a total amount of USD11,592 for the purchase of 2,968,502 of its own shares (total nominal value of 17 US dollars).

On 21 October 2013, the Board of Directors of Camposol Holding Limited unanimously approved the tender of Camposol Holding Limited and Camposol S.A., holding 2,968,502 shares in the Company. The Group received a total amount of USD 12,417 for sale 2,968,502 own shares. The gain on disposal of treasury shares amounted to USD825 is recognized as other reserves in the consolidated statements of changes in equity.

Shareholder -

As of 31 December 2015 Generación del Pacífico Grupo S.L., ultimate controlling party, (formerly Dyer Coriat Holding SL) has 82.59% (2014 and 2013: 100%) of the Shares of the Company. The remainder of the Company's issued share capital in 2015 is spread amongst several shareholders.

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Non-controlling interest -

The non-controlling interest is related to the change in the shareholding in Marinazul S.A., Corporación Refrigerados Iny S.A. and Pesquera ABC S.A.C. (Note 24). There were no transactions with non-controlling interest in 2015, 2014 and 2013.

The total non-controlling interest as of 31 December 2015 is USD7,841 (USD8,142 and USD806 for 2014 and 2013, respectively).

Summarized financial information on subsidiaries with material non-controlling interests –

Summarized statement of financial position -

	<b>Corporación Refrigerados Iny S.A.</b>		<b>Pesquera ABC S.A.C.</b>	
	<b>As at 31 December</b>		<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Current				
Assets	21,102	17,726	5,104	4,350
Liabilities	( 7,554)	( 4,902)	( 5,845)	( 5,374)
Total current net assets	13,548	12,824	( 741)	( 1,024)
Non-current				
Assets	22,014	25,821	5,315	6,224
Liabilities	( 7,828)	( 8,479)	( 983)	( 1,231)
Total non-current net assets	14,186	17,342	4,332	4,993
Net assets	27,734	30,166	3,591	3,969

Summarized statement of comprehensive income-

	<b>Corporación Refrigerados Iny S.A.</b>		<b>Pesquera ABC S.A.C.</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Revenue	44,860	2,947	10,014	1,161
Profit before income tax	1,999	524	157	147
Income tax expense/income	( 281)	-	( 11)	-
Profit for the year	1,718	524	146	147
Other comprehensive income - CTA	( 3,691)	( 657)	( 651)	( 87)
Total comprehensive income	( 1,973)	( 133)	( 505)	60
Total comprehensive allocated to non-controlling interests	( 395)	( 27)	( 126)	15
Dividends paid to non-controlling interests	188	-	-	-

Summarized statement of cash flows-

	<b>Corporación Refrigerados Iny S.A.</b>		<b>Pesquera ABC S.A.C.</b>	
	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Cash flows from operating activities:				
- Cash generated from operations	( 3,574)	3,732	( 1,637)	700
- Interest paid	( 255)	( 552)	( 126)	( 119)
- Income tax paid	( 116)	( 9)	-	-
Net cash generated from operating activities	( 3,945)	3,171	( 1,763)	581
Net cash generated from investing activities	( 186)	( 404)	( 114)	( 314)
Net cash generated from financing activities	3,678	( 2,174)	2,149	( 352)
Net (decrease) increase in cash and cash equivalents	( 453)	593	272	( 85)
Cash and cash equivalents at beginning of year	1,125	532	230	315
Cash and cash equivalents at end of year	672	1,125	502	230

## 17 DEFERRED INCOME TAX

The movement in the deferred income tax liabilities is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Opening balance	32,472	40,124	30,064
Expense for the year (Note 33)	11,055	( 12,984)	10,060
Acquisition of subsidiaries (Note 24)	-	5,211	-
Equity	( 1,457)	121	-
Balance at the end of the year	<u>42,070</u>	<u>32,472</u>	<u>40,124</u>

Deferred tax relates to the following items:

	<u>Opening balance USD</u>	<u>Income statement USD</u>	<u>Acquisition of Subsidiaries USD</u>	<u>Equity USD</u>	<u>Closing balance USD</u>
<b>2015 -</b>					
<b>Deferred tax assets -</b>					
Tax losses carried-forward	10,370	1,549	-		11,919
Provisions	964	194	-	( 3)	1,155
Other	522	( 238)	-	-	284
	<u>11,856</u>	<u>1,505</u>	<u>-</u>	<u>( 3)</u>	<u>13,358</u>
<b>Deferred tax liabilities</b>					
Fair value of biological assets	33,138	5,524	-	-	38,662
Fair value of fixed assets at acquisition of subsidiary	8,844	( 201)		( 51)	8,592
Foreign exchange - Non-monetary assets		7,210	-	-	7,210
Differences in depreciation rates	106	192	-		298
Gain on investments in associates	177	38	-		215
Currency translation adjustments	938	-	-	( 1,632)	( 694)
Other	1,125	( 203)	-	223	1,145
	<u>44,328</u>	<u>12,560</u>	<u>( )</u>	<u>( 1,460)</u>	<u>55,428</u>
	<u>( 32,472)</u>	<u>( 11,055)</u>	<u>( )</u>	<u>1,457</u>	<u>( 42,070)</u>
<b>2014 -</b>					
<b>Deferred tax assets -</b>					
Tax losses carried-forward	7,271	3,099	-	-	10,370
Provisions	748	90	126	-	964
Other	346	176	-	-	522
	<u>8,365</u>	<u>3,365</u>	<u>126</u>	<u>-</u>	<u>11,856</u>
<b>Deferred tax liabilities -</b>					
Fair value of biological assets	41,475	( 8,745)	408	-	33,138
Fair value of fixed assets at acquisition of subsidiary	6,165	( 395)	3,074	-	8,844
Fair value of customer relationships	320	( 320)	-	-	-
Differences in depreciation rates	402	( 296)	-	-	106
Gain on investments in associates	40	137	-	-	177
Currency translation adjustments	-	-	817	121	938
Other	87	-	1,038	-	1,125
	<u>48,489</u>	<u>( 9,619)</u>	<u>5,337</u>	<u>121</u>	<u>44,328</u>
	<u>( 40,124)</u>	<u>12,984</u>	<u>( 5,211)</u>	<u>( 121)</u>	<u>( 32,472)</u>

Camposol Holding Limited and Subsidiaries  
Notes to the consolidated financial statements  
31 December 2015, 2014 and 2013

	<u>Opening balance</u> USD	<u>Income statement</u> USD	<u>Acquisition of Subsidiaries</u> USD	<u>Equity</u> USD	<u>Closing balance</u> USD
<b>2013 -</b>					
<b>Deferred tax assets -</b>					
Tax losses carried-forward	10,646	( 3,375)	-	-	7,271
Provisions	1,555	( 807)	-	-	748
Other	-	346	-	-	346
	<u>12,201</u>	<u>( 3,836)</u>	<u>-</u>	<u>-</u>	<u>8,365</u>
<b>Deferred tax liabilities -</b>					
Fair value of biological assets	35,253	6,222	-	-	41,475
Fair value of fixed assets at acquisition of subsidiary	6,153	12	-	-	6,165
Fair value of customer relationships	640	( 320)	-	-	320
Differences in depreciation rates	529	( 127)	-	-	402
Gain on investments in associates	( 6)	46	-	-	40
Other	( 304)	391	-	-	87
	<u>42,265</u>	<u>6,224</u>	<u>-</u>	<u>-</u>	<u>48,489</u>
	<u>( 30,064)</u>	<u>( 10,060)</u>	<u>-</u>	<u>-</u>	<u>( 40,124)</u>

Deferred income tax assets are recognized for tax losses carried-forward to the extent that the realization of the related tax benefit through future taxable profits is probable

The Group did not recognise any deferred income tax liability for unremitted earnings from Peruvian subsidiaries to Cyprus companies, since there is no legal obligation to pay income tax to the tax authorities of Cyprus and Peru until dividends are distributed. Additionally, it is unlikely a distribution of dividends to take place in the foreseeable future based on the decision of the board of Directors.

The deferred income tax from tax losses carried-forward can be applied to taxable income to be generated in the following years:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
2016	3,892	2,369	2,607
2017	1,554	4,357	1,320
2018	2,574	3,644	3,103
2019	<u>3,900</u>	<u>-</u>	<u>241</u>
	<u>11,920</u>	<u>10,370</u>	<u>7,271</u>

In Peru, tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime; tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Group has selected the first regime; and at the reporting date; based on Management's estimate of its future tax losses, no tax loss would expire.

## 18 WORKERS' PROFIT SHARING

In accordance with Peruvian Legislation Camposol S.A. and Marinazul S.A. shall provide for a workers' profit sharing equivalent to 10% of the taxable income of each year. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.22).

## 19 LONG-TERM DEBT

This item includes:

Type of debt	Guarantee	Annual interest rate	2015 USD	2014 USD	2013 USD
Bonds	Camposol Holding LTD, Marinazul S.A.. and Campoinca S.A.	9.875%	206,704	205,453	127,448
Other borrowings	Domingo Rodas S.A. fixed assets	3%	801	1,664	2,211
Bank borrowings	-	5.5%	564	884	1,126
Finance lease liabilities	Property subject to financial lease	Between 4.30% and 8.72%	6,702	9,657	11,937
			214,775	217,799	143,225
Less-current portion			( 9,924)	( 11,682)	( 9,898)
			<u>204,851</u>	<u>206,117</u>	<u>133,327</u>

All loans are denominated in United States Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2015, 2014 and 2013:

	Other borrowings USD	Bonds USD	Bank borrowings USD	Finance lease liabilities USD	Total long-term debt USD
Balance as of 1 January 2013	3,325	121,598	-	10,188	135,111
<b>Cash transactions</b>					
Repayment of long-term borrowings	( 1,114)	-	( 174)	( 2,138)	( 3,426)
Proceeds from long-term borrowings	-	-	1,300	-	1,300
<b>Non-cash transactions</b>					
Purchase of fixed assets under finance lease	-	-	-	3,887	3,887
Accrued interest	-	6,353	-	-	6,353
Balance as of 31 December 2013	<u>2,211</u>	<u>127,951</u>	<u>1,126</u>	<u>11,937</u>	<u>143,225</u>
Balance as of 1 January 2014	2,211	127,951	1,126	11,937	143,225
<b>Cash transactions</b>					
Repayment of long-term borrowings	( 547)	-	( 242)	( 8,767)	( 9,556)
Bonds issue	-	75,000	-	-	75,000
Transactions costs	-	( 1,626)	-	-	( 1,626)
<b>Non-cash transactions</b>					
Borrowing assumed on business combination	-	-	-	1,214	1,214
Purchase of fixed assets under finance lease	-	-	-	5,273	5,273
Accrued interest	-	4,269	-	-	4,469
Balance as of 31 December 2014	<u>1,664</u>	<u>205,594</u>	<u>884</u>	<u>9,657</u>	<u>217,799</u>
Balance as of 1 January 2015	1,664	205,594	884	9,657	217,799
<b>Cash transactions</b>					
Repayment of long-term borrowings	( 863)	-	( 320)	( 2,955)	( 4,138)
<b>Non-cash transactions</b>					
Accrued interest	-	1,114	-	-	1,114
Balance as of 31 December 2015	<u>801</u>	<u>206,708</u>	<u>564</u>	<u>6,702</u>	<u>214,775</u>

The maturity of the non - current portion of long - term debt is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
1 year	203,390	1,917	3,527
2 years	1,436	202,919	1,446
3 years	25	1,258	126,968
More than 3 years	-	23	1,386
	<u>204,851</u>	<u>206,117</u>	<u>133,327</u>

Fair values -

The carrying amounts and fair value of the non-current borrowings are as follows:

	<u>Carrying amount</u>			<u>Fair value</u>		
	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Bank borrowings	289	562	884	274	533	838
Bonds	199,866	198,307	123,085	181,903	180,484	112,023
Finance lease liabilities	4,194	6,567	7,694	3,972	4,081	7,262
Other borrowings	502	681	1,664	501	681	1,616
	<u>204,851</u>	<u>206,117</u>	<u>133,327</u>	<u>186,650</u>	<u>185,779</u>	<u>121,739</u>

At 31 December 2015, 2014 and 2013 valuation inputs for calculating fair value of long-term debt correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

a) Bonds -

USD125,000 9.875% Senior Notes due 2017 -

On 26 January 2012, Camposol S.A. and its guarantors Camposol Holding LTD, Marinazul S.A. and Campoinca S.A. agreed with Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc., as representatives of several purchasers, to issue and sell to the several purchasers, USD125,000 of the principal of its 9.875% Senior Notes due in 2017 to be issued under an indenture dated 2 February 2012, signed between Camposol S.A., the Guarantors, and Wells Fargo Bank, National Association, as trustee, guaranteed on an unsecured senior basis by Camposol Holding LTD, Marinazul S.A. and Campoinca S.A. Coupons bear a 9.875% interest and are payable on a semi-annual basis. Cash proceeds were used to pay the long term debt obtained to finance capital expenditures and for general corporate uses. The bonds are listed on the Luxembourg Stock Exchange.

On 30 April 2014, Camposol S.A., Camposol Holding PLC's subsidiary, successfully reopened its 9.875% USD125 million senior Notes due 2017 raising proceeds of USD75 million, which will be guaranteed by Camposol Holding Limited as parent guarantor and Marinazul S.A. and Campoinca S.A. as subsidiary guarantors. The net proceeds from the bond issue were used for capital expenditures, mainly for the expansion of the blueberries' and shrimps' businesses.

The Notes were issued as additional notes of, and form a single issue with, the USD125 million 9.875% Notes due 2017 issued on February 2, 2012. The total aggregate principal amount of the 9.875% Notes due 2017 that will be outstanding following this reopening will be USD200 million.

The issue of these bonds includes certain restrictive covenants.

If during any period of time the Notes obtains Investment Grade Ratings from two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

- i) Change of control: Putable at 101% of principal plus accrued and unpaid interest.
- ii) Limitation on indebtedness and Disqualified Stock:
  - a. The Leverage Ratio is less than (i) 3.5 to 1.0 during the period from the Original Issue Date through June 30, 2013 and (ii) 3.25 to 1.0 from July 1, 2013 through the Maturity Date.
  - b. Working capital shall not to exceed 25% of net sales.
  - c. Other Indebtedness shall not to exceed the greater of USD 20,000 and 5% of the total assets.
- iii) Limitation on Restricted Payments:
  - a. Declare or pay any dividend or make any distribution.
  - b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
- iv) Limitation on Issuances of Guarantees by Restricted Subsidiaries
  - a. Loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding USD 2,000 at any time.
- v) Limitation on Liens
  - a. Not to exceed 10% of the total assets
- vi) Limitation on Asset Sales
  - a. At least 75% is paid in cash or temporary cash investments
- vii) Limitation on Business Activities
  - a. Only permitted Businesses

According to management evaluation of these covenants, at 31 December 2015, 2014 and 2013 non default event has occurred.

According to the income tax regime currently in force in Peru, Camposol S.A. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not complete the payment of the withholding tax by the holders, Camposol S.A. will assume it as its own expense.

b) Finance leases -

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	<u>2015</u>	<u>Present value</u>	<u>2014</u>	<u>Present value</u>	<u>2013</u>	<u>Present value</u>
	<u>Minimum</u>	<u>of payments</u>	<u>Minimum</u>	<u>of payments</u>	<u>Minimum</u>	<u>of payments</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Within one year	2,787	2,639	3,551	3,361	4,788	4,494
After one year but no more than five years	4,410	4,063	7,078	6,296	8,306	7,443
Total minimum lease payments less amounts representing finance charges	<u>7,197</u>	<u>6,702</u>	<u>10,629</u>	<u>9,657</u>	<u>13,094</u>	<u>11,937</u>
Present value of minimum lease payments	(495)		(972)		(1,157)	
	<u>6,702</u>		<u>9,657</u>		<u>11,937</u>	

**20 TRADE ACCOUNTS PAYABLE**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Suppliers	31,343	42,540	48,588
Bills of exchange payable	2,027	4,885	11,904
Payables to related parties (Note 36)	<u>985</u>	<u>890</u>	<u>163</u>
	<u>34,355</u>	<u>48,315</u>	<u>60,655</u>

Trade accounts payables to suppliers are mainly in US dollars, are due within 12 months and are not interest-bearing.

Bills of exchange in U.S. dollars and Sol, amounts to USD1,956 and USD71, respectively (In 2014 USD4,275 and USD610, respectively each currency and in 2013 USD6,330 and USD 5,574, respectively each currency), which are due within 3 months and bear interest at an annual average rate of 9%.

The average payment terms of trade payables are between 30 to 60 days.

**21 OTHER ACCOUNTS PAYABLE**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Vacations and other payables to employees	3,771	5,156	5,406
Board remuneration	115	100	49
Worker's pension fund payable	355	426	533
Deferred gain on sale and leaseback	55	3	943
Accrual of unbilled services	-	352	384
Prepayment received	-	-	958
Other	<u>927</u>	<u>600</u>	<u>1,442</u>
	<u>5,223</u>	<u>6,637</u>	<u>9,715</u>

Other accounts payable are due within 12 months, not interest-bearing and are mainly denominated in Sol.



## 22 PROVISIONS

	<u>Legal claims USD</u>	<u>Contingent liability arising on a business combination USD</u>	<u>Other provisions USD</u>	<u>Total USD</u>
At 1 January 2013	1,000	-	877	1,877
Additional provisions (Note 30)	600	-	-	600
At 31 December 2013	<u>1,600</u>	<u>-</u>	<u>877</u>	<u>2,477</u>
At 1 January 2014	1,600	-	877	2,477
Acquisition of subsidiary (Note 24)	-	5,876	-	5,876
Unused amounts reversed	-	-	(86)	(86)
At 31 December 2014	<u>1,600</u>	<u>5,876</u>	<u>791</u>	<u>8,267</u>
At 1 January 2015	1,600	5,876	791	8,267
Additional provisions	-	-	1,662	1,662
Payments	(200)	-	-	(200)
Reclassification	-	-	(417)	(417)
Accrued interest	-	399	-	399
Unused amounts reversed	(853)	-	-	(853)
At 31 December 2015	<u>547</u>	<u>6,275</u>	<u>2,036</u>	<u>8,858</u>

	<u>2015 USD</u>	<u>2014 USD</u>	<u>2013 USD</u>
Non-current (Note 24)	4,930	4,833	-
Current	3,928	3,434	2,477
Total	<u>8,858</u>	<u>8,267</u>	<u>2,477</u>

Excessive legal provision from previous years was reversed in 2015, the amount was USD853. New provisions were realized for USD1,662, in part for the provision of benefit performance, which is included in other provisions.

## 23 BANK LOANS

	<u>2015 USD</u>	<u>2014 USD</u>	<u>2013 USD</u>
Loans -			
Banco Continental (Peru)	16,150	10,000	10,000
Banco Scotiabank (Peru)	12,500	9,400	9,380
Banco Interbank (Peru)	7,470	19,203	2,500
Banco Santander (Peru)	-	12,500	-
Banco ICBC Peru Bank (Peru)	-	3,500	-
Multibank, Inc (Panama)	-	5,000	4,145
	<u>36,120</u>	<u>59,603</u>	<u>26,025</u>

For purposes of reconciliation with the information provided in the consolidated statement of cash flows, following is the movement of bank loans for the years ended 31 December:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Initial balance	59,603	26,025	29,880
<b>Cash transactions</b>			
Bank loans proceeds	128,383	121,590	101,495
Bank loans payments	( 151,866)	( 88,987)	( 105,350)
<b>Non-cash transactions</b>			
Bank loans assumed on business combination	-	975	-
Closing balance	<u>36,120</u>	<u>59,603</u>	<u>26,025</u>

Loans represent promissory notes with maturities up to 180 days, which were obtained for working capital. These loans bear fixed annual interest rates that are between 1.55 per cent and 4.50 per cent (between 2.60 per cent and 5.70 per cent in 2014 and between 3.05 per cent and 6.27 per cent in 2013). These loans are guaranteed by inventories and lands of the Group for the similar amounts of the loans.

## 24 BUSINESS COMBINATION

### a) Pacifico Azul S.A.

On 28 February 2014, Marinazul S.A. (subsidiary of the Company) acquired 100% of the share capital of Pacifico Azul S.A., for a consideration of USD4,338. The net assets value of the acquired entity at the purchase date amounted to USD5,102, giving rise to the recognition of a gain in the consolidated statement of comprehensive income of USD764.

The acquired entity was engaged in shrimp farming. As a result of the acquisition, the Group expects to increase its hectares and level of production.

The following table summarizes the consideration paid by Marinazul S.A., the fair value of assets acquired and liabilities assumed at the acquisition date.

### Recognised amounts of identifiable assets acquired and liabilities assumed

	<b>USD</b>
Cash and cash equivalents	528
Other accounts receivable	549
Inventories	909
Prepaid expenses	4
Property, plant and equipment	5,824
Trade accounts payable	( 45)
Other accounts payable	( 297)
Long-term debt	( 1,422)
Deferred income tax	( 948)
<b>Total identifiable net assets</b>	<u>5,102</u>
Purchase consideration	4,338
Total identifiable net assets	( <u>5,102</u> )
Gain in acquisition	( <u>764</u> )
Purchase consideration	4,338
Cash and cash equivalents by acquired subsidiary	( <u>528</u> )
Cash consideration	<u>3,810</u>

Acquisition-related costs of USD19 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2014.

The fair value of other receivables is USD549. The gross contractual amount for other receivables due is USD574, of which USD25 is expected to be uncollectible.

The gain on acquisition is supported by valuations performed by independent appraisers. The sale and purchase agreement does not contemplate any contingent consideration that may affect the consideration paid on acquisition.

The gain on acquisition is explained by the fact that the former owner needed to exit the specific business of the acquired entity in order to pursue other business that is currently developing.

The amounts of the net identifiable assets and liabilities recognized in the consolidated financial statements are final values as established by IFRS 3.

The revenue included in the consolidated statement of comprehensive income since 28 February 2014 contributed by Pacifico Azul was USD121. Pacifico Azul also contributed loss of USD44 over the same period.

Had Pacifico Azul been consolidated from 1 January 2014, the consolidated statement of income would show pro-forma revenue of USD269,306 and loss of USD19,447.

b) Corporacion Refrigerados INY S.A.

On 17 November 2014, Marinazul S.A. (subsidiary of the Company) acquired 80% of the share capital of Corporacion Refrigerados INY S.A., for a consideration of USD9,876. The net assets value of the acquired entity at the purchase date amounted to USD30,280, giving rise to the recognition of a gain in the consolidated statement of comprehensive income of USD14,348.

The acquired entity was engaged in shrimp farming, industrial processing and distribution of sea products. As a result of the acquisition, the Group expects to increase its hectares and to manage its entire supply chain: fields, processing and distribution.

The following table summarizes the consideration paid by Marinazul S.A., the fair value of assets acquired and liabilities assumed at the acquisition date.

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	USD
Cash and cash equivalents	1,954
Trade accounts receivable	6,943
Other accounts receivable	2,857
Inventories	4,810
Biological assets	1,046
Prepaid expenses	68
Intangibles	36
Property, plant and equipment	26,415
Bank loans	( 317)
Trade accounts payable	( 2,527)
Other accounts payable	( 7,105)
Long-term debt	( 595)
Deferred income tax	( 3,305)
<b>Total identifiable net assets</b>	<b><u>30,280</u></b>

	<b>USD</b>
Purchase consideration	( 9,876)
Non-controlling interest (20%) (Note 16)	( 6,056)
Gain in acquisition	( 14,348)
 Purchase consideration	 9,876
Cash and cash equivalents by acquired subsidiary	( 1,954)
Cash consideration	<u>7,922</u>

Acquisition-related costs of USD247 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2014.

The fair value of trade and other receivables is USD9,800 and includes trade accounts receivable with a fair value of USD6,943. The gross contractual amount for trade accounts receivable due is USD7,039, of which USD96 is expected to be uncollectible. The gross contractual amount for other receivables due is USD2,891 of which USD34 is expected to be uncollectible.

A contingent liability of USD4,833 has been recognized for a pending lawsuit in which Corporacion Refrigerados INY S.A. is a defendant. The claim has arisen from previous years examination of Peruvian Tax Authority in which resulted additional tax liabilities. As of 31 December 2015, the courts have not reached any decision on the case. The potential undiscounted amount of all future payments that the group could be required to make if there was an adverse decision related to the lawsuit is estimated to be USD22,744. As of 31 December 2014, there has been no change in the amount recognized for the liability at 17 November 2014, as there has been no change in the range of outcomes or assumptions used to develop the estimates.

A contingent liability of USD825 has been recognized for several tax-related contingencies.

The gain on acquisition is supported by valuations performed by independent appraisers. The sale and purchase agreement does not contemplate any contingent consideration that may affect the consideration paid on acquisition.

The gain on acquisition is explained by the death of the principal founder (principal owner of the company) in which heirs wanted to exit business of the acquired entity in order to pursue other business. The amounts of the net identifiable assets and liabilities recognized in the consolidated financial statements are final values as established by IFRS 3.

The revenue included in the consolidated statement of comprehensive income since 17 November 2014 contributed by Corporacion Refrigerados INY S.A. was USD2,661. Corporacion Refrigerados INY S.A. also contributed profit of USD453 over the same period.

Had Corporacion Refrigerados INY S.A. been consolidated from 1 January 2014, the consolidated statement of income would show pro-forma revenue of USD302,992 and loss of USD16,926.

c) Pesquera ABC S.A.C

On 17 November 2014, Marinazul S.A. (subsidiary of the Company) acquired 75% of the share capital of Pesquera ABC S.A.C, for a consideration of USD3,928. The net assets value of the acquired entity at the purchase date amounted to USD3,892, giving rise to the recognition of goodwill of USD1,009.

The acquired entity was engaged in purchasing, processing and selling seafood's products on local and international markets. As a result of the acquisition, the Group is expected to manage its entire supply chain: purchasing, processing and distribution.

The following table summarizes the consideration paid by Marinazul S.A., the fair value of assets acquired and liabilities assumed at the acquisition date.

## Recognised amounts of identifiable assets acquired and liabilities assumed

	USD
Cash and cash equivalents	211
Trade accounts receivable	702
Other accounts receivable	1,642
Inventories	980
Prepaid expenses	14
Property, plant and equipment	6,405
Bank loans	( 658)
Trade accounts payable	( 3,358)
Other accounts payable	( 469)
Long-term debt	( 619)
Deferred income tax	( 958)
<b>Total identifiable net assets</b>	<u>3,892</u>
Non-controlling interest (25%) (Note 16)	( 973)
Goodwill	<u>1,009</u>
Purchase consideration	<u>3,928</u>
Cash and cash equivalents by acquired subsidiary	( 211)
Cash consideration	<u>3,717</u>

Acquisition-related costs of USD98 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2014.

The fair value of trade and other accounts receivable is USD2,344. The gross contractual amount for trade and other receivables due is USD1,359, of which USD41 is expected to be uncollectible.

A contingent liability of USD218 has been recognized for several tax-related contingencies.

The revenue included in the consolidated statement of comprehensive income since 17 November 2014 contributed by Pesquera ABC S.A.C. was USD822. Pesquera ABC S.A.C. also contributed loss of USD112 over the same period.

Had Pesquera ABC S.A.C. been consolidated from 1 January 2014, the consolidated statement of income would show pro-forma revenue of USD272,117 and loss of USD20,887.

## 25 REVENUE

Revenue represents the sale of fresh, preserved and frozen biological products.

For the years ended 31 December, comprise the following (Note 5):

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Asparagus	42,833	65,222	69,955
Avocado	53,678	73,400	49,244
Pepper	21,214	14,681	18,730
Mango	23,082	23,499	18,689
Seafoods	57,156	33,755	26,629
Grapes	16,844	23,694	21,245
Blueberry	48,093	9,542	8,638
Other	<u>9,792</u>	<u>9,663</u>	<u>5,339</u>
	<u>272,692</u>	<u>253,456</u>	<u>218,469</u>

## 26 COST OF SALES

Cost of sales for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of inventories recognized as expenses	139,005	120,930	101,593
Personnel expenses (Note 29)	50,192	48,934	43,888
Depreciation (Note 6)	11,259	9,122	8,184
Custom duties refund	( 7,253)	( 7,686)	( 7,691)
	<u>193,203</u>	<u>171,300</u>	<u>145,974</u>

In Peru, Camposol S.A., Marinazul S.A. and Corporación Refrigerados INY S.A. are beneficiaries of a simplified procedure for custom duties refunding (Drawback), at a rate of 4.0% of FOB value of exports.

The cost of inventories recognized as expenses include amortization of software by USD 11 for 2015, USD 8 for 2014 and 2013 (Note 8).

At 2015 the Group recognized in cost of sale a reduction in the book value of the inventories by carrying them out the net realizable value amounting to USD2,482 (Note 12 and 32).

## 27 SELLING EXPENSES

Selling expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Freight	14,986	15,702	11,525
Custom duties	5,673	8,500	6,519
Amortization of customer relationships (Note 8)	-	2,133	2,132
Personnel expenses (Note 29)	4,003	3,936	1,300
Selling commissions	412	256	485
Analysis and quality control	545	216	226
Consulting services	879	1,345	624
Travel and business expenses	931	2,208	907
Insurances	1,119	990	598
Subscriptions to associations	240	691	373
Other expenses	1,531	1,585	867
	<u>30,319</u>	<u>37,562</u>	<u>25,556</u>

## 28 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31 are comprised of the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Personnel expenses (Note 29)	11,832	11,547	10,544
Professional fees	2,517	5,751	3,464
Statutory auditors' remuneration	56	86	71
Audit services and others	279	230	225
Depreciation (Note 6)	881	757	762
Travel and business expenses	768	1,420	727
Transport and telecommunications	923	1,066	924
Directors' remuneration (Note 29)	394	370	389
Renting of machinery and equipment	2,428	1,919	1,332
Amortization of computer software (Note 8)	537	482	469
Materials and supplies	889	1,196	928
Maintenance	745	1,038	739
Insurances	233	279	133
Utilities	95	67	82
Taxes other than income tax	150	190	98
Other expenses	<u>2,177</u>	<u>2,305</u>	<u>1,502</u>
	<u>24,904</u>	<u>28,703</u>	<u>22,389</u>

The other expenses stated above includes fees of USD125 (2014: USD80 and 2013: NIL) for tax consultancy services and other non-audit services charged by the Company's statutory audit firm.

## 29 PERSONNEL EXPENSES

Personnel expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Salaries and wages	56,041	55,397	48,835
Vacations	2,296	2,251	1,684
Other employees' benefits	7,011	5,266	4,910
Other expenses	<u>1,073</u>	<u>1,873</u>	<u>692</u>
	<u>66,421</u>	<u>64,787</u>	<u>56,121</u>

Personnel expenses are allocated as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of sales (Note 26)	50,192	48,934	43,888
Selling expenses (Note 27)	4,003	3,936	1,300
Administrative expenses (Note 28)	11,832	11,547	10,544
Directors' remuneration - (Note 28)	<u>394</u>	<u>370</u>	<u>389</u>
	<u>66,421</u>	<u>64,787</u>	<u>56,121</u>

### 30 OTHER INCOME AND EXPENSES

Other income and expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Other income -			
Reversion of legal claims (Note 22)	853	-	-
Recovery of written-off accounts receivable (Note 14)	121		1
Gain on sale of property, plant and equipment (Note 32)	6,697	-	246
Indemnity of insurance	522	1,025	126
Services to third parties	784	1,177	441
Gain on bargain purchase (Note 24)	-	15,112	-
Gain on leaseback	-	942	-
Other	541	175	520
	<u>9,518</u>	<u>18,431</u>	<u>1,334</u>
Other expenses -			
Obsolescence of inventories (Notes 12)	( 4,969)	( 5,102)	( 1,218)
Contingencies (Notes 22)	-	-	( 600)
Donations and samples	( 104)	( 191)	( 236)
Impairment of trade and other receivable (Notes 13 and 14)	( 299)	( 1,562)	-
Write-off of plots of pepper	-	-	( 500)
Impairment of goodwill and fixed assets (Note 6 and 8)	( 4,926)	-	-
Expiration of drawback	( 1,363)	-	-
Write-off of blueberry project	( 627)	-	-
Write-off of missing inventory and fixed assets	( 342)	( 424)	-
Moratory interest and fines	( 123)	( 369)	( 304)
Loss on sale of property, plant and equipment (Note 32)	( -)	( 177)	-
Loss on sale of supplies	( 825)	-	-
Acquisition-related costs of subsidiaries (Note 24)	-	( 364)	-
Services	( 744)	( 605)	( 401)
Other	( 1,212)	( 617)	( 156)
	<u>( 15,534)</u>	<u>( 9,411)</u>	<u>( 3,415)</u>

### 31 FINANCIAL INCOME AND COSTS

Financial income and costs for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Income -			
Interest (Note 15)	13	116	36
Other finance income	-	-	45
	<u>13</u>	<u>116</u>	<u>81</u>



	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Costs -			
Interest on bonds and bank loans	( 22,415)	( 19,375)	( 14,526)
Interest on finance leases	( 1,311)	( 2,247)	( 3,241)
Tax on financial transactions	( 1,035)	( 1,021)	( 747)
Interest on accounts payable to suppliers	( 57)	( 103)	( 161)
Loss in investment funds (Note 15)	( 57)	( 8)	( 623)
Other finance costs	( 94)	( 44)	( 167)
	<u>( 24,969)</u>	<u>( 22,798)</u>	<u>( 19,465)</u>

### 32 CASH GENERATED FROM OPERATIONS

	<u>Note</u>	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Reconciliation of profit for the year to net cash from (used in) operating activities:				
Profit before income tax		27,959	( 46,723)	40,697
Depreciation	6	12 140	9,879	8,946
Amortization	8	648	2,657	2,609
Transference to biological assets		5,422	5,612	5,296
Impairment of trade accounts receivable	13 and 14	299	1,562	-
Obsolescence of inventories	12	4,969	5,102	1,218
Impairment of plant and equipment	6	1,148	-	-
Net realisable value impairment	12 and 26	2,482	-	-
Recovery of doubtful accounts	14	-	( 121)	-
Fair value of biological assets	9	( 58,042)	45,217	( 43,069)
Gain / (loss) on sale of fixed assets	30	( 6,697)	177	( 246)
Impairment of goodwill	8	3,778	-	-
Gain on disposal of intangibles	8	-	73	-
Loss attributable to associate	7	( 254)	( 918)	( 305)
Deferred income tax	33	11,055	( 12,984)	10,060
Net exchange difference		518	1,254	( 299)
Write down off trade accounts receivable	13 and 14	( 268)	-	( 255)
Write down off inventories	12	( 1,710)	( 3,377)	( 1,834)
Gain in acquisition of subsidiaries	24	-	( 15,112)	-
Reversion of unused contingencies	22	( 853)	-	-
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:				
Trade accounts receivable		5,562	7,904	( 15,497)
Other accounts receivable		2,037	( 11,168)	4,269
Inventories		38,651	( 34,103)	( 9,770)
Prepaid expenses		172	( 115)	209
Trade accounts payable		( 13,960)	( 12,340)	9,367
Other accounts payable		( 1,467)	26,701	( 6,142)
Net cash generated from (used in) operating activities		<u>33,589</u>	<u>( 30,823)</u>	<u>5,254</u>

### 33 INCOME TAX EXPENSE

- a) According to the Peruvian tax legislation in force the income tax is determined on separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the result derived from the accounting records maintained in Sol is those items considered as taxable and non-taxable, respectively.

As established under Law No.27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and /or cattle as well as in industrial agriculture, the applicable income tax rate is 15%. This income tax regulations is applicable until 31 December 31 2021.

The standard rate of Cyprus income tax for 2015, 2014 and 2013 is 12.5% and for the Peruvian subsidiaries it ranges between 28% and 15% (30% and 15% for 2014 and 2013).

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Current income tax	-	361	371
Deferred income tax (Notes 17 and 32)	11,055	( 12,984)	10,060
Income tax expense	<u>11,055</u>	<u>( 12,623)</u>	<u>10,431</u>

- b) For the years 2015, 2013 and 2013 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Profit (loss) before income tax	27,959	( 46,723)	40,697
Theoretical income tax	4,194	( 7,008)	6,105
Income not subject to tax	( 1,531)	( 982)	( 840)
Expenses not deductible for tax purposes	169	459	2,250
Impairment and expiration of tax loss	2,506	-	4,600
Foreign exchange – non monetary assets	7,044	-	-
Impact of change in tax rate	467	( 4,421)	-
Other	( 1,794)	( 671)	( 1,684)
Income tax expense / (credit)	<u>11,055</u>	<u>( 12,623)</u>	<u>10,431</u>

According to tax Peruvian Legislation, there are two systems to offset net losses arising from 2004:

- Offsetting the total tax loss against the future taxable profits to be obtained in the four years from the fiscal year following the year in which the tax loss was generated; after those four years have elapsed, any remaining tax loss that has not been offset, will not be able to be offset against future taxable profits.
- Offsetting 50% of the annual taxable profits until they are exhausted.

The Company has chosen the first system to offset tax losses.

At December 31, 2015, deferred income tax assets have been impaired due to the maturity of tax losses which amount to USD2,506.

At December 31, 2013, deferred income tax assets have been impaired due to the maturity of tax losses which amount to USD4,600.

- c) The Peruvian Tax Authority may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries in the last four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Group, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations. Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities is resolved. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The following table shows the income tax and value-added tax returns subject to review by the Tax Authority corresponding to the Company and its subsidiaries.

<u>Company</u>	<u>Years open to tax review</u>	
	<u>Income Tax</u>	<u>Value Added Tax</u>
Camposol Holding Limited	2009-2015	-
Camposol S.A.	2011-2015	December 2011-2015
Prodex S.A.C.	2011-2015	December 2011-2015
Vegetales del Norte S.A.C.	2011-2015	December 2011-2015
Muelles y Servicios Paita S.A.C.	2011-2015	December 2011-2015
Nor Agro Perú S.A.	2011-2015	December 2011-2015
Marinasol S.A.	2011-2015	December 2011-2015
Marinazul S.A.	2011-2015	December 2011-2015
Grainlens Ltd.	2007-2015	-
Blacklocust Ltd.	2009-2015	-
Siboure Holding Ltd.	2008-2015	-
Madoca Corp.	2011-2015	December 2011-2015
Camposol Europa S.L.	2011-2015	December 2011-2015
Campoinca S.A.	2011-2015	December 2011-2015
Camposol Fresh B.V.	2011-2015	December 2011-2015
Domingo Rodas S.A.	2011-2015	December 2011-2015
Camarones S.A.C.	2011-2015	December 2011-2015
Corporación Refrigerados YNI S.A.	2011-2015	December 2011-2015
Pesquera ABC S.A.C.	2011-2015	December 2011-2015
Pacifico Azul S.A.C.	2011-2015	December 2011-2015
Inversiones Agrícolas Inmobiliarias S.A.C.	2014-2015	December 2014-2015

#### 34 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share -

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 16).

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Profit (loss) from continuing operations attributable to owners of the parent (USD)	16,114 (	34,407)	30,040
Profit (loss) from discontinued operations attributable to owners of the parent (USD)	<u>514</u>	<u>456</u>	<u>1,248</u>
Profit (loss) attributable to owners of the parent (USD)	<u>16,628</u>	<u>(33,951)</u>	<u>31,288</u>
Weighted average number of ordinary outstanding shares (thousands)	<u>31,897</u>	<u>29,834</u>	<u>27,313</u>
Basic earnings (losses) per share (USD)	<u>0.521</u>	<u>(1.138)</u>	<u>0.981</u>

The Company was incorporated on July 9, 2007. One class of 2,570,000 initial shares does not grant the voting rights or participation in dividend distributions and are not taken into account for the purposes of determining earnings per share.

On March 13, 2015 the Shareholders approved the conversion, re/assignment and the re/classification of the initial 2,570,000 dormant shares to ordinary shares; therefore, these shares grant the voting rights, participation in dividend distributions and are taken into account for the purposes of determining earnings per share since that date.

Share capital was increased through the exchange of shares with Camposol S.A. shareholders in March

2008 comprising 27,925,070 shares and a private placement with Fondo de Inversion Agroindustrial (FIDAF) of 1,908,750 shares.

Diluted earnings per share -

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has not transactions which are dilutive. The Group determines the number of potential shares using the average market share price of the Group's shares for the year. However, since during 2015, 2014 and 2013 the exchange value of the potential shares was greater than the fair value of the shares, the Group did not consider any potential ordinary shares for determination of the dilutive earnings per share; the dilutive earnings per share being the same as the basic earnings per share.

### 35 CONTINGENT LIABILITIES

As of 31 December 2015 the Group has labor-related contingencies and other claims amounting to USD547 (USD1,600 in 2014 and 2013) which is included in the balance of provisions (Note 22).

### 36 TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

a) Transactions -

The main transactions carried out between the Group and its related parties are as follows:

	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
<b>i) Associate -</b>			
<b>Empacadora de Frutos Tropicales S.A.C. -</b>			
Sale of services	3	45	1
Purchase of services	3,643	4,372	1,881
<b>ii) Entities related to Directors -</b>			
<b>Apoyo Consultoría S.A.C. -</b>			
Purchase of services	3	41	24
<b>Gestion del Pacífico S.A.C -</b>			
Sale of services	44	5	27
Purchase of services and others	194	2,440	1,546
Purchase of fixed assets	43	112	311
<b>Asoc. para la certif. de productores agricolas proveedores Camposol.-</b>			
Purchase of raw material	28	-	-
<b>Desarrollo Inmobiliario Mar Verde S.A.C.-</b>			
Sale of fixed assets	8,951	-	-
<b>Integrity Packaging S.A.-</b>			
Sale of services	1	-	-
Purchase of services	371	-	-

b) Amounts due from/to related parties –

Other accounts receivable (Note 13)

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>i) Entities related to Directors -</b>			
Empacadora de Frutos Tropicales S.A.C.	1	-	77
Gestión del Pacífico S.A.C. (*)	8	-	3
Desarrollo Inmobiliario Mar Verde S.A.C.	31	-	-
	<u>40</u>	<u>-</u>	<u>80</u>
Trade payables (Note 20)			
<b>i) Associates</b>			
Empacadora de Frutos Tropicales S.A.C.	570	720	143
<b>ii) Entities related to Directors</b>			
Gestión del Pacífico S.A.C. (*)	96	170	17
Asoc. para la certif. de productores agricolas proveedores Camposol	47	-	-
Apoyo Consultoría S.A.C.	1	-	3
Integrity Packaging S.A.	271	-	-
	<u>985</u>	<u>890</u>	<u>163</u>

(\*) A manager of the Group is a shareholder of Gestión del Pacífico S.A.C.

The transactions during the year with related companies correspond to purchase of consulting, legal services, cash loans for working capital and purchase of raw materials.

These balances have no schedule date for collection or payment and do not bear interest; however, the effect on results, if interest would be charged, is not significant.

c) Compensation of the Group key management

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Salaries of key management (excluding remuneration of Directors)	3,174	3,715	2,296
Remuneration of Directors (all of which are non - executives)	394	370	389

There are no management services provided by a related party to the Group

### 37 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets related to line of asparagus and artichokes have been presented as held for sale following the approval of the group's management and shareholders on November 2015 to sell these assets. The completion date for the transaction is expected by March 2016.

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Assets of disposal group classified as held for sale</b>			
Property, plant and equipment (Note 6)	1,751	-	-
Assets from Agroindustrial Santa Angela (Note 6)	3,567	-	-
Inventory	3,740	-	-
	<u>9,058</u>	<u>-</u>	<u>-</u>

In December 2015, the Board decided to discontinue operations of Artichoke. On January and February 2016, the Group sold its production plant in the city of Trujillo for USD350. The profit from operations of this segment is shown under discontinued operations in the consolidated statement of comprehensive income of USD260.

A summary of the results of artichoke is shown below:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Profit and loss</b>			
Revenue	16,637	14,098	12,772
Cost of sales	(15,646)	(13,089)	(10,906)
Gross loss	991	1,009	1,866
Selling expenses	(515)	(553)	(618)
Operating loss	476	456	1,248
Loss before income tax	476	456	1,248
Deferred income tax	38	-	-
Profit for the year from discontinued operations	<u>514</u>	<u>456</u>	<u>1,248</u>
<b>Cash flows</b>			
Operating activities	1,324	3,136	(110)
Investing activities	-	-	-
Financing activities	-	-	-
	<u>1,324</u>	<u>3,136</u>	<u>(110)</u>

## 38 COMMITMENTS AND GUARANTEES

- Commitments and guarantees in respect of the bonds are set out in Note 19.
- On October, 2008, Camposol S.A. signed an agreement with Peru Land & Farming LLC (PL&F) by means of which the Company gives first option to purchase avocado production from a designated area of 800 Has to be sold in the United States of America. When the US market opens for Peruvian avocado, PL&F will have the right to purchase 100% of the production from that area. The option will gradually decrease over ten years, after which it will maintain a lifetime option for 30% of the production in the designated area. The transactions will be settled at market price. At the reporting date, no changes in the agreement with PL&F have occurred.
- On December 2014, Camposol S.A. issued a guarantee letter in favor of the Municipality of Lima amounting to USD7,500 for the project "Complementary design of the Wholesale Market of Santa Anita". This project comprises putting up for concession the design, construction, financing, conservation and exploitation of the infrastructure relating to complementary design of the Wholesale Market of Santa Anita ("Desarrollo Complementario del Mercado Mayorista de Santa Anita"). The project also comprises building a modular and multifunctional plant to manage fresh produce.

Different types of services will be provided related to the Project within the framework of the Peruvian Law for Wholesale Markets and Rules for application. The Project is divided in six areas for the different processes that will be performed within the Wholesale Market of Santa Anita ("WMSA"). These processes comprise providing value-added services to wholesalers, related parties which trade perishable products for human consumption, such as supermarkets.

Additionally, the Project will comprise constructing and developing complementary service areas, such as electric substations, machinery rooms for equipment and control over the cooling chain, restrooms and dressing rooms for workers and the general public, areas to handle waste material, vehicle and pedestrian areas, as well as parking lots and green areas.

The Project is intended to make WMSA become the major perishables supply point for the larges distribution chains in Metropolitan Lima as well as a potential strategic logistics point for wholesale producers and retailers in Lima seeking to become international.

As of 24 March 2015 the City Hall of Lima dismissed this private initiative, superseding the continuation of this project.

### 39 EVENTS AFTER THE REPORTING PERIOD

- On 17 December, 2015, Camposol S.A. concludes a contract of sale in which transfers ownership of its processing line of preserved asparagus to Sociedad Agricola Viru S.A.C., which will be effective on January 2016.
- The Group is expecting to acquire 100% of the shares of Congelados y Frescos S.A.C. (Cofresac), by exchange of stock of Agroindustrias Santa Angela S.A.C., through its subsidiary Marinazul S.A., which will be effective in the first semester of 2016. Cofresac has, processing assets of seafood products located in Tumbes – Peru and cultivated ponds. The Group expect to increase the capacity to process seafood products with this acquisition.

Details of net assets acquired and goodwill are as follows:

	<b>USD</b>
Cash and cash equivalents	31
Trade accounts receivable	381
Other accounts receivable	13
Inventories	144
Prepaid expenses	8
Property, plant and equipment	6,621
Trade accounts payable	( 119)
Other accounts payable	( 292)
Long-term debt	( 121)
Deferred income tax	( 702)
<b>Total identifiable net assets</b>	<u>5,964</u>
Purchase consideration	3,587
Total identifiable net assets	( <u>5,964</u> )
Gain in acquisition	( <u>2,377</u> )
Purchase consideration	3,587
Cash and cash equivalents by acquired subsidiary	( <u>31</u> )
Cash consideration	<u>3,556</u>

The purchase consideration represents the fair value of the shares of Santa Angela S.A.C at the date of the disposal and did not include any additional cash consideration.

There is no additional assets, liabilities and contingent liabilities identified in the purchase.

There have been no additional relevant activities subsequent to the balance sheet date.

- On 4 March 2016, 521,376 Ordinary shares of nominal value of EURO 0,01 each were allotted and issued out of the authorized but unissued share capital of the Company as follows:
  - 430,621 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 3,679,608.15 to Generación del Pacífico Grupo SL;
  - 47,300 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 404,170.18 to Osterlin Luis Dyer Ampudia;
  - 11,738 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 100,298.32 to William P. Dyer Osorio;
  - 15,179 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 129,703.70 to Sergio Dyer Osorio;
  - 10,356 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 88,486.98 to Yazmin Dyer Osorio;
  - 6,182 ordinary shares of nominal value EURO 0,01 each at a premium of EURO 52,822.21 to Rodrigo Dyer Fernandez.

No other material event occurred after the end of the financial year.

Independent auditor report in pages F-6 to F-7



**CAMPOSOL S.A.**

SEPARATE FINANCIAL STATEMENTS  
31 DECEMBER 2015, 2014 AND 2013

## **CAMPOSOL S.A.**

### SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2015, 2014 AND 2013

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USD = United States dollar  
S/ = Sol  
€ = Euros



## INDEPENDENT AUDITOR'S REPORT

To the Stockholders  
**Camposol S.A.**

5 April 2016

We have audited the accompanying separate financial statements of **Camposol S.A.** which comprise the separate statements of financial position as at 31 December 2015, 2014 and 2013, and the separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes (Note 1 to 36).

### Management's responsibility for the separate financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing approved for application in Peru by the Board of Deans of Institutes of Peruvian Certified Public Accounts. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.



5 April 2016  
Camposol S.A.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the accompanying separate financial statements present fairly in all materials respects, the financial position of **Camposol S.A.** as at 31 December 2015, 2014 and 2013, the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Countersigned by

/S/ Juan M. Arrarte

----- (partner)

Juan M. Arrarte  
Peruvian Certified Public Accountant  
Registration No. 01-020621

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF FINANCIAL POSITION**

(IN THOUSANDS OF U.S. DOLLARS)

	<b>Note</b>	<b>As of 31 December</b>		
		<b>2015</b>	<b>2014</b>	<b>2013</b>
		<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	116,007	131,767	109,262
Investments in subsidiaries and associates	7	14,410	14,156	13,238
Intangible assets	8	3,573	2,479	2,909
Non-current portion of biological assets	9	300,783	237,717	282,982
Accounts receivable from related parties	33	-	157	797
Total non-current assets		<u>434,773</u>	<u>386,276</u>	<u>409,188</u>
<b>CURRENT ASSETS</b>				
Prepaid expenses		362	688	349
Current portion of biological assets	9	8,496	10,921	12,994
Inventories	12	30,542	76,103	50,410
Other accounts receivable	13	9,518	8,960	6,954
Income tax credit		4,554	5,077	3,335
Accounts receivable from related parties	33	42,617	34,747	13,263
Trade accounts receivable	14	49,605	48,022	53,154
Cash subject to restriction	15	-	7,500	-
Cash and cash equivalents	15	14,065	24,817	22,643
		<u>159,759</u>	<u>216,835</u>	<u>163,102</u>
Assets classified as held for sale	34	5,131	-	-
Total current assets		<u>164,890</u>	<u>216,835</u>	<u>163,102</u>
<b>Total assets</b>		<u><u>599,663</u></u>	<u><u>603,111</u></u>	<u><u>572,290</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	16	159,717	159,717	159,717
Legal reserve	16	5,115	5,115	5,115
Other reserves	16	(26,580)	(26,580)	(26,580)
Retained earnings	16	144,527	118,058	162,769
<b>Total equity</b>		<u>282,779</u>	<u>256,310</u>	<u>301,021</u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long - term debt	19	203,664	204,359	131,604
Deferred income tax	17	41,371	29,159	39,312
		<u>245,035</u>	<u>233,518</u>	<u>170,916</u>
<b>CURRENT LIABILITIES</b>				
Current portion of long-term debt	19	9,075	10,081	9,227
Trade accounts payable	20	27,688	39,672	57,081
Other accounts payable	21	4,710	4,879	6,794
Provisions	32	1,547	1,550	1,544
Bank loans	22	26,500	54,830	22,645
Accounts payable to related parties	33	2,329	2,271	3,062
		<u>71,849</u>	<u>113,283</u>	<u>100,353</u>
<b>Total liabilities</b>		<u>316,884</u>	<u>346,801</u>	<u>271,269</u>
<b>Total equity and liabilities</b>		<u><u>599,663</u></u>	<u><u>603,111</u></u>	<u><u>572,290</u></u>

The notes on pages F-89 to F-147 are an integral part of these separate financial statements.

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December		
		2015 USD	2014 USD	2013 USD
Continuing operations				
Revenue	23	195,192	193,215	176,898
Cost of sales	24	(123,753)	(124,103)	(115,924)
Gross profit		71,439	69,112	60,974
Net (loss) gain arising from change in fair value of biological assets	9	39,323	(46,409)	39,673
Profit after adjustments for biological assets		110,762	22,703	100,647
Selling expenses	25	(23,098)	(29,185)	(21,991)
Administrative expenses	26	(21,224)	(25,240)	(18,090)
Other income	28	8,624	5,098	3,467
Other expenses	28	(10,248)	(5,765)	(2,954)
Net foreign exchange transactions losses		(3,977)	(2,597)	(1,883)
Operating (loss) profit		60,839	(34,986)	59,196
Share of profit of investments accounted for using the equity method	7	254	918	305
Financial income	29	1,535	987	253
Financial cost	29	(24,344)	(22,534)	(19,041)
Change in fair value of derivative financial instrument		(104)	-	-
Profit (loss) before income tax		38,180	(55,615)	40,713
Income tax (expense) benefit	31	(12,250)	10,153	(9,004)
Profit (loss) for the year from continuing operations		25,930	(45,462)	31,709
Discontinued operations:				
Profit for the year from discontinued operations	34	539	751	1,330
Profit (loss) for the year		26,469	(44,711)	33,039
Other comprehensive income		-	-	1,102
Total comprehensive income (loss) for the year		26,469	(44,711)	34,141

The notes on pages F-89 – F-147 are an integral part of these separate financial statements.

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2015, 2014 AND 2013  
(IN THOUSANDS OF U.S. DOLLARS)**

	Number of Shares Thousand	Share capital USD	Legal reserve USD	Other reserves USD	Retained earnings USD	Total equity USD
Balances as of 1 January 2013	473,767	159,717	5,115	(27,682)	129,730	266,880
Profit for the year	-	-	-	-	33,039	33,039
Other comprehensive income	-	-	-	1,102	-	1,102
Balances as of 31 December 2013	473,767	159,717	5,115	(26,580)	162,769	301,021
Loss for the year	-	-	-	-	(44,711)	(44,711)
Balances as of 31 December 2014	473,767	159,717	5,115	(26,580)	118,058	256,310
Profit for the year	-	-	-	-	26,469	26,469
Balances as of 31 December 2015	473,767	159,717	5,115	(26,580)	144,527	282,779

The notes on pages F-89 to F-147 are an integral part of these separate financial statements.

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF CASH FLOWS**  
(IN THOUSANDS OF U.S. DOLLARS)

Note	For the year ended		
	31 December		
	2015	2014	2013
	USD	USD	USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collections from costumers	193,706	181,062	175,696
Payments to suppliers and employees	(143,047)	(241,047)	(160,994)
Interest paid	(23,046)	(18,937)	(18,418)
Custom duties refund collections	5,426	7,133	6,983
Other collections	-	3,576	1,502
Other payments	(4,036)	-	-
Net cash generated from (used in) operating activities	30 29,003	(68,213)	4,769
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Transfer to cash subject to restriction	7,500	(7,500)	-
Purchases of property, plant and equipment	6 (4,541)	(29,732)	(4,333)
Investment in biological assets	(11,183)	(4,490)	(7,581)
Purchases of intangibles	8 (1,634)	(135)	(413)
Proceeds and collections from related companies	37,581	61,623	20,547
Loans granted to related companies	33 (45,487)	(47,784)	(25,211)
Proceeds from sale financial assets available for sale	-	-	10,930
Proceeds from sale of property, plant and equipment	6 9,062	375	334
Net cash used in investing activities	(8,702)	(27,643)	(5,727)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Bank loans proceeds	22 103,466	107,830	92,455
Bank loans payments	22 (131,796)	(75,645)	(94,810)
Loans received from related companies	33 92	1,265	70
Bonds issue, net of transaction costs	19 -	73,374	-
Long-term debt proceeds	19 -	-	1,300
Payments of long-term debt	19 (2,815)	(8,794)	(1,924)
Net cash (used in) generated from financial activities	(31,053)	98,030	(2,909)
Net (decrease) increase in cash and cash equivalents	(10,752)	2,174	(3,867)
Cash and cash equivalents at beginning of year	24,817	22,643	26,510
Cash and cash equivalents at end of year	15 14,065	24,817	22,643
Non-cash transactions:			
Property, plant and equipment acquired under finance lease	19 -	4,760	3,821

The notes on pages F-89 to F-147 are an integral part of these separate financial statements.



## CAMPOSOL S.A.

### NOTES TO THE SEPARATE FINANCIAL STATEMENTS 31 DECEMBER 2015, 2014 AND 2013 (IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

#### 1 GENERAL INFORMATION

##### a) Business activities -

Camposol S.A. is a Peruvian agribusiness incorporated in Lima, on 31 January 1997. The major shareholders of Camposol S.A. (hereinafter "the Company") are Blacklocust Ltd. incorporated under the laws of Cyprus and Siboure Holdings Inc., a company based in the British Virgin Islands, holders of 68 and 23 percent of the Company's capital stock, respectively. As of 31 December 2015, Camposol Holding Limited is the ultimate controlling party, which prepares consolidated financial statements, and do not have minority shareholders.

The legal address of the Company is Avenida el Derby 250, Santiago de Surco, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km. 497.5, Chao, Virú, La Libertad; three production establishments or agricultural lands are located at Carretera Panamericana Norte Kms. 510, 512 and 527, respectively in the department of La Libertad, Peru. In addition, Camposol S.A. operates two administrative offices in the department of Piura and Arequipa.

The subsidiaries and associate and their activities are as follows:

Company	Principal activity	Country of incorporation	As of 31 December,		
			2015 %	2014 %	2013 %
Nor Agro Perú S.A.C.	Farmland owner	Peru	100.00	100.00	100.00
Prodex S.A.C.	Agriculture	Peru	100.00	100.00	100.00
VegeSol S.A.	Agriculture	Peru	100.00	100.00	100.00
Empacadora de Frutos Tropicales S.A.	Processing and sales of fruit products	Peru	40.00	40.00	40.00
Muelles y Servicios Paita S.A.C.	Services	Peru	100.00	100.00	100.00
Marinazul S.A.	Shrimp farming	Peru	94.55	94.55	94.55
Domingo Rodas S.A.	Shrimp farmland rental	Peru	100.00	100.00	100.00
Camarones S.A.C.	Shrimp farmland rental	Peru	100.00	100.00	100.00
Marinasol S.A.	Fish canning	Peru	68.00	68.00	68.00
Campoinca S.A.	Farmland owner	Peru	39.83	39.83	39.83
Inversiones Agrícolas Inmobiliarias S.A.C.	Farmland owner	Peru	99.90	99.90	-
Pacífico Azul S.A.	Shrimp farmland rental	Peru	100.00	100.00	-
Corporación Refrigerados INY S.A.	Shrimp farming	Peru	80.00	80.00	-
Pesquera ABC S.A.C.	Seafood processing business	Peru	75.00	75.00	-
Camposol Europa S.L.	Distribution	Spain	87.27	87.27	87.27
Camposol Fresh B.V.	Distribution	Netherlands	100.00	100.00	100.00
Persea, Inc.	Holding	USA	100.00	100.00	100.00
Camposol Fresh U.S.A., Inc.	Distribution	USA	100.00	100.00	100.00
Camposol Specialties, Inc.	Distribution	USA	100.00	100.00	100.00

The subsidiary called Inversiones Inmobiliarias Agrícolas S.A.C. was incorporated on 28 August 2014.

In 2014, Marinazul (a subsidiary of the Company) acquired Corporación Refrigerados Iny S.A., Pesquera ABC S.A.C. and Pacífico Azul S.A., from third parties.

The table below presents details of the Company's available agricultural land:

<u>Land</u>	<u>Geographical Area</u>	<u>Area in hectares (Ha)</u>		
		<u>2015</u>	<u>2014</u>	<u>2013</u>
Mar verde	La Libertad	2,496	2,496	2,496
Agricultor	La Libertad	1,726	1,726	1,726
Gloria	La Libertad	1,018	1,018	1,018
Agromás	La Libertad	414	414	414
Virú - San José	La Libertad	616	616	616
Compositan	La Libertad	3,778	3,778	3,778
Yakuy Minka	La Libertad	2,770	2,770	2,770
Huangala - Terra	Piura	2,677	2,677	2,677
		<u>15,495</u>	<u>15,495</u>	<u>15,495</u>

The Company carries out its activities over the following planted areas:

	<u>Areas in hectares (Ha)</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Asparagus	1,261	1,922	2,395
Avocadoes	2,655	2,653	2,643
Mangoes	450	527	450
Grapes	327	451	451
Peppers	-	-	332
Tangerines	145	102	102
Blueberries	1,050	566	212
	<u>5,888</u>	<u>6,221</u>	<u>6,585</u>

b) Approval of the separate financial statements -

The separate financial statements for the year ended 31 December 2015 were issued with Management's authorization and will be presented to the Board of Directors for approval of their issue and then will be submitted to the General Shareholder's Meeting for final approval, within the term established by law. The 2014 separate financial statements of the Company were approved at the General Shareholder's Meeting held on 19 August 2015.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### 2.1 Basis of preparation -

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and effective at 31 December 2015.

The information contained in these separate financial statements is responsibility of the Company's Board, and it expressly confirms that it has fully applied the principles and judgements contained in IFRS as issued by IASB.

Presentation in the statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are regarded as current if they mature or are used within one year or are held for sale.

The separate financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value, investment in associate recognized under the equity method accounting and assets group classified as held for sale recognized at the lower of their carrying amount and fair value less costs to sell. The separate financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

The separate financial statements have been prepared using three years presentation and the same accounting policies have been applied for all three years presented.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 4.

## **2.2 Adoption of new and revised IFRSs -**

### **a) New standards, amendments and interpretations adopted by the Company -**

During 2015 some IFRS and IFRIC became effective; however, they are not applicable to the Company or have not had a significant impact on the Company's separate financial statements.

### **b) New standards and interpretations early adopted -**

#### **- Amendment to IAS 27 'Separate financial statement' on the preparation method**

This amendment will enable entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This standard is effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company elected to adopt the amendment to IAS 27 in 2014 for the investments in associates.

### **c) New standards and interpretations not yet adopted -**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2016, and have not been early adopted.

#### **- IFRS 9, 'Financial instruments'**

IFRS 9, 'Financial instruments,' addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The guidance in IAS 39 on impairment of financial assets and hedge contracts continues to apply. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

- IFRS 15, 'Revenue from contracts with customers'

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted.

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Group, with the exception of the following:

- Amendments to IAS 16 and IAS 41 - Agriculture

Bearer plants (effective for annual periods beginning on or after 1 January 2016). The amendments change the financial reporting for bearer plants, such as avocados, asparagus, mangoes, tangerine, grapes and blueberries, which now should be accounted for in the same way as property, plant and equipment because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

As required under IAS 8, the change in accounting policy must be applied retrospectively. As a consequence, the bear plants describe above will be reclassified to property, plant and equipment effective 1 January 2015 and comparative figures will be restated accordingly.

The bear plants will be depreciated over their useful life which are estimated as follow: i) avocados, mangoes, tangerine and grapes between 20-25 years; ii) asparagus between 8-10 years; and iii) blueberries 11 years.

As permitted under the transitional rules, the fair value of the bear plants at 1 January 2015 will be deemed to be their cost going forward. At the date of preparation of these financial statements, the Group have not calculated the fair value of the bear plants to the transition date, and is assessing whether these assets will be accounted for under cost or revaluation method accordingly to IAS 16.

The Group expects to conclude the calculation and decide the accounting method in the second quarter of 2016, therefore it is not possible to determine the impacts of this change at the transition date nor at 31 December 2015.

## **2.3 Segment information -**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources, assess performance of the operating segments and makes strategic decisions has been identified as the Board of Directors.

## **2.4 Foreign currency translation -**

- a) Functional and presentation currency -

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The separate financial statements are presented in USD Dollars, which is the Company's functional and presentation currency.

b) Transactions and balances -

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the separate statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the separate statement of comprehensive income within 'net foreign exchange transactions losses'.

## **2.5 Property, plant and equipment -**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful life of individual assets, as follows:

	<u>Years</u>
Buildings and other constructions	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management.

The assets' residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at financial year-end. At 31 December 2015, there were no changes resulting from the review.

An asset's carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income' or 'other expenses', respectively, in the separate statement of comprehensive income.

## **2.6 Assets held for sale -**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) or is recognised at the date of derecognition.

Non-current assets held for sale (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of comprehensive income.

## **2.7 Investments -**

### **a) Subsidiaries -**

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The entity has power over the investee where the investor possesses the right that give it the current ability to direct the relevant activities. The Company carries the investments in subsidiaries at cost less any impairment in its financial statements.

### **b) Associates -**

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss, where appropriate.

The Company's share of post-acquisition profit or loss of an associate is recognized in the separate statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income of the associate is recognized in other comprehensive income of the Company with a corresponding adjustment to the carrying amount of the investment. When the Company's share

of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

Dilution gains and losses arising from changes in the interest on investments in associates are recognized in the separate statement of comprehensive income.

## **2.8 Intangible assets -**

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or Sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are expensed as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

## **2.9 Impairment of non-financial assets -**

The carrying amounts of assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Fair value is the price received to sell an asset in an orderly transaction between market participants at measurement date. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## **2.10 Financial assets -**

### **Classification -**

The Company classifies its financial assets in the category loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company loans and receivables comprise 'trade accounts receivable', 'other accounts receivable' and cash and cash equivalents and cash subject to restriction' in the separate statement of financial position (Notes 14, 13 and 15, respectively).

### **Recognition, derecognition and measurement -**

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Loans and receivable are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

### **Offsetting financial instruments -**

Financial assets and liabilities are offset and the net amount reported in the separate statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## **2.11 Impairment of financial assets carried at amortized cost -**

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss of loans and receivables category is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the separate statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest



rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the separate statement of comprehensive income.

## **2.12 Biological assets -**

Biological assets are living plants managed by the Company for sale. These are asparagus, avocados, mangoes, grapes, peppers, tangerines and blueberries which are to be harvested as agricultural produce.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangoes, avocados and grapes). Cost that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals and fertilizers are capitalized. Administrative, selling and other expenses not related to the production of the biological assets are expensed in the separate statement of comprehensive income. Bearer biological assets are classified as current and non-current depending on their maturity period.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

- i) the productive life of the asset;
- ii) the period over which the asset will mature;
- iii) the expected future sales price;
- iv) the cost expected to arise through the life of the asset;
- v) a pre-tax discount rate; and
- vi) volume produced.

The application of factors mentioned above requires the use estimates and judgments by Management (Note 4).

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the separate statement of comprehensive income in the period in which they arise.

Agricultural produce harvested from the Company's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a

result of harvesting is recognized in the separate statement of comprehensive income for the period in which it arises. The cost of the agricultural produce included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

### **2.13 Inventories -**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.12).

Net realizable value is the estimated sale price in the ordinary course of business, less estimated cost to place inventories in selling conditions and commercialization and distributions expenses.

The cost of inventories may not be recovered if: i) the inventories are damaged or become wholly or partially obsolete; and ii) their selling prices decline or the estimated necessary costs to be incurred to make the sale increase. In such circumstances, inventories are written down to their net realizable value. The Company determines the provision for obsolescence as follows:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years

The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar others characteristics).

### **2.14 Trade accounts receivable -**

Trade accounts receivable are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the separate statement of comprehensive income in "other expenses". Accounts receivable provided for are written-off when they are assessed as uncollectible.

### **2.15 Cash and cash equivalents -**

In the separate statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term, highly liquid investments funds, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less. Cash and cash equivalents excludes cash subject to restriction.

### **2.16 Share capital -**

Ordinary shares are classified as equity.

## **2.17 Trade accounts payable -**

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.18 Bank loans and long-term debt -**

Bank loans and long-term debt are recognized initially at fair value, net of transaction costs incurred. Bank loans and long-term debt are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the separate statement of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Long-term debt are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

Bank loans for working capital uses are classified as current liabilities as the settlement of these liabilities are in the short-term.

## **2.19 Leases -**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company leases certain property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term debt. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

When assets are leased out under a finance lease, the present value of the lease payments is recognized as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. The unearned finance income is recognized as income over the term of the lease on a straight-line basis.

## **2.20 Current and deferred income tax -**

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the separate statement of financial position date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the separate statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets are recognized on deductible temporary differences, only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## **2.21 Provisions -**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

## **2.22 Employee benefits -**

Worker's profit sharing and other employee benefits -

In accordance with Peruvian Legislation the Company is required to provide for workers' profit sharing equivalent to 10% of the taxable income in Peru for each year. This amount is charged to the separate

statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

#### Statutory bonuses -

The Company recognizes the expense in bonuses and the related liabilities under legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year. Employees' severance indemnities -

Employees' severance indemnities of the Company personnel comprise indemnities determined under local laws and regulations which have to be credited to the bank accounts selected by employees in May and November every year. The annual employee's severance indemnities equal one-month salary. The Company does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

### **2.23 Revenue recognition -**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The following specific recognition criteria must also be met before revenue is recognized:

#### a) Sales of goods -

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of asparagus, avocados, blueberries, mangoes and grapes. Revenue is recognized when export delivery conditions are met. The delivery conditions are met when the Company does not retain control, neither risk and benefits of the products according to the contract and there is no unfulfilled obligation that could affect the buyer acceptance of the products. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced). In the case of sales invoiced on a preliminary liquidation basis, the value of the provisionally priced fresh products is initially and subsequently re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts that occurred after the end of the period but before the issue of the financial statements up to 15 February, is recorded as an adjustment to revenue and to trade receivables within the period.
- Exports of preserved and frozen products. This mainly includes asparagus, peppers and artichokes. Revenue is recognized when export delivery conditions are met. The delivery conditions are met when the Company does not retain control, neither risk nor benefits of the products according to the contract and there is no unfulfilled obligation that could affect the buyer acceptance of the products.
- Domestic sales. Revenue is recognized on delivery.

b) Interest income -

Interest income is recognized using the effective interest method.

**2.24 Cost and expenses -**

Cost of sales corresponds to the cost of production of goods sold, and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on an accrual basis and recorded in the periods to which they are related.

**2.25 Contingent liabilities and assets -**

Contingent liabilities are not recognized in the financial statements but disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements and are disclosed only if their realization is assessed as probable.

**2.26 Custom duties refunds -**

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government, by means of which the Company is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the statement of comprehensive income when the Company has the right to claim the refund (when export is completed).

**2.27 Reclassification of items -**

In 2015 the Company reclassified "net foreign exchange transactions losses" USD3,977 of the separate statement of comprehensive income from the financial results to operating results. The Company considers that classification of this item is more appropriate based on their nature, as it has generated from operating activities. The net foreign exchange transferred in 2015, 2014 and 2013 amounts to USD3,977, USD2,597 and USD1,883, respectively.

In 2015 the Company reclassified "payable interest" of the separate statement of financial position from other accounts payable to long-term debt. The Company considers that classification of this item is more appropriate based on their nature, as it has generated from long-term debt. The interest payable transferred in 2015, 2014 and 2013 amounts to USD8,401, USD8,690 and USD5,648, respectively.

**3 FINANCIAL RISK MANAGEMENT**

**3.1 Financial risk factors -**

The Company's activities are exposed to risk arising from climatic changes and financing risks (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's geographic spread of agricultural lands allows a high degree of mitigation against adverse climatic conditions such as droughts and temperature changes as a result of climatic events. The Company has strong environmental policies and procedures in place to mitigate climatic risk.

The seasonal nature of the agricultural products of the Company requires a high level of cash flow in the second half of the year. The Company actively manages the working capital requirements and has sufficient credit facilities to meet the cash flow requirements.

a) Market risks -

i) Foreign exchange risk -

The Company operate locally and internationally and is exposed to foreign exchange risk arising from other currency exposures, primarily with respect to the Sol and Euros. The Company buys and sells its products and services and obtains funding for its working capital and investments mainly in its functional currency. Some minor costs are incurred in Sol and some sales are made in Euros, therefore its financial results are not significantly affected by exchange rate fluctuations between the US Dollar and foreign currency. Management assumes the exchange risk related to its operations; therefore it does not carry out a hedging strategy with derivative financial instruments to cover its exchange risk.

As of 31 December 2015, 2014 and 2013, the Company had the following assets and liabilities in Sol (PEN) and Euros (expressed in USD):

	<u>2015</u>		<u>Total</u>	<u>2014</u>		<u>Total</u>	<u>2013</u>		<u>Total</u>
	<u>PEN</u>	<u>€</u>	<u>USD</u>	<u>PEN</u>	<u>€</u>	<u>USD</u>	<u>PEN</u>	<u>€</u>	<u>USD</u>
Assets -									
Cash and cash equivalents	706	131	837	1,743	1,385	3,128	3,178	1,173	4,351
Trade and other accounts receivable	<u>3,676</u>	<u>17,057</u>	<u>20,733</u>	<u>15,528</u>	<u>15,718</u>	<u>31,246</u>	<u>10,487</u>	<u>15,006</u>	<u>25,493</u>
	4,382	17,188	21,570	17,271	17,103	34,374	13,665	16,179	29,844
Liabilities -									
Accounts payable	<u>10,498</u>	<u>1,140</u>	<u>11,638</u>	<u>17,489</u>	<u>1,099</u>	<u>18,588</u>	<u>25,270</u>	<u>2,660</u>	<u>27,930</u>
(Liability) asset position, net	<u>( 6,116)</u>	<u>16,048</u>	<u>9,932</u>	<u>( 218)</u>	<u>16,004</u>	<u>15,786</u>	<u>( 11,605)</u>	<u>13,519</u>	<u>1,914</u>



The remaining balance of cash and cash equivalents and trade and other accounts receivable amounting of USD94,235 relates to balances denominated in United States Dollar (2014: USD87,249 and 2013: USD73,491).

The remaining balance of liabilities, except the deferred income tax, amounting to USD263,266 relates to balances denominated in United States Dollar (2014: USD299,054 and 2013: USD204,027).

The following table demonstrates the sensitivity to a reasonably possible change in the Nuevo Sol exchange rate and Euro exchange rate for twelve months against the US Dollar, with all other variables held constant, on the Company's pre-tax profit:

	<u>Increase/ decrease PEN rate</u>	<u>Effect on in profit before tax</u>	<u>Increase/ decrease € rate</u>	<u>Effect on in profit before tax</u>
2015	+8%	489	+8%	1,284
	-8%	( 489)	-8%	( 1,284)
2014	+4%	9	+4%	640
	-4%	( 9)	-4%	( 640)
2013	+4%	464	+4%	541
	-4%	( 464)	-4%	( 541)

ii) Cash flows and fair value of interest rate risk -

Changes in interest rates impacts primarily loans and long-term borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Since all interest-bearing loans and borrowings have a fixed rate, the Company is not exposed to cash flow interest rate risk.

Fixed rate borrowings of the Company are renegotiated at market rates on a timely basis, in order to reduce the Company's exposure to fair value interest rate risk. However, the Company is exposed to interest rate risk on the fair value of its borrowings. The Company assumes this risk; therefore, it does not carry out a hedging strategy with derivative financial instruments to cover its fair value interest rate risk.

iii) Price risk -

The Company is not exposed to commodity price risk.

The Company is exposed to fresh products price risk as the value of the provisionally priced fresh products re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The Company assumes this risk and does not use hedge instruments to manage its price risks.

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable and its deposits in financial institutions (Note 15) as shown on the separate statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Company seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customer (over 6 months). As of 31 December 2015, 2014 and 2013, no credit limits were exceeded during the reporting period, and management does not expect significant losses from non-performance by these counterparties.

The accounts receivable from a single customer represent 25 per cent of the balance as of 31 December 2015 (20 per cent as of 31 December 2014 and 9 per cent as of 31 December 2013). All new transactions with this customer are being executed with letters of credit to mitigate credit risk exposure.

In addition, the Company has a multimarket credit insurance coverage over the exports of the fresh and preserved products in an aggregate amount up to USD80,000 at 31 December 2015 (USD150,000 in 2014 and USD84,000 in 2013).

c) Liquidity risk -

The Company has sufficient credit capacity to have access to credit lines with top-ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Company develops new bank relationships in order to have adequate funding available all the time. However, with the current world financial crisis there is risk that banks may revise the terms of the lines of credit. The Company assumes this risk. As of 31 December 2015, lines of credit available but not used amounts to USD32,100.

The table below analyses the Company's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the separate statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months (with the exception of borrowings) equal their carrying balances as the impact of discounting is not significant.

	<u>Within 1 year</u> <u>USD</u>	<u>Between 1</u> <u>and 2 years</u> <u>USD</u>	<u>Between 2</u> <u>and 6 years</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>2015 -</b>				
Long-term debt	29,066	195,914	1,190	226,170
Trade accounts payable	27,688	-	-	27,688
Other accounts payable (Note 10)	3,714	-	-	3,714
Accounts payable to related parties	2,329	-	-	2,329
Banks loans	<u>26,612</u>	<u>-</u>	<u>-</u>	<u>26,612</u>
	<u>89,409</u>	<u>195,914</u>	<u>1,190</u>	<u>286,513</u>
<b>2014 -</b>				
Long-term debt	31,651	13,933	205,262	250,846
Trade accounts payable	39,672	-	-	39,672
Other accounts payable (Note 10)	4,269	-	-	4,269
Accounts payable to related parties	2,271	-	-	2,271
Banks loans	<u>55,145</u>	<u>-</u>	<u>-</u>	<u>55,145</u>
	<u>133,008</u>	<u>13,933</u>	<u>205,262</u>	<u>352,203</u>
<b>2013 -</b>				
Long-term debt	22,946	10,401	143,880	177,227
Trade accounts payable	57,081	-	-	57,081
Other accounts payable (Note10)	5,094	-	-	5,094
Accounts payable to related parties	3,062	-	-	3,062
Banks loans	<u>22,799</u>	<u>-</u>	<u>-</u>	<u>22,799</u>
	<u>110,982</u>	<u>10,401</u>	<u>143,880</u>	<u>265,263</u>

### 3.2 Capital risk Management -

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the separate statement of financial position), less cash and cash equivalents. Total capital is calculated as equity as shown in the separate statement of financial position plus net debt.

As of December 2015, 2014 and 2013, the Company's strategy was to maintain the gearing ratio in no more than 0.5. The gearing ratios at 31 December 2015, 2014 and 2013 were as follows:

	<b>As of 31 December.</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Banks loans (Note 22)	26,500	54,830	22,645
Long - term debt (Note 19)	212,739	214,440	140,831
Less cash and cash equivalents (Note 15)	( 14,065)	( 24,817)	( 22,643)
Net debt (a)	<u>225,174</u>	<u>244,453</u>	<u>140,833</u>
Total equity as per statement of financial position (b)	<u>282,779</u>	<u>256,310</u>	<u>301,021</u>
Total capital as defined by management (a) + (b)	<u>507,953</u>	<u>500,763</u>	<u>441,854</u>
Gearing ratio (a) / (a) + (b)	<u>0.44</u>	<u>0.49</u>	<u>0.32</u>

At 2015 the decrease in the gearing ratio is mainly due to the decrease in bank loans balances and the increase in total equity, due to gain arising from changes in the fair value of biological assets for the year 2015.

### 3.3 Fair value estimation -

The carrying amount of trade accounts receivable and accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The information used by the Company to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See note 9 for disclosures of the measurement of biological assets.

As of 31 December 2015, 2014 and 2013, the Company does not maintain any other financial assets or liabilities measured at fair value since they are measured at amortized cost.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

### 4.1 Critical accounting estimates and assumptions -

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analysis as a way of determining the potential impact of the changes of estimates on the fair value of biological assets.

The most significant use of judgment is the estimation of the fair value of biological assets, including asparagus, avocados, mangoes, grapes and blueberries. The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of plantation volumes, cost per ton, depletion and the discount rate used to estimate the fair value. The valuation of biological assets is described in more detail in Note 9.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Estimation of fair value of biological assets - Note 2.12 and 9.

To assess the fair value of biological assets the Company takes into account the criteria set out in IAS 41 and IFRS 13, which requires that a biological asset should be measured at its fair value less the estimated point-of-sale costs. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, in determining fair value, the Management uses estimates for plantation volumes, cost per ton and exhaustion to the point of harvest. The changes in assumptions or estimates used in the calculations could influence the outcome thereof.

The model inputs involve estimates that are updated annually. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a discount rate determined in relation to the cost of financing of the Company (Weighted Average Cost of Capital). The Company carries out a sensitivity analysis of the biological assets taking into consideration the WACC discount, and taking into account the discount rate that the most representative companies used in the market.

Management considers that volatility levels of higher/lower than 5% would give rise to a material effect in its profits for the year. These sensitivity percentages have been determined based on the effect on profits for the year resulting of the application of the fair value of biological assets under IAS 41 and IFRS 13. The variables used in the determination of the fair values of the biological assets that may be subject to variance are: i) the forecast of revenue and costs, and ii) determination of the discount rate under WACC. With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the coming years, which Management considers their changes of estimates depend on quality factors of the produce. These quality factors are monitored by Management through a detailed ongoing follow-up. With respect to the discount rate under WACC, its determination has been subject to sensitivity analysis in relation with comparable companies having a similar financial structure.

	<u>Increase/ decrease rate</u>	<u>Effect on profit before tax USD</u>
2015	+5%	1,966
	-5%	( 1,966)
2014	+ 5%	2,320
	- 5%	( 2,320)
2013	+ 5%	1,984
	- 5%	( 1,984)

- Review of long lived assets carrying amounts and impairment charges - Notes 6, 7 and 8.

The Company assesses annually whether a provision for impairment is required to be made under the accounting policy described in Note 2. This determination requires Management's judgment in analyzing evidence of impairment as well as in determining value in use. For the latter, judgment is required in preparing the expected future cash flows, including forecasts of the Company's future operation, forecasts of economic factors that may impact revenue and costs as well as in determining the discount rate to be applied to those cash flows. As a result of the evaluation of internal and external evidence, the Company arrived at the conclusion that there is no sufficient relevant evidence of impairment that may require impairment test to be performed on these assets.

- Estimation of income tax- Notes 2.20, 17 and 31.

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Company receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Company recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Company performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of change of estimates to quantify its impact on the separate financial statements.

Were the actual final outcomes (on the judgment areas) differ by 10% from management's estimates, the Company would need to:

	<u>Effect on income tax</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Decrease the income tax liability	( 1,225)	( 1,015)	( 900)
Increase the income tax liability	1,225	1,015	900

#### 4.2 Critical judgments in applying the Company's accounting policies -

- Determination of functional currency - Note 2.4.

Management has determined the functional currency of the Company to be the US Dollar. The Company sells its products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in US Dollars and the price of some raw materials and supplies are influenced by the US

Dollar. Borrowings and cash balances of the Company are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the United States Dollar.

- Biological assets (Note 2.12 and 9).

In measuring the fair value of biological assets, critical judgments were used:

Critical judgments in determining the fair value of biological assets involved various key assumptions, such as: (i) impact of weather conditions on expected yields which are built on theoretical expected yields, (ii) projected prices which considers current and historic volatility, (iii) projected costs which considers current and historic performance, and (iv) projected production which considers current and historic performance. The impact on changing these assumptions is disclosed in Note 9.

## 5 SEGMENT INFORMATION

The Company's Chief Operating Decision Maker uses product information to manage resources and to identify those production lines which may eventually cease to generate value for the Company, and based on that information, decisions are made to develop other production lines. The Company has seven reportable segments which are also cash-generating units, namely asparagus, avocados, artichokes, peppers, mangoes, grapes and blueberries.

The seven reportable segments are engaged in producing, processing and commercializing a number of agricultural produce, presented in fresh, preserved (until 2015) and frozen, which are mainly exported to European markets and the United States of America.

The products include asparagus, avocado, artichoke, pepper, mango, grape and blueberry. These are further distinguished in fresh and frozen products.

All production and related assets are in Peru.

The analysis of sales below is based on the country/area in which the customer is located.

	<b>As of 31 December,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Europe	97,921	82,874	103,617
USA	63,911	76,255	42,977
Asia	13,954	17,941	19,849
Canada	3,690	4,293	6,197
Other	<u>15,716</u>	<u>11,852</u>	<u>4,258</u>
	<u><u>195,192</u></u>	<u><u>193,215</u></u>	<u><u>176,898</u></u>

The following table shows revenues, gross profit and profit (loss) after adjustment for biological assets by segment:

	<u>Asparagus</u> USD	<u>Avocado</u> USD	<u>Artichoke</u> USD	<u>Pepper</u> USD	<u>Mango</u> USD	<u>Grape</u> USD	<u>Blueberry</u> USD	<u>Total</u> USD
<b>2015 -</b>								
Revenues	36,531	48,439	16,008	17,295	20,713	14,307	44,019	197,312
Cost of sales	( 32,041)	( 24,415)	( 14,811)	( 17,041)	( 14,185)	( 14,098)	( 10,915)	( 127,506)
Gross profit	4,490	24,024	1,197	254	6,528	209	33,104	69,806
Gain (loss) arising from changes in fair value of biological assets	( 13,987)	( 46,031)	-	-	1,039	( 13,394)	112,643	40,270
Profit (loss) after adjustment for biological assets by segment	<u>( 9,497)</u>	<u>( 22,007)</u>	<u>1,197</u>	<u>254</u>	<u>7,567</u>	<u>( 13,185)</u>	<u>145,747</u>	<u>110,076</u>
<b>2014 -</b>								
Revenues	50,277	67,947	13,611	11,662	22,822	19,924	8,426	194,669
Cost of sales	( 38,100)	( 28,864)	( 12,381)	( 11,029)	( 14,583)	( 16,107)	( 2,510)	( 123,574)
Gross profit	12,177	39,083	1,230	633	8,239	3,817	5,916	71,095
Gain (loss) arising from changes in fair value of biological assets	( 9,463)	( 50,990)	-	( 21)	( 1,723)	( 2,802)	7,287	( 57,712)
Profit (loss) after adjustment for biological assets by segment	<u>2,714</u>	<u>( 11,907)</u>	<u>1,230</u>	<u>612</u>	<u>6,516</u>	<u>1,015</u>	<u>13,203</u>	<u>13,383</u>
<b>2013 -</b>								
Revenues	60,259	43,574	12,740	16,789	18,494	21,051	8,749	181,656
Cost of sales	( 44,129)	( 20,752)	( 10,928)	( 13,439)	( 14,009)	( 13,263)	( 1,735)	( 118,255)
Gross profit	16,130	22,822	1,812	3,350	4,485	7,788	7,014	63,401
Gain (loss) arising from changes in fair value of biological assets	9,691	16,672	-	( 291)	2,546	5,330	6,025	39,973
Profit (loss) after adjustment for biological assets by segment	<u>25,821</u>	<u>39,494</u>	<u>1,812</u>	<u>3,059</u>	<u>7,031</u>	<u>13,118</u>	<u>13,039</u>	<u>103,374</u>

The following table shows assets by segment:

**2015 -**

	<b>Asparagus USD</b>	<b>Avocado USD</b>	<b>Artichoke USD</b>	<b>Pepper USD</b>	<b>Mango USD</b>	<b>Grape USD</b>	<b>Blueberry USD</b>	<b>Total USD</b>
Current portion of biological assets	1,213	2,042	-	-	433	1,510	3,298	8,496
Non-current portion of biological assets	7,450	100,038	-	-	3,502	7,019	161,617	279,626
Finished products	8,918	2,082	148	3,000	2,864	454	1,401	18,867
Property, plant and equipment	<u>1,524</u>	<u>54,482</u>	<u>-</u>	<u>-</u>	<u>7,594</u>	<u>11,125</u>	<u>12,241</u>	<u>86,966</u>
Total assets by segment	<u>19,105</u>	<u>158,644</u>	<u>148</u>	<u>3,000</u>	<u>14,393</u>	<u>20,108</u>	<u>178,557</u>	<u>393,955</u>
Area (Has)	<u>1,261</u>	<u>2,655</u>	<u>-</u>	<u>-</u>	<u>450</u>	<u>327</u>	<u>1,050</u>	<u>5,743</u>

**2014 -**

Current portion of biological assets	3,012	2,893	-	-	331	4,009	676	10,921
Non-current portion of biological assets	18,505	144,970	-	-	2,679	18,262	33,136	217,552
Finished products	17,395	1,107	9,421	13,700	1,066	3,278	461	46,428
Property, plant and equipment	<u>23,523</u>	<u>53,017</u>	<u>-</u>	<u>17,806</u>	<u>14,616</u>	<u>15,900</u>	<u>1,506</u>	<u>126,368</u>
Total assets by segment	<u>62,435</u>	<u>201,987</u>	<u>9,421</u>	<u>31,506</u>	<u>18,692</u>	<u>41,449</u>	<u>35,779</u>	<u>401,269</u>
Area (Has)	<u>1,922</u>	<u>2,653</u>	<u>-</u>	<u>-</u>	<u>527</u>	<u>451</u>	<u>566</u>	<u>6,119</u>

**2013 -**

Current portion of biological assets	3,760	3,878	-	570	467	3,871	448	12,994
Non-current portion of biological assets	30,487	194,429	-	-	3,783	22,029	23,268	273,996
Finished products	12,830	686	5,248	5,568	1,222	932	118	26,604
Property, plant and equipment	<u>28,006</u>	<u>39,495</u>	<u>-</u>	<u>3,901</u>	<u>7,350</u>	<u>5,837</u>	<u>478</u>	<u>85,067</u>
Total assets by segment	<u>75,083</u>	<u>238,488</u>	<u>5,248</u>	<u>10,039</u>	<u>12,822</u>	<u>32,669</u>	<u>24,312</u>	<u>398,661</u>
Area (Has)	<u>2,395</u>	<u>2,643</u>	<u>-</u>	<u>332</u>	<u>450</u>	<u>451</u>	<u>212</u>	<u>6,483</u>



At 31 December 2015, 2014 and 2013 no transactions between reportable segments are carried out.

Disclosure of segment profit measurement is made using the gross profit and profit and loss after adjustment for biological assets, which is used in assessing the performance of each segment.

Administrative expenses, selling expenses, other income and other expenses are not considered as expenses and income segments.

Following is a reconciliation of revenue of reportable segments with the total revenue of the Company:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Total revenue of reportable segments	197,312	194,669	181,656
Discontinued operations	( 16,008)	( 13,611)	( 12,740)
Unallocated revenue	<u>13,888</u>	<u>12,157</u>	<u>7,982</u>
Total revenue of the Company	<u><u>195,192</u></u>	<u><u>193,215</u></u>	<u><u>176,898</u></u>

Following is a reconciliation of profit after adjustment for biological assets by segments with the operating (loss) profit:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Profit after adjustment for biological assets by segments	110,076	13,383	103,374
Gross (loss) profit of discontinued operations	( 1,197)	( 1,230)	( 1,812)
Unallocated revenue	13,888	12,157	7,982
Unallocated cost of sales	( 11,058)	( 12,910)	( 8,597)
Unallocated gain (loss) arising from changes in fair value of biological assets	( 947)	11,303	( 300)
Selling expenses	( 23,098)	( 29,185)	( 21,991)
Administration expenses	( 21,224)	( 25,240)	( 18,090)
Other income	8,624	5,098	3,467
Other expenses	( 10,502)	( 5,765)	( 2,954)
Net foreign exchange transactions losses	( 3,977)	( 2,597)	( 1,883)
(Loss) operating profit	<u><u>(60,585)</u></u>	<u><u>(34,986)</u></u>	<u><u>59,196</u></u>

Following is a reconciliation of total assets by segments with total assets:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Total assets by segments	393,955	401,269	398,661
Unallocated biological assets	21,157	20,165	8,986
Unallocated inventories	11,675	29,675	23,806
Unallocated property, plant and equipment	29,041	5,399	24,195
Intangible assets	3,573	2,479	2,909
Investment in subsidiaries and associate	14,410	14,156	13,238
Assets classified as held for sale	5,131	-	-
Prepaid expenses	362	688	349
Other accounts receivable	9,518	8,960	6,954
Income tax credit	4,554	5,077	3,335
Accounts receivable from related parties	42,617	34,904	14,060
Trade accounts receivable	49,605	48,022	53,154
Cash and cash equivalents	14,065	24,817	22,643
Cash subject to restriction	-	7,500	-
Total assets	<u><u>599,663</u></u>	<u><u>603,111</u></u>	<u><u>572,290</u></u>
Unallocated area (Has)	145	102	102

The following table shows revenues and gross profit by customer:

	<u>Major 10 customers</u> USD	<u>Major 11 to 20 customers</u> USD	<u>Major 21 to 28 customers</u> USD	<u>Other customers</u> USD	<u>Total</u> USD
<b>31 December 2015</b>					
Revenues	129,861	17,817	7,844	39,670	195,192
Gross profit	57,543	4,953	2,671	6,272	71,439
<b>31 December 2014</b>					
Revenues	127,070	23,316	10,200	32,629	193,215
Gross profit	48,388	7,853	3,456	9,415	69,112
<b>31 December 2013</b>					
Revenues	100,967	24,183	11,997	39,751	176,898
Gross profit	33,328	12,216	3,955	11,475	60,974

Gross profit by type of produce for the year ended 31 December is as follows:

	<u>2015</u>			<u>2014</u>			<u>2013</u>		
	<u>Revenue</u>	<u>Cost of</u>	<u>Gross</u>	<u>Revenue</u>	<u>Cost of</u>	<u>Gross</u>	<u>Revenue</u>	<u>Cost of</u>	<u>Gross</u>
	<u>USD</u>	<u>sales</u>	<u>profit</u>	<u>USD</u>	<u>sales</u>	<u>profit</u>	<u>USD</u>	<u>sales</u>	<u>profit</u>
		<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>		<u>USD</u>	<u>USD</u>
Fresh	132,138	( 62,284)	69,854	123,824	( 64,072)	59,752	100,099	( 50,464)	49,635
Preserved	39,319	( 37,681)	1,638	43,327	( 36,385)	6,942	53,996	( 44,097)	9,899
Frozen	19,408	( 17,766)	1,642	18,906	( 13,228)	5,678	17,324	( 12,344)	4,980
Others	4,327	( 6,022)	( 1,695)	7,158	( 10,418)	( 3,260)	5,479	( 9,019)	( 3,540)
	<u>195,192</u>	<u>( 123,753)</u>	<u>71,439</u>	<u>193,215</u>	<u>( 124,103)</u>	<u>69,112</u>	<u>176,898</u>	<u>( 115,924)</u>	<u>60,974</u>

## 6 PROPERTY, PLANT AND EQUIPMENT

The movement of the cost and the accumulated depreciation of property, plant and equipment are as follows:

	<u>Land</u> USD	<u>Building and other constructions</u> USD	<u>Plant and equipment</u> USD	<u>Furniture, fixtures and equipment</u> USD	<u>Vehicles</u> USD	<u>Construction in progress</u> USD	<u>Total</u> USD
<b>At 1 January 2013</b>							
Cost	27,837	27,166	65,966	8,557	4,424	15,915	149,865
Accumulated depreciation	-	(4,189)	(30,324)	(3,626)	(3,073)	-	(41,212)
Net book amount	<u>27,837</u>	<u>22,977</u>	<u>35,642</u>	<u>4,931</u>	<u>1,351</u>	<u>15,915</u>	<u>108,653</u>
<b>Year ended 31 December 2013</b>							
Opening net book amount	27,837	22,977	35,642	4,931	1,351	15,915	108,653
Additions	-	179	860	2,332	166	4,617	8,154
Disposals	-	(1)	-	(22)	(62)	-	(85)
Transfers	2,388	5,745	7,098	-	-	(15,231)	-
Adjustments	-	1,625	(2,178)	185	(309)	1,392	715
Depreciation charge	-	(1,049)	(5,870)	(954)	(302)	-	(8,175)
Closing net book amount	<u>30,225</u>	<u>29,476</u>	<u>35,552</u>	<u>6,472</u>	<u>844</u>	<u>6,693</u>	<u>109,262</u>
<b>At 31 December 2013</b>							
Cost	30,225	34,684	71,746	11,050	3,870	6,693	158,268
Accumulated depreciation	-	(5,208)	(36,194)	(4,578)	(3,026)	-	(49,006)
Net book amount	<u>30,225</u>	<u>29,476</u>	<u>35,552</u>	<u>6,472</u>	<u>844</u>	<u>6,693</u>	<u>109,262</u>
<b>Year ended 31 December 2014</b>							
Opening net book amount	30,225	29,476	35,552	6,472	844	6,693	109,262
Additions	177	-	11,708	2,588	216	19,803	34,492
Disposals	-	-	(394)	(87)	(49)	(25)	(555)
Transfers	-	9,606	-	-	-	(9,606)	-
Adjustments	-	9	(84)	(364)	-	(2,240)	(2,679)
Depreciation charge	-	(1,346)	(6,002)	(1,081)	(324)	-	(8,753)
Closing net book amount	<u>30,402</u>	<u>37,745</u>	<u>40,780</u>	<u>7,528</u>	<u>687</u>	<u>14,625</u>	<u>131,767</u>
<b>At 31 December 2014</b>							
Cost	30,402	44,299	82,849	12,639	3,306	14,625	188,120
Accumulated depreciation	-	(6,554)	(42,069)	(5,111)	(2,619)	-	(56,353)
Net book amount	<u>30,402</u>	<u>37,745</u>	<u>40,780</u>	<u>7,528</u>	<u>687</u>	<u>14,625</u>	<u>131,767</u>
<b>Year ended 31 December 2015</b>							
Opening net book amount	30,402	37,745	40,780	7,528	687	14,625	131,767
Additions	85	-	6,724	1,728	55	2,519	11,111
Transferred to disposal group classified as held for sale	-	-	(1,751)	-	-	-	(1,751)
Disposals	(323)	(1,872)	(1,091)	(45)	(73)	(587)	(3,991)
Transfers	-	8,281	(6,796)	-	-	(1,485)	-
Impairment charge	-	-	(1,148)	-	-	-	(1,148)
Adjustments	-	(18)	301	(11)	(12)	(10,747)	(10,487)
Depreciation charge	-	(1,972)	(6,154)	(1,160)	(208)	-	(9,494)
Closing net book amount	<u>30,164</u>	<u>42,164</u>	<u>30,865</u>	<u>8,040</u>	<u>449</u>	<u>4,325</u>	<u>116,007</u>
<b>At 31 December 2015</b>							
Cost	30,164	50,580	71,272	14,024	2,513	4,325	172,878
Accumulated depreciation	-	(8,416)	(40,407)	(5,984)	(2,064)	-	(56,871)
Net book amount	<u>30,164</u>	<u>42,164</u>	<u>30,865</u>	<u>8,040</u>	<u>449</u>	<u>4,325</u>	<u>116,007</u>

- a) As of 31 December 2015 the gain on disposal of property, plant and equipment amounts to USD6,729 (losses of USD180 as of 31 December 2014 and gain of USD249 as of 31 December 2013) (see Note 28).

- b) As of 31 December 2015, property, plant and equipment include fixed assets acquired under finance leases, the carrying amount of which amounts to USD9,139 (USD11,971 as of 31 December 2014 and USD6,600 as of 31 December 2013) net of their corresponding accumulated depreciation. The payments of these obligations are secured with the assets acquired under the lease contracts.
- c) At 31 December 2015 the net adjustments to construction in progress correspond to the negative variation of permanent investments in the year amounting to USD348 which are related to the costs of preparation of a land prior to planting, but have not yet assigned a crop, USD1,400 to the reclassifications of intangible assets, USD685 related to other assets and USD254 for impairment. At 31 December 2014 the net adjustments mainly corresponds to negative variation of permanent investments for the year amounting to USD798. The other adjustments in buildings and other constructions, plant and equipment, and other equipment, amounting to USD1,881, correspond to the reclassifications for presenting the fixed assets in the corresponding category according to their nature. At 31 December 2013 the net adjustments in construction in progress correspond to the reclassification of materials amounting to USD 1,300 related to the constructions of irrigation infrastructure and USD 585 corresponding to the negative variation of permanent investments for the year.
- d) As of 31 December 2015, property, plant and equipment are insured up to a value of USD60,000 (USD60,000 in 2014 and USD40,000 in 2013). Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.
- e) The allocation of depreciation charge is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of sales (Note 24)	8,726	8,108	7,494
Administrative expenses (Note 26)	<u>768</u>	<u>645</u>	<u>681</u>
	<u>9,494</u>	<u>8,753</u>	<u>8,175</u>

- f) Bank borrowings are secured by fixed assets, the value of which amounts to USD28,317 in 31 December 2015 (USD27,000 in 31 December 2014 and 2013) (Note 19).

## 7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

- a) Investments in subsidiaries -

<u>Company</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>As of 31 December</u>		
			<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Marinazul S.A.	Shrimp farming	Peru	6,861	6,861	6,861
Marinasol S.A.	Fish canning	Peru	4,295	4,295	4,295
Camposol Europa S.L.	Distribution	Spain	4,688	4,688	4,688
Prodex S.A.C.	Farmland owner	Peru	200	200	200
VegeSol S.A.	Agriculture	Peru	2	2	2
Muelles y Servicios Paita S.A.C.	Farmland owner	Peru	1	1	1
Inversiones Inmobiliarias Agrícolas S.A.C.	Farmland owner	Peru	-	-	-
Persea, Inc.	Holding	Netherlands	8	8	8
			<u>16,055</u>	<u>16,055</u>	<u>16,055</u>
Provision by impairment			<u>(4,942)</u>	<u>(4,942)</u>	<u>(4,942)</u>
			<u>11,113</u>	<u>11,113</u>	<u>11,113</u>

b) Investments in associates -

Company	Principal activity	Country of incorporation	As of 31 December		
			2015 USD	2014 USD	2013 USD
Campoinca	Farmland owner	Peru	1,261	1,261	1,261
Empacadora de Frutos Tropicales S.A.C.	Agriculture	Peru	600	600	600
			1,861	1,861	1,861
Accumulated share of profit of investments			1,436	1,182	264
			3,297	3,043	2,125

The Company has not prepared consolidated financial statements with these entities, because it is an intermediate subsidiary of Camposol Holding Limited, which prepares consolidated financial statements, and do not have minority shareholders.

Movement in the share of profit of investments accounted for using the equity method:

	As of 31 December,		
	2015 USD	2014 USD	2013 USD
Opening balance	1,182	264	( 41)
Gain recognized under the equity method	254	918	305
Balance at the end of the year	1,436	1,182	264

On 30 September, 2006 Camposol S.A. participated in the incorporation of Empacadora de Frutos Tropicales S.A.C. (Empafruit), a Peruvian company engaged in the processing and commercialization of fresh fruits products, mainly mangoes. The cost of the investment was USD600.

The Company's share in the 2015 profit of this company amounted to USD254 (USD918 in 2014 and USD305 in 2013), which is shown separately in the separate statement of comprehensive income.

The summarized financial information at 100% for this associated company available at 31 December is as follows:

	As of 31 December,		
	2015 USD	2014 USD	2013 USD
Total assets	8,460	7,468	5,098
Total liabilities	3,370	3,011	2,938
Total revenue	6,125	7,282	3,806
Profit for the year	1,799	2,507	813
Total equity	5,090	4,457	2,160

## 8 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangible assets are as follows:

	Software USD	Others USD	Total USD
<b>Year ended 31 December 2013</b>			
Opening net book amount	2,813	154	2,967
Additions	413	-	413
Amortisation charge	( 471)	-	( 471)
Closing net book amount	2,755	154	2,909

	<u>Software</u> <u>USD</u>	<u>Others</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>As at 31 December 2013</b>			
Cost	4,730	158	4,888
Accumulated amortization	( 1,975)	( 4)	( 1,979)
Net book amount	<u>2,755</u>	<u>154</u>	<u>2,909</u>
<b>Year ended 31 December 2014</b>			
Opening net book amount	2,755	154	2,909
Additions	135	-	135
Disposals	( 45)	( 36)	( 81)
Amortization charge	( 484)	-	( 484)
Closing net book amount	<u>2,361</u>	<u>118</u>	<u>2,479</u>
<b>As at 31 December 2014</b>			
Cost	4,820	122	4,942
Accumulated amortization	( 2,459)	( 4)	( 2,463)
Net book amount	<u>2,361</u>	<u>118</u>	<u>2,479</u>
<b>Year ended 31 December 2015</b>			
Opening net book amount	2,361	118	2,479
Additions	1,634	-	1,634
Disposals	-	-	-
Transfers	122	( 122)	-
Amortization charge	( 544)	4	( 540)
Closing net book amount	<u>3,573</u>	<u>-</u>	<u>3,573</u>
<b>As at 31 December 2015</b>			
Cost	6,576	-	6,576
Accumulated amortization	( 3,003)	-	( 3,003)
Net book amount	<u>3,573</u>	<u>-</u>	<u>3,573</u>

The amortization of software was charged to administrative expenses (Note 26) by USD531 (USD476 for 2014 and USD463 for 2013) and to cost of sales (Note 24) by USD9 (USD8 for 2014 and 2013) in the separate statement of comprehensive income.

## 9 BIOLOGICAL ASSETS

The Company measures the value of agricultural plants using the expected cash flows for the production of each of its biological assets. The cash flows included in the projections are discounted at the risk adjusted rates between 10.90% and 12.24%.

The movement for the period in the fair value of biological assets is as follows:

	<u>Opening balance</u>		<u>Additions and deductions</u>		<u>Closing balance</u>			
	<u>Area</u>	<u>Market value</u>	<u>Area</u>	<u>Market value</u>	<u>Area</u>	<u>Final balance</u>	<u>Less current portion</u>	<u>Non current portion</u>
	<u>Has</u>	<u>USD</u>	<u>Has</u>	<u>(Note 30)</u>	<u>Has</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>31 December 2015 -</b>								
Asparagus	1,922	21,517	( 661)	( 12,854)	1,261	8,663	( 1,213)	7,450
Avocadoes	2,653	147,863	2	( 45,783)	2,655	102,080	( 2,042)	100,038
Mangoes	527	3,010	( 77)	925	450	3,935	( 433)	3,502
Grapes	451	22,271	( 124)	( 13,742)	327	8,529	( 1,510)	7,019
Tangerines	102	20,165	43	992	145	21,157	-	21,157
Blueberries	566	33,812	484	131,103	1,050	164,915	( 3,298)	161,617
	<u>6,221</u>	<u>248,638</u>	<u>( 333)</u>	<u>60,641</u>	<u>5,888</u>	<u>309,279</u>	<u>( 8,496)</u>	<u>300,783</u>

<u>Opening balance</u>			<u>Additions and deductions</u>		<u>Closing balance</u>			
<u>Area</u>	<u>Market value</u>		<u>Area</u>	<u>Market value</u>		<u>Less current</u>	<u>Non current</u>	
<u>Has</u>	<u>USD</u>		<u>Has</u>	<u>(Note 30)</u>	<u>Area</u>	<u>Final balance</u>	<u>portion</u>	
				<u>USD</u>	<u>Has</u>	<u>USD</u>	<u>USD</u>	
							<u>USD</u>	
<b>31 December 2014 -</b>								
Asparagus	2,395	34,247	( 473)	( 12,730)	1,922	21,517	( 3,012)	18,505
Avocadoes	2,643	198,307	10	( 50,444)	2,653	147,863	( 2,893)	144,970
Mangoes	450	4,250	77	( 1,240)	527	3,010	( 331)	2,679
Peppers	332	570	( 332)	( 570)	-	-	-	-
Grapes	451	25,900	-	( 3,629)	451	22,271	( 4,009)	18,262
Tangerines	102	8,986	-	11,179	102	20,165	-	20,165
Blueberries	212	23,716	354	10,096	566	33,812	( 676)	33,136
	<u>6,585</u>	<u>295,976</u>	<u>( 364)</u>	<u>( 47,338)</u>	<u>6,221</u>	<u>248,638</u>	<u>( 10,921)</u>	<u>237,717</u>
<b>31 December 2013 -</b>								
Asparagus	2,516	27,429	( 121)	6,818	2,395	34,247	( 3,760)	30,487
Avocadoes	2,616	177,779	27	20,528	2,643	198,307	( 3,878)	194,429
Mangoes	450	2,976	-	1,274	450	4,250	( 467)	3,783
Peppers	291	619	41	( 49)	332	570	( 570)	-
Grapes	451	20,638	-	5,262	451	25,900	( 3,871)	22,029
Tangerines	102	8,786	-	200	102	8,986	-	8,986
Blueberries	206	15,667	6	8,049	212	23,716	( 448)	23,268
	<u>6,632</u>	<u>253,894</u>	<u>( 47)</u>	<u>42,082</u>	<u>6,585</u>	<u>295,976</u>	<u>( 12,994)</u>	<u>282,982</u>

The main assumptions used to estimate the fair values of biological assets were as follows:

**Asparagus:**

- 34 plots in Mar Verde, Agricultor, San José, Sincromax, and Yakuy Minka (44 plots in 2014 and 53 plots in 2013).
- Plots have a useful life of 10 years for 2015, 2014 and 2013.
- Each harvest cycle lasts 6 months for 2015, 2014 and 2013.
- Assumed reduction of 45% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 1 year from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.57% for 2015 (11.1% for 2014 and 10.9% for 2013).

**Avocados:**

- 57 plots in Agromás, Marverde, Frusol, Terra, Agricultor and Yakuy Minka. (56 plots in 2014 and 2013).
- Plots have a useful life of 20 years for 2015, 2014 and 2013.
- Every harvest cycle lasts 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting 2015, 2014 and 2013.
- Risk adjusted rate of 12.45% for 2015 (11.64% for 2014 and 11.9% for 2013).

**Mangoes:**

- 16 plots in Atypsa, Balfass and Dunas (14 plots in 2014 and 9 plots in 2013).
- Plots have a useful life of 25 years for 2015 (20 years in 2014 and 2013).
- Every harvest cycle lasts 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.74% for 2015 (12.24% for 2014 and 10.9% for 2013).



Grapes:

- 20 plots in Agroalegre (14 plots in 2014 and 2013).
- The plots have a useful life of 20 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 1 year from planting 2015, 2014 and 2013.
- Risk adjusted rate of 11.98 % for 2015 (11.39% for 2014 and 10.9% for 2013).

Pepper:

- 0 plots lands from Terra in 2015 and 2014 (13 plots in 2013).
- The plots have a useful life of 8 months for 2013.
- Each harvest cycle last 8 months including preparation, maintenance and harvest for 2013.
- Risk adjusted rate of 10.9% for 2013.

Blueberry:

- 31 plots in Agromas, Marverde, Gloria, Agricultor, Oro azul and Yakuy Minka (21 plots in 2014 and 5 plots in 2013).
- The plots have a useful life of 11 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 45% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 2 years from planting 2015, 2014 and 2013
- Risk adjusted rate of 11.13 % for 2015 (11,14% for 2014 and 10.9% for 2013).

Tangerine:

- 6 plots in Yakuy Minka (5 plots in 2014 and 4 plots in 2013).
- The plots have a useful life of 20 years for 2015, 2014 and 2013.
- Each harvest cycle last 1 year for 2015, 2014 and 2013.
- Assumed reduction of 80% of production in year 2018 due to the "Fenómeno del Niño" for 2015, 2014 and 2013.
- Plots have their first harvest after 3 years from planting.
- Risk adjusted rate of 12.45 % for 2015 (11.64% for 2014 and 10.9% for 2013).

The following table demonstrates the sensitivity to a reasonably possible change in the projected production, with all other variables held constant, on the Company's pre-tax profit:

<u>Increase/ decrease production rate</u>	<u>Effect on profit before tax USD</u>
<b>31 December 2015</b>	
+2%	10,005
-2%	( 10,005)
<b>31 December 2014</b>	
+2%	8,363
-2%	( 8,363)
<b>31 December 2013</b>	
+2%	9,403
-2%	( 9,403)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Company's pre-tax profit:

<u>Increase/ decrease prices</u>	<u>Effect on profit before tax USD</u>
<b>31 December 2015</b>	
+2%	9,447
-2%	( 9,447)
<b>31 December 2014</b>	
+2%	8,094
-2%	( 8,094)
<b>31 December 2013</b>	
+2%	10,398
-2%	( 10,398)

The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Company's pre-tax profit:

<u>Increase/ decrease costs</u>	<u>Effect on profit before tax USD</u>
<b>31 December 2015</b>	
+2%	( 5,390)
-2%	5,390
<b>31 December 2014</b>	
+2%	( 5,393)
-2%	5,393
<b>31 December 2013</b>	
+2%	( 5,333)
-2%	5,333

The following table demonstrates the sensitivity to a reasonably possible change in expected yields performance for each biological asset, with all other variables held constant, on the Company's pre-tax profit:

<u>Increase/decrease yields</u>	<u>Effect on profit before tax USD</u>
<b>2015</b>	
+2%	7,112
-2%	( 7,112)
<b>2014</b>	
+2%	9,372
-2%	( 9,372)
<b>2013</b>	
+2%	9,331
-2%	( 9,331)

The reconciliation of the fair value of the biological assets within level 3 of the fair value hierarchy is as follows:

	<u>Asparagus</u> USD	<u>Avocados</u> USD	<u>Mangoes</u> USD	<u>Peppers</u> USD	<u>Grapes</u> USD	<u>Tangerines</u> USD	<u>Blueberries</u> USD	<u>Total</u> USD
<b>31 December 2015</b>								
Initial balance of fair value	21,517	147,863	3,010	-	22,271	20,165	33,812	248,638
Harvest	( 7,847)	( 12,713)	( 2,785)	( 189)	( 7,140)	( 1,152)	( 2,679)	( 34,505)
Price change	1,102	( 12,883)	2,293	-	785	1,381	( 5,369)	( 1,953)
Change in fair value due to biological transformation	( 15,249)	( 32,985)	( 1,246)	31	( 16,458)	( 382)	107,565	41,276
Increase due to purchases	<u>9,140</u>	<u>12,798</u>	<u>2,663</u>	<u>158</u>	<u>9,071</u>	<u>1,145</u>	<u>20,848</u>	<u>55,823</u>
Final balance of fair value	<u>8,663</u>	<u>102,080</u>	<u>3,935</u>	<u>-</u>	<u>8,529</u>	<u>21,157</u>	<u>164,915</u>	<u>309,279</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	( <u>14,147</u> )	( <u>45,868</u> )	( <u>1,047</u> )	<u>31</u>	( <u>15,673</u> )	<u>999</u>	<u>112,934</u>	<u>39,323</u>
<b>31 December 2014</b>								
Initial balance of fair value	34,247	198,307	4,250	570	25,900	8,986	23,716	295,976
Harvest	( 14,493)	( 14,371)	( 2,234)	( 570)	( 9,839)	( 990)	( 752)	( 43,249)
Price change	5,764	( 19,114)	1,965	-	1,026	3,936	( 9,449)	( 15,872)
Change in fair value due to biological transformation	( 15,227)	( 31,876)	( 3,689)	( 21)	( 3,828)	7,364	16,736	( 30,541)
Increase due to purchases	<u>11,226</u>	<u>14,917</u>	<u>2,718</u>	<u>21</u>	<u>9,012</u>	<u>869</u>	<u>3,561</u>	<u>42,324</u>
Final balance of fair value	<u>21,517</u>	<u>147,863</u>	<u>3,010</u>	<u>-</u>	<u>22,271</u>	<u>20,165</u>	<u>33,812</u>	<u>248,638</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	( <u>9,463</u> )	( <u>50,993</u> )	( <u>1,723</u> )	( <u>21</u> )	( <u>2,802</u> )	<u>11,307</u>	<u>7,288</u>	( <u>46,409</u> )

	<u>Asparagus</u> USD	<u>Avocadoes</u> USD	<u>Mangoes</u> USD	<u>Peppers</u> USD	<u>Grapes</u> USD	<u>Tangerines</u> USD	<u>Blueberries</u> USD	<u>Total</u> USD
<b>31 December 2013</b>								
Initial balance of fair value	27,429	177,779	2,976	619	20,638	8,786	15,667	253,894
Harvest	( 7,999)	( 16,511)	( 527)	( 708)	( 6,413)	( 3,506)	( 845)	( 36,509)
Price change	17,997	3,784	65	192	1,262	1,832	( 2,244)	22,888
Change in fair value due to biological transformation	( 2,193)	7,964	( 1,545)	-	10,413	1,874	272	16,785
Increase due to purchases	( 987)	25,291	3,281	467	-	-	10,866	38,918
Final balance of fair value	<u>34,247</u>	<u>198,307</u>	<u>4,250</u>	<u>570</u>	<u>25,900</u>	<u>8,986</u>	<u>23,716</u>	<u>295,976</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	<u>9,691</u>	<u>16,672</u>	<u>2,546</u>	<u>( 291)</u>	<u>5,330</u>	<u>( 300)</u>	<u>6,025</u>	<u>39,673</u>

At 31 December 2015, 2014 and 2013 biological assets valuation inputs for biological assets correspond to Level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

## Valuation processes of the Company

The Company's finance department includes a team that performs the valuations of biological assets required for financial reporting purposes, including level 3 fair values.

This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the Company's quarterly reporting dates.

At 31 December 2015, 2014 and 2013 valuation inputs for biological assets correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

The following unobservable inputs were used to measure the Company's biological assets:

Description	Fair value at 31 December			Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	2015 USD	2014 USD	2013 USD				
Asparagus plantation	8,663	21,517	34,247	Discounted cash flows	Crop yield - tonnes	2.8 - 9.2 (6.4)	The higher the crop yield, the higher the fair value
					Per hectare (white)	per year	
					Crop yield - tonnes	1.3 - 6.8 (4.1)	The higher the crop yield, the higher the fair value
					Per hectare (green)	per year	
					White asparagus price	1,571 - 1,401 per tonne	The higher the market price, the higher the fair value
					Green asparagus price	1,571 - 1,401 per tonne	The higher the market price, the higher the fair value
Avocados plantation	102,080	147,863	198,307	Discounted cash flows	Discounted rate	2015 (11.57%) 2014 (11.1%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
					Crop yield - tonnes	3.7 - 18.2 (16.5)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Avocados price	936 - 953 per tonne	The higher the market price, the higher the fair value
Mangoes plantation	3,935	3,010	4,250	Discounted cash flows	Discounted rate	2015 (12.45%) 2014 (11.64%) 2013 (11.9%)	The higher the discount rate, the lower the fair value
					Crop yield - tonnes	2.9 - 34 (20.6)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Mangoes price	532 - 565 per tonne	The higher the market price, the higher the fair value
Grapes plantation	8,529	22,271	25,900	Discounted cash flows	Discounted rate	2015 (11.74%) 2014 (12.24%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
					Crop yield - tonnes	11.9 - 24.6 (23.6)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Grapes price	1,291 - 1,387 per tonne	The higher the market price, the higher the fair value
Tangerine plantation	21,157	20,165	8,896	Discounted cash flows	Discounted rate	2015 (11.98%) 2014 (11.39%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
					Crop yield - tonnes	17 - 75 (61.9)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Tangerine price	683 - 712 per tonne	The higher the market price, the higher the fair value
Blueberry plantation	164,915	33,812	23,716	Discounted cash flows	Discounted rate	2015 (12.45%) 2014 (11.64%) 2013 (10.9%)	The higher the discount rate, the lower the fair value
					Crop yield - tonnes	8.5 - 16.8 (12.1)	The higher the crop yield, the higher the fair value
					Per hectare	per year	
					Blueberry price	4,529 - 4,648 per tonne	The higher the market price, the higher the fair value

## 10 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position as of 31 December 2015, 2014 and 2013 are as follows:

	<b>Loans and Receivables</b>
	<b>USD</b>
<b>31 December 2015</b>	
<b>Trade accounts receivable</b>	
Cash and cash equivalents (Note 15)	14,065
Trade accounts receivable (Note 14)	49,605
Accounts receivable from related parties (Note 33)	42,617
Other accounts receivable (Note 13 excluding prepayments and statutory obligations)	5,593
	<u>111,880</u>
<b>31 December 2014</b>	
<b>Trade accounts receivable</b>	
Cash and cash equivalents (Note 15)	24,817
Cash subject to restriction (Note 15)	7,500
Trade accounts receivable (Note 14)	48,022
Accounts receivable from related parties (Note 33)	34,747
Other accounts receivable (Note 13 excluding prepayments and statutory obligations)	2,110
	<u>117,196</u>
<b>31 December 2013</b>	
<b>Trade accounts receivable</b>	
Cash and cash equivalents (Note 15)	22,643
Trade accounts receivable (Note 14)	53,154
Accounts receivable from related parties (Note 33)	13,263
Other accounts receivable (Note 13 excluding prepayments and statutory obligations)	2,681
	<u>91,741</u>

Financial liabilities as per the statement of financial position as of 31 December 2015, 2014 and 2013 are as follow:

	<b>Other financial liabilities</b>
	<b>USD</b>
<b>31 December 2015</b>	
Trade accounts payable (Note 20)	27,688
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	3,714
Accounts payable to related parties (Note 33)	2,329
Bank loans (Note 22)	26,500
Long-term debt (Note 19)	212,739
	<u>272,970</u>
<b>31 December 2014</b>	
Trade accounts payable (Note 20)	39,672
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	4,269
Accounts payable to related parties (Note 33)	2,271
Bank loans (Note 22)	54,830
Long-term debt (Note 19)	214,440
	<u>315,482</u>

	<b>Other financial liabilities USD</b>
<b>31 December 2013</b>	
Trade accounts payable (Note 20)	57,081
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	5,094
Accounts payable to related parties (Note 33)	3,062
Bank loans (Note 22)	22,645
Long-term debt (Note 19)	<u>140,831</u>
	<u><u>228,713</u></u>

## 11 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of the trade accounts receivable can be assessed by reference to historical information about counterparties default rates:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Trade accounts receivable</b>			
New costumers			
(less than 6 months as a costumer)	462	2,118	2,171
Existing customers (more than 6 months)			
without non-compliance in the past	44,117	39,236	48,506
Existing customers (more than 6 months)			
with some non-compliance in the past	<u>5,026</u>	<u>6,668</u>	<u>2,477</u>
	<u><u>49,605</u></u>	<u><u>48,022</u></u>	<u><u>53,154</u></u>
<b>Other accounts receivable</b>			
Existing customers (more than 6 months)			
without non-compliance in the past	<u>5,593</u>	<u>2,110</u>	<u>2,681</u>

See quality of bank balances in Note 15.

## 12 INVENTORIES

This item includes:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Finished products:			
- Artichokes	148	9,421	5,248
- Asparagus	8,918	17,395	12,830
- Peppers	3,000	13,700	5,568
- Avocadoes	2,082	1,107	686
- Mangoes	2,864	1,066	1,222
- Grapes	454	3,278	932
- Blueberry	1,401	461	118
Products in process	718	1,365	379
Supplies	9,525	13,416	8,884
Packs	6,928	12,451	11,867
Seeds, seedlings and others	798	2,287	1,435
In-transit raw material and supplies	651	2,503	1,745
Other	<u>811</u>	<u>266</u>	<u>364</u>
	<u>38,298</u>	<u>78,716</u>	<u>51,278</u>
Provision for obsolescence of inventories	( <u>7,756</u> )	( <u>2,613</u> )	( <u>868</u> )
	<u><u>30,542</u></u>	<u><u>76,103</u></u>	<u><u>50,410</u></u>

Finished products by type of produce for the year ended 31 December is as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Fresh	2,442	4,355	2,922
Preserved	11,773	36,788	20,570
Frozen	<u>4,652</u>	<u>5,285</u>	<u>2,994</u>
	<u>18,867</u>	<u>46,428</u>	<u>26,486</u>

As of 31 December 2015, 2014 and 2013 inventories are free of any pledges as guarantee on liabilities.

The cost of inventories of continued and discontinued operations recognized as expense and included in the cost of sales amounted to USD81,448 (2014: USD90,028 and 2013: USD86,989).

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Movement in the allowance for obsolescence of inventories:			
Opening balance	( 2,613)	( 868)	( 1,484)
Additions (Note 28 and 30)	( 4,969)	( 3,238)	( 1,218)
Net realizable value impairment (Note 24)	( 1,882)	-	-
Write-off	<u>1,708</u>	<u>1,493</u>	<u>1,834</u>
Balance at the end of the year	<u>( 7,756)</u>	<u>( 2,613)</u>	<u>( 868)</u>

### 13 OTHER ACCOUNTS RECEIVABLE

	<u>As of 31 December,</u>		
	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Custom duties refund - drawback (Perú)	994	2,006	1,892
Value added tax	2,755	4,535	2,005
Prepayments to suppliers	176	309	376
Loans to third parties	227	118	342
Claims to third parties	785	762	221
Due from employees	167	259	146
Doubtful accounts	399	401	210
Rental of the pepper plant	1,300	-	-
Other	<u>3,114</u>	<u>971</u>	<u>1,972</u>
	9,917	9,361	7,164
Less:			
Provision for impairment of other			
Accounts receivable	<u>( 399)</u>	<u>( 401)</u>	<u>( 210)</u>
	<u>9,518</u>	<u>8,960</u>	<u>6,954</u>
Movement in the provision for impairment of accounts receivable:			
Opening balance	( 401)	( 210)	( 362)
Additions (Note 28)	-	( 191)	-
Write-off	-	-	145
Adjustments	<u>2</u>	<u>-</u>	<u>7</u>
Balance at the end of the year	<u>( 399)</u>	<u>( 401)</u>	<u>( 210)</u>



Other accounts receivable are current and are not impaired.

The drawback (import duty refund) recovered during 2015 amounted to USD5,426 (USD6,748 during 2014 and USD7,151 during 2013). Receivables from employees are not interest-bearing and are unsecured.

#### 14 TRADE ACCOUNTS RECEIVABLE

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Third parties	19,812	27,955	42,271
Subsidiaries and related companies (Note 33)	<u>34,875</u>	<u>25,234</u>	<u>15,358</u>
	54,687	53,189	57,629
Less:			
Provision for impairment of trade accounts receivable	( <u>5,082</u> )	( <u>5,167</u> )	( <u>4,475</u> )
	<u>49,605</u>	<u>48,022</u>	<u>53,154</u>

Trade accounts receivable mainly comprise invoices for the sale of fresh, preserved and frozen products. Turnover ranges between 30 and 120 days (between 30 and 180 days in 2014 and 2013) and are not interest-bearing.

Trade accounts receivable in foreign currency amounts to USD14,120 in Euros (in 2014: USD12,735 and USD48 in Euros and Sol, respectively and in 2013: USD14,597, USD59 and USD27 in Euros, Pounds and Sol, respectively).

The remaining balances for the three years are denominated in US Dollars.

The movement of the provision for impairment of trade accounts receivable is as follows:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Opening balance	( 5,167 )	( 4,475 )	( 4,573 )
Additions (Note 28 and 30)	( 12 )	( 804 )	-
Recoveries (Note 28)	1	-	1
Write-Off	-	-	110
Adjustments	<u>96</u>	<u>112</u>	( <u>13</u> )
Balance at the end of the year	( <u>5,082</u> )	( <u>5,167</u> )	( <u>4,475</u> )

The Company does not ask for collaterals to secure the full collection of its trade accounts receivable.

At 31 December 2015, 2014 and 2013, the accounts provided for impairment have more than one year past due.

As of 31 December 2015, 2014 and 2013, the aging analysis of trade accounts receivable is as follows:

	<u>Total</u> USD	<u>Current</u> USD	<u>31-90</u> <u>days</u> USD	<u>91-180</u> <u>days</u> USD	<u>181-360</u> <u>days</u> USD	<u>More than</u> <u>361 days</u> USD
At 31 December 2015	49,605	35,522	7,300	2,841	3,942	-
At 31 December 2014	48,022	30,056	10,035	5,760	1,113	1,058
At 31 December 2013	53,154	42,256	7,502	1,373	1,880	143

As of 31 December 2015, trade accounts receivable amounting to USD0 (USD1,058 in 2014 and USD143 in 2013) although past due for more than one year, are not impaired; therefore, no provision for impairment of these accounts has been accounted for. As of December 31, 2015, trade accounts receivable amounting to USD5,082 (USD5,167 in 2014 and USD4,475 in 2013) are impaired; for which the Company has recognized a provision for impairment. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or / and under litigation. These accounts are past due for more than a year.

As of 31 December 2015, 2014 and 2013, these impaired customers have not pledged any security for their debt. The fair value of trade accounts receivable approximates their carrying amounts due to their short-term maturities.

## 15 CASH AND CASH EQUIVALENTS AND CASH SUBJECT TO RESTRICTION

This item includes:

	<u>As of 31 December,</u>		
	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Cash in hand	14	13	18
Cash at banks	5,604	15,137	16,401
Cash in transit	337	-	-
Short-term deposits	6,000	7,500	-
Short-term investments	<u>2,110</u>	<u>2,167</u>	<u>6,224</u>
Cash and cash equivalents	14,065	24,817	22,643
Cash subject to restriction	-	<u>7,500</u>	-
	<u>14,065</u>	<u>32,317</u>	<u>22,643</u>

The Company's cash at bank amounts to USD13,228, USD706 and USD131 (in 2014: USD12,022 USD1,730 and USD1,385, and in 2013: USD12,068, USD3,160 and USD1,173) in U.S. Dollars, Sol and Euros, respectively. The 2015 short-term deposits are denominated in U.S. Dollars.

The short-term deposits comprise balance in banks with maturities of less than three months. As of 31 December 2015 time deposits have generated interest for USD7 (USD25 at 31 December 2014 and USD36 at 31 December 2013) (Note 29).

Cash subject to restriction corresponds to guarantee deposits in a bank account in Scotiabank. On December 23, 2014, Camposol S.A. voiced its interest of private initiative called "Supplemental Development of Santa Anita Wholesale Market". The project includes the concession for the design, construction, financing, maintenance and operation of a modular and multifunctional for handling fresh produce plant. In order to formalize this intention, Camposol S.A. constituted a joint bank letter of guarantee in favor of the City Hall of Lima by a rising value to USD 7.5 million with a term of 180 days from the date of issuance. Since Camposol S.A. lost the public tender in March 2015, the restricted cash was released to the Company.

The short-term investments correspond to a fixed portfolio of debt instruments which bears a short-term market interest rate of 1.54%. At 31 December 2015 a negative profitability was reported for USD57 (negative profitability for USD8 at 31 December 2014 and USD623 at 31 December 2013) (Note 29).

Their credit classification is as follows:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Bank deposits (counterparties with external credit rating)			
Classification A+	11,702	22,281	17,034
Classification A	2,010	2,516	5,589
Others	<u>2</u>	<u>7</u>	<u>2</u>
	<u>13,714</u>	<u>24,804</u>	<u>22,625</u>

The balances above do not include the balance of cash in hand.

## 16 SHAREHOLDERS' EQUITY

Share capital -

	<b>PEN</b>	<b>USD</b>
Authorized and fully paid shares		
473,766,641 ordinary shares of PEN 1 each	<u>473,767</u>	<u>159,717</u>

Legal reserve -

In accordance with the Peruvian Corporate Law, the legal reserve is created through the transfer of 10% of the net income for the year, up to a maximum of 20% of the paid-in capital. The legal reserve can be used to offset losses in absence of non-distributed earnings or non-restricted reserves and should be restored with future earnings. This reserve may be capitalized but also has to be restored.

Dividend distribution -

Dividends to be distributed to shareholders other than legally resident corporations are subject to an income tax of described in Note 31.d), which is to be assumed by such shareholders. However, such a tax should be withheld and settled by the Company.

There are no restrictions to repatriate dividends to foreign investors.

## 17 DEFERRED INCOME TAX

The movement in the deferred income tax is as follows:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Opening balance	29,159	39,312	30,113
Expense for the year (Note 31)	12,250	( 10,153)	9,004
Other comprehensive income	( 38)	-	195
	<u>41,371</u>	<u>29,159</u>	<u>39,312</u>

Deferred tax relates to the following items:

	<u>Opening Balance USD</u>	<u>Income statement USD</u>	<u>Equity USD</u>	<u>Closing balance USD</u>
<b>31 December 2015 -</b>				
Deferred tax assets -				
Tax losses carried-forward	7,614	( 1,325)	-	6,289
Provisions	813	23	-	836
Other	687	260	-	947
	<u>9,114</u>	<u>( 1,042)</u>	<u>-</u>	<u>8,072</u>
Deferred tax liabilities -				
Fair value of biological assets	32,352	5,432	-	37,784
Fair value of fixed assets	5,681	( 217)	-	5,464
Fair Value of assets and inventories	-	6,112	( 38)	6,074
Loss on investments in associates	177	38	-	215
Differences in depreciation rates	63	15	-	78
Other	-	( 172)	-	( 172)
	<u>38,273</u>	<u>11,208</u>	<u>( 38)</u>	<u>49,443</u>
	<u>29,159</u>	<u>12,250</u>	<u>( 38)</u>	<u>41,371</u>
<b>31 December 2014 -</b>				
Deferred tax assets -				
Tax losses carried-forward	5,972	1,642	-	7,614
Provisions	719	94	-	813
Other	439	248	-	687
	<u>7,130</u>	<u>1,984</u>	<u>-</u>	<u>9,114</u>
Deferred tax liabilities -				
Fair value of biological assets	40,940	( 8,588)	-	32,352
Fair value of fixed assets	5,917	( 236)	-	5,681
Loss on investments in associates	( 754)	931	-	177
Differences in depreciation rates	339	( 276)	-	63
	<u>46,442</u>	<u>( 8,169)</u>	<u>-</u>	<u>38,273</u>
	<u>39,312</u>	<u>( 10,153)</u>	<u>-</u>	<u>29,159</u>
<b>31 December 2013 -</b>				
Deferred tax assets -				
Tax losses carried-forward	9,009	( 3,037)	-	5,972
Loss on investments in associates	800	( 46)	-	754
Provisions	1,504	( 785)	-	719
Change in fair value of available for sale	195	-	( 195)	-
Other	-	439	-	439
	<u>11,508</u>	<u>( 3,429)</u>	<u>( 195)</u>	<u>7,884</u>
Deferred tax liabilities -				
Fair value of biological assets	35,044	5,896	-	40,940
Fair value of fixed assets	6,153	( 236)	-	5,917
Differences in depreciation rates	360	( 21)	-	339
Other	64	( 64)	-	-
	<u>41,621</u>	<u>5,575</u>	<u>-</u>	<u>47,196</u>
	<u>30,113</u>	<u>9,004</u>	<u>195</u>	<u>39,312</u>

The deferred income tax from tax losses carried-forward can be applied to taxable income to be generated in the following years:

	<u>As of 31 December,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
2016	2,358	3,950	3,252
2017	1,554	3,664	2,720
2018	<u>2,377</u>	<u>-</u>	<u>-</u>
	<u>6,289</u>	<u>7,614</u>	<u>5,972</u>

Tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime, tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Company has selected the first regime; and at the reporting date, based on Management's estimates of its future tax losses, no tax loss would expire.

## 18 WORKERS PROFIT SHARING

In accordance with Peruvian legislation, the Company shall provide for worker's profit sharing, which is determined to 10% of the taxable income obtained each year. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.22).

## 19 LONG-TERM DEBT

This item includes:

<u>Type of debt</u>	<u>Guarantee</u>	<u>Annual interest rate</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
			<u>USD</u>	<u>USD</u>	<u>USD</u>
Bonds	Camposol Holding LTD, Marinazul S.A.. and Campoinca S.A.	9.875%	206,708	205,594	127,951
Bank borrowings	-	5.5%	564	884	1,126
Finance lease liabilities	Property subject to financial lease	Between 4.30% and 8.72%	<u>5,467</u>	<u>7,962</u>	<u>11,754</u>
			212,739	214,440	140,831
Less-current portion			<u>( 9,075)</u>	<u>( 10,081)</u>	<u>( 9,227)</u>
			<u>203,664</u>	<u>204,359</u>	<u>131,604</u>

All loans are denominated in United Stated Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2015, 2014 and 2013:

	<u>Bonds</u>	<u>Bank</u>	<u>Finance</u>	<u>Total</u>
	<u>USD</u>	<u>borrowings</u>	<u>lease</u>	<u>long-term</u>
		<u>USD</u>	<u>liabilities</u>	<u>debt</u>
			<u>USD</u>	<u>USD</u>
Balances as of 1 January 2013	121,598	-	9,683	131,281
<b>Cash transactions</b>				
Repayment of long-term borrowings	-	( 174)	( 1,750)	( 1,924)
Proceeds from long-term borrowings	-	1,300	-	1,300
<b>Non-cash transactions</b>				
Purchase of property, plant and equipment under finance lease	-	-	3,821	3,821
Accrued interest	<u>6,353</u>	<u>-</u>	<u>-</u>	<u>6,353</u>
Balance as of 31 December 2013	<u>127,951</u>	<u>1,126</u>	<u>11,754</u>	<u>140,831</u>

	<u>Bonds</u> USD	<u>Bank</u> <u>borrowings</u> USD	<u>Finance</u> <u>lease</u> <u>liabilities</u> USD	<u>Total</u> <u>long-term</u> <u>debt</u> USD
Balances as of 1 January 2014	127,951	1,126	11,754	140,831
<b>Cash transactions</b>				
Repayment of long-term borrowings	-	( 242)	( 8,552)	( 8,794)
Bonds	75,000	-	-	75,000
Transactions bonds	( 1,626)	-	-	( 1,626)
<b>Non-cash transactions</b>				
Purchase of property, plant and equipment under finance lease	-	-	4,760	4,760
Accrued interest	4,269	-	-	4,269
Balance as of 31 December 2014	<u>205,594</u>	<u>884</u>	<u>7,962</u>	<u>214,440</u>
Balances as of 1 January 2015	205,594	884	7,962	214,440
<b>Cash transactions</b>				
Repayment of long-term borrowings	-	( 320)	( 2,495)	( 2,815)
<b>Non-cash transactions</b>				
Accrued interest	1,114	-	-	1,114
Balance as of 31 December 2015	<u>206,708</u>	<u>564</u>	<u>5,467</u>	<u>212,739</u>

The term of the non-current portion of long-term debt is as follows:

	<u>As of 31 December,</u>		
	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
1 year	202,510	1,046	2,487
2 years	1,129	202,159	1,142
3 years	25	1,129	126,644
More than 3 years	-	25	1,331
	<u>203,664</u>	<u>204,359</u>	<u>131,604</u>

Fair values -

The carrying amounts and fair values of the non-current borrowings are as follows:

	<u>Carrying amount</u>			<u>Fair value</u>		
	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD	<u>2015</u> USD	<u>2014</u> USD	<u>2013</u> USD
Bank borrowings	289	562	884	274	533	838
Bonds	199,866	198,307	123,125	181,903	180,484	112,023
Finance lease liabilities	3,509	5,490	7,635	3,330	5,212	7,207
	<u>203,664</u>	<u>204,359</u>	<u>131,644</u>	<u>185,507</u>	<u>186,229</u>	<u>120,068</u>

a) Bonds -

USD125,000 9.875% Senior Notes due 2017 -

On 26 January 2012, Camposol S.A. and its guarantors Camposol Holding LTD, Marinazul S.A. and Campoinca S.A. agreed with Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc., as representatives of several purchasers, to issue and sell to the several purchasers, USD125,000 of the principal of its 9.875% Senior Notes due in 2017 to be issued under an indenture dated 2 February 2012, signed between Camposol S.A., the Guarantors, and Wells Fargo Bank, National Association, as trustee, guaranteed on an unsecured senior basis by Camposol Holding LTD, Marinazul S.A. and Campoinca S.A. Coupons bear a 9.875% interest and are payable on a semi-

annual basis. Cash proceeds were used to pay the long term debt obtained to finance capital expenditures and for general corporate uses. The bonds are listed on the Luxembourg Stock Exchange.

On 30 April 2014, Camposol S.A., Camposol Holding PLC's subsidiary, successfully reopened its 9.875% USD125 million senior Notes due 2017 raising proceeds of USD75 million, which will be guaranteed by Camposol Holding Limited as parent guarantor and Marinazul S.A. and Campoinca S.A. as subsidiary guarantors. The net proceeds from the bond issue were used for capital expenditures, mainly for the expansion of the blueberries' and shrimps' businesses.

The Notes were issued as additional notes of, and form a single issue with, the USD125 million 9.875% Notes due 2017 issued on February 2, 2012. The total aggregate principal amount of the 9.875% Notes due 2017 that will be outstanding following this reopening will be USD200 million.

The issue of these bonds includes certain restrictive covenants.

If during any period of time the Notes obtains Investment Grade Ratings from two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

- i) Change of control: Putable at 101% of principal plus accrued and unpaid interest.
- ii) Limitation on indebtedness and Disqualified Stock:
  - a. The Leverage Ratio is less than (i) 3.5 to 1.0 during the period from the Original Issue Date through June 30, 2013 and (ii) 3.25 to 1.0 from July 1, 2013 through the Maturity Date.
  - b. Working capital shall not to exceed 25% of net sales
  - c. Other Indebtedness shall not to exceed the greater of USD 20,000 and 5% of the total assets.
- ii) Limitation on Restricted Payments:
  - a. Declare or pay any dividend or make any distribution
  - b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
- iv) Limitation on Issuances of Guarantees by Restricted Subsidiaries:
  - a. Loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding USD 2,000 at any time.
- v) Limitation on Liens:
  - a. Not to exceed 10% of the total assets.
- vi) Limitation on Asset Sales:
  - a. At least 75% is paid in cash or temporary cash investments.
- vii) Limitation on Business Activities:
  - a. Only permitted Businesses.

According to management evaluation of these covenants, at 31 December 2015, 2014 and 2013 non default event has occurred.

According to the income tax regime currently in force in Peru, Camposol S.A. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not complete the payment of the withholding tax by the holders, Camposol S.A. will assume it as its own expense.

b) Finance leases -

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	<u>2015</u>		<u>2014</u>		<u>2013</u>	
	<u>Minimum</u>	<u>Present value</u>	<u>Minimum</u>	<u>Present value</u>	<u>Minimum</u>	<u>Present value</u>
	<u>payments</u>	<u>of payments</u>	<u>payments</u>	<u>of payments</u>	<u>payments</u>	<u>of payments</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Within one year	2,175	2,066	2,838	2,693	4,656	4,370
After one year but not more than five years	3,693	3,401	5,891	5,269	8,243	7,384
Total minimum lease payments	<u>5,868</u>	<u>5,467</u>	<u>8,729</u>	<u>7,962</u>	<u>12,899</u>	<u>11,754</u>
Less amounts representing finance charges	(401)		(767)		(1,145)	
Present value of minimum lease payments	<u>5,467</u>		<u>7,962</u>		<u>11,754</u>	

## 20 TRADE ACCOUNTS PAYABLE

This item includes:

	<u>As of 31 December,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Suppliers	21,955	31,973	42,372
Bills of exchange payable	2,027	4,465	11,904
Payables to related parties (Note 33)	3,706	3,234	2,805
	<u>27,688</u>	<u>39,672</u>	<u>57,081</u>

Trade accounts payable to suppliers are mainly in US dollars, are due within 12 months and are not interest-bearing.

Bills of exchange represent payables to suppliers mainly in U.S. dollars (USD1,956 as of 31 December 2015, USD3,980 as of 31 December 2014 and USD6,301 as of 31 December 2013), which are due within 3 months and bear interests at an average annual rate of 9%.

The average payment terms of trade payables are between 30 to 60 days.

## 21 OTHER ACCOUNTS PAYABLE

This item includes:

	<u>As of 31 December,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Vacation and other payables to employees	2,966	3,843	4,426
Taxes payable	766	607	757
Pension fund	355	426	533
Deferred gain on sale and leaseback	230	3	943
Others	393	-	135
	<u>4,710</u>	<u>4,879</u>	<u>6,794</u>



Other payables are due within 12 months and are not interest-bearing and are mainly denominated in Sol.

## 22 BANK LOANS

This item includes:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Loans -			
Banco Interbank (Peru)	4,000	16,430	-
Banco Scotiabank (Peru)	12,500	9,400	8,500
Banco Santander (Peru)	-	12,500	-
Banco Continental (Peru)	10,000	10,000	10,000
Banco ICBC Peru Bank (Peru)	-	3,500	-
Multibank, Inc (Panama)	-	3,000	4,145
	<u>26,500</u>	<u>54,830</u>	<u>22,645</u>

For purposes of reconciliation with the information provided in the statement of cash flows, the following is the movement of bank loans for the years ended 31 December:

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Initial balance	54,830	22,645	25,000
Bank loans proceeds	103,466	107,830	92,455
Bank loans payments	(131,796)	(75,645)	(94,810)
Final balance	<u>26,500</u>	<u>54,830</u>	<u>22,645</u>

Loans represent promissory notes with maturities up to 180 days, which were obtained for working capital. These loans bear fixed annual interest rates that are between 1.70 per cent and 3.90 per cent (between 1.70 per cent and 3.90 per cent in 2014 and between 3.05 per cent and 3.95 per cent in 2013). These loans are guaranteed by inventories and lands of the Company for the similar amounts of the loans.

## 23 REVENUE

Revenue represents the sale of fresh, preserved and frozen agricultural products.

For the years ended 31 December, this balance comprises the following:

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Asparagus	36,531	50,277	60,259
Avocado	48,439	67,947	43,574
Pepper	17,295	11,662	16,789
Mango	20,713	22,822	18,494
Grape	14,307	19,924	21,051
Blueberry	44,019	8,426	8,749
Other	13,888	12,157	7,982
Total	<u>195,192</u>	<u>193,215</u>	<u>176,898</u>

## 24 COST OF SALES

Cost of sales for the years ended 31 December comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of inventories recognized as an expense	81,448	77,938	75,935
Personnel expenses (Note 27)	38,858	44,174	38,990
Depreciation (Note 6)	8,726	8,108	7,494
Custom duties refund	(5,279)	(6,117)	(6,495)
	<u>123,753</u>	<u>124,103</u>	<u>115,924</u>

The Company is beneficiary of a simplified procedure for custom duties refunding (Drawback), at a rate of 4.0% of FOB value of exports.

The cost of inventories recognized as expenses include amortization of software by USD9 (USD8 for 2014 and 2013) (Note 8).

At 2015 the Company recognized in cost of sale a reduction in the book value of the inventories by carrying them out the net realizable value amounting to USD1,882 (Note 12 and 30).

## 25 SELLING EXPENSES

Selling expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Freight	13,019	15,375	11,292
Customs duties	5,609	8,272	6,386
Personnel expenses (Note 27)	833	1,332	1,250
Selling commissions	891	240	485
Consulting services	324	195	364
Travel and business expenses	512	1,843	885
Insurance	753	681	390
Other expenses	1,157	1,247	939
	<u>23,098</u>	<u>29,185</u>	<u>21,991</u>

## 26 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Personnel expenses (Note 27)	10,300	10,395	8,861
Professional fees	2,306	5,460	2,266
Transport and telecommunications	795	987	747
Travel and business expenses	721	1,317	699
Depreciation (Note 6)	768	645	681
Software and hardware expenses (Note 8)	531	476	463
Materials and supplies	825	1,120	850
Maintenance and others	722	985	1,041
Operating lease costs	2,335	1,734	1,237
Insurance	47	112	105
Other expenses	1,874	2,009	1,140
	<u>21,224</u>	<u>25,240</u>	<u>18,090</u>

## 27 PERSONNEL EXPENSES

Personnel expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Salaries and wages	42,773	46,280	40,452
Vacations	1,764	2,086	2,243
Other employees benefits	4,173	6,448	6,123
Other expenses	<u>1,281</u>	<u>1,087</u>	<u>283</u>
	<u>49,991</u>	<u>55,901</u>	<u>49,101</u>

Personnel expenses are allocated as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Cost of sales (Note 24)	38,858	44,174	38,990
Selling expenses (Note 25)	833	1,332	1,250
Administrative expenses (Note 26)	<u>10,300</u>	<u>10,395</u>	<u>8,861</u>
	<u>49,991</u>	<u>55,901</u>	<u>49,101</u>

## 28 OTHER INCOME AND EXPENSES

Other income and expenses for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Other income</b>			
Recovery of written off accounts receivable	1,394	-	1
Gain on sale of property, plant and equipment (Note 30 and 6)	6,729	-	249
Gain on disposal of shares	-	-	958
Services to related companies	-	2,557	1,211
Indemnity of insurance	265	717	126
Services to third parties	-	373	441
Gain on leaseback	3	942	-
Other	<u>233</u>	<u>509</u>	<u>481</u>
	<u>8,624</u>	<u>5,098</u>	<u>3,467</u>
<b>Other expenses</b>			
Obsolescence of inventories (Note 12)	( 4,969)	( 3,238)	( 1,218)
Impairment of trade and other receivable (Notes 13 and 14)	( 12)	( 995)	-
Loss on sale of property, plant and equipment (Note 6)	-	( 180)	-
Contingencies	-	-	( 600)
Expiration of drawback	( 1,363)	-	-
Impairment of fixed assets	( 1,148)	-	-
Write-off of blueberry project	( 627)	-	-
Donations and samples	( 99)	( 180)	( 235)
Write-off of missing inventory and fixed assets	( 128)	( 356)	-
Loss on sale of supplies	( 825)	-	-
Write-off of plots of peppers	-	-	500
Moratory interest and fines	( 92)	( 369)	-
Services	( 489)	-	( 304)
Other	<u>( 496)</u>	<u>( 447)</u>	<u>( 97)</u>
	<u>( 10,248)</u>	<u>( 5,765)</u>	<u>( 2,954)</u>

## 29 FINANCIAL INCOME AND COST

Financial income and cost for the years ended December 31 comprise the following:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
<b>Income -</b>			
Interest obtained in current bank accounts	9	12	-
Interest obtained in short-term deposits (Note 15)	7	25	36
Interest from loans receivable to related parties	1,519	947	217
Other finance income	-	3	-
	<u>1,535</u>	<u>987</u>	<u>253</u>
<b>Cost -</b>			
Interest on bank loans (Notes 19 and 22)	( 22,279)	( 19,251)	( 14,437)
Interest on finance leases	( 951)	( 2,261)	( 3,162)
Tax on financial transactions	( 1,027)	( 956)	( 658)
Interest on accounts payable to suppliers	( 30)	( 58)	( 161)
Loss in investment funds (Note 15)	( 57)	( 8)	( 623)
	<u>( 24,344)</u>	<u>( 22,534)</u>	<u>( 19,041)</u>

## 30 CASH GENERATED FROM OPERATIONS

	<u>Note</u>	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Reconciliation of profit for the year to net cash from (used in) operating activities:				
(Loss) profit before income tax		38,180	( 55,615)	40,713
Depreciation	6	9,494	8,753	8,154
Amortization	8	540	484	471
Transfer to biological assets	9	5,422	5,612	5,296
Impairment of trade and other receivables	13 and 14	12	995	-
Obsolescence of inventories	12 and 28	4,969	3,238	1,218
Impairment of planta and equipment	6	1,148	-	-
Net realisable value impairment	12 and 26	1,882	-	-
Fair value of biological assets	9	( 60,641)	47,338	( 42,082)
Gain (loss) on sale of fixed assets	28	( 6,729)	180	( 249)
Gain on investments in associates	7	( 254)	( 918)	( 305)
Deferred income tax	31	12,250	( 10,153)	9,004
Net exchange difference		1,262	891	( 933)
Write down off inventories	12	( 1,708)	( 1,493)	( 1,834)
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:				
Trade accounts receivable		( 1,499)	( 5,132)	( 14,002)
Other accounts receivable		( 7,905)	( 25,232)	( 4,307)
Inventories		40,418	( 27,438)	( 5,763)
Prepaid expenses		326	( 339)	( 39)
Trade accounts payable		( 11,984)	( 17,409)	6,481
Other accounts payable		<u>3,820</u>	<u>8,025</u>	<u>2,946</u>
Net cash generated from (used in) operating activities		<u>29,003</u>	<u>( 68,213)</u>	<u>4,769</u>

## 31 INCOME TAX

- a) According to the Peruvian tax legislation in force, the income tax is determined on a separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the profits derived from the accounting records maintained in Sol those items considered as taxable and non-taxable, respectively.

As established under Law No.27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and / or cattle as well as in industrial agriculture, the applicable income tax rate is 15%. This income tax regulation is applicable until 31 December 2021.

The standard income tax rate in Peru ranges between 28% and 15% for 2015 and 30% and 15% for 2014 and 2013.

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Deferred income tax (Note 17)	<u>12,250</u>	<u>( 10,153)</u>	<u>9,004</u>

- b) For the years 2015 and 2014 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>
Profit before income tax	<u>37,926</u>	<u>( 55,615)</u>	<u>40,231</u>
At statutory income tax rate 15%	<u>5,689</u>	<u>( 8,342)</u>	<u>6,035</u>
Expenses not deductible for tax purposes	<u>1,905</u>	<u>516</u>	<u>1,191</u>
Revenue not subject to tax	<u>( 826)</u>	<u>( 1,012)</u>	<u>( 796)</u>
Tax loss expiration	<u>-</u>	<u>-</u>	<u>4,386</u>
Impact of change in tax rate	<u>5,482</u>	<u>( 1,315)</u>	<u>( 1,812)</u>
Income tax expense	<u>12,250</u>	<u>( 10,153)</u>	<u>9,004</u>

- c) Peruvian Tax Authorities may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries in the last four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Company and its subsidiaries, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations.

Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities is resolved. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The income tax and value added tax returns open to review by the Tax Authorities corresponds to the years 2011 to 2015.

- d) Regulatory framework - Amendments to Peruvian Income Tax Law -

By means of Law No.30296 enacted on December 31, 2014 amendments to Income Tax Law have been made, which are effective starting in fiscal year 2015 onwards.

Among these amendments, it should be noted the progressive reduction on the Peruvian third-category income earners from 30% to 28% for fiscal years 2015 and 2016; then a reduction to 27% for fiscal years 2017 and 2018; and a final reduction to 26% from fiscal year 2019 onwards.

Tax on dividends and other forms of profit distribution, agreed on by any legal entities to non-domiciled individuals and legal persons has also been increased and legal persons, has progressively increased from 4.1% to 6.8% for distributions that are agreed on or made available in cash or in kind during fiscal years 2015 and 2016; then an increase to 8.8% for fiscal years

2017 and 2018 and a final increase to 9.3% from fiscal year 2019 onwards. The distribution of retained earnings until December 31, 2014 will continue to be subject to a 4.1% tax even when the distribution is to be made in the subsequent years.

f) Temporary Tax on Net Assets (ITAN, the Spanish acronym) -

A temporary tax on net assets affects those corporate income-earners subject to the Peruvian General Regime of Income Tax. The tax rate is 0.4% applicable to the amount of their net assets exceeding S/.1 million. All the Group's companies have filed the affidavit with on the corresponding dates.

The amount actually paid can be used as fiscal credit as income tax on-account payments under the General Regime or against income tax regularization payments for the related fiscal year.

g) As established under regulations in force in Peru, for the purposes of determining income tax and the general sales tax, transfer pricing must be taken into account for operations with related parties and/or tax havens, which must have documentation and information supporting the methods and valuation criteria applied in their determination. Peruvian tax authorities are entitled to request such information from the taxpayer. Based on the Group's operation analysis, Management and its legal advisors consider that as a result of applying this standard, no significant contingencies will arise for the Group at December 31, 2015.

### 32 CONTINGENT LIABILITIES

As of December 31, 2015, the Company has labor-related contingences and others claims amounting to USD1,547 (USD1,550 in 2014 and USD1,544 in 2013), which is included in the balance of provisions.

### 33 TRANSACTION WITH SHAREHOLDERS AND OTHER RELATED PARTIES

#### Transactions -

a) The main transactions carried between the Company and its shareholders and related companies are as follows:

	<b>As of 31 December,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Associates</b>			
Empacadora de Frutos Tropicales S.A.C. -			
Sales of finished products	53	45	-
Purchase of services	6,787	4,372	1,881
Loans granted	48	-	-
Campoinca S.A. -			
Sales of services	-	35	38
Loans granted	419	661	342
<b>Ultimate Parent</b>			
Camposol Holding Limited -			
Loans granted	582	661	1,241
Sales of services	1	-	-
Madoca Corp.			
Loans granted	6	-	-

	<b>As of 31 December,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Grainlens Ltd.			
Loans granted	7	-	-
Sales of services	1	-	-
<b>Subsidiaries</b>			
Marinazul S.A. -			
Sales of services	-	3,628	352
Purchase of property, plant and equipment	184	-	-
Loans granted	14,882	37,393	9,579
Corporación Refrigerados Iny S.A. -			
Loans granted	6,870	-	-
Pesquera ABC -			
Loans granted	7,200	-	-
Desarrollo Inmobiliario Mar Verde -			
Loans granted	13,203	-	-
Marinasol S.A. -			
Loans granted	36	29	-
Loans received	60	1,265	70
Inversiones Agrícolas Inmobiliarias -			
Loans granted	49	-	-
Camposol Europa S.L. -			
Sales of finished products	4,648	9,758	7,633
Loans granted	183	-	-
Camposol Fresh B.V. -			
Sales of finished products	51,283	27,335	26,315
Purchase of services	2,309	-	-
Loans granted	177	2,332	7,364
Camposol Fresh USA -			
Sales of finished products	36,673	9,009	3,049
Purchase of services	328	-	-
Loans granted	1,236	6,454	6,428
Muelles y Servicios Paita S.A.C.			
Loans granted	255	254	257
Nor Agro -			
Loans granted	48	-	-
<b>Entities related to Directors</b>			
Apoyo Consultoría S.A.C. -			
Purchase of services	4	41	24

	<b>As of 31 December,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Gestión del Pacífico S.A.C. -			
Sales of services	-	5	27
Purchase of services	507	2,438	1,545
Loans granted	82	-	-
Loans received	32	-	-
Purchase of property, plant and equipment	-	112	311
Asociación para la certificación de productores agrícolas proveedores Camposol.-			
Purchase of raw material	208	-	-
Loans granted	204	-	-

- b) As a consequence of the aforementioned transactions and others operations, the following are the accounts receivable from and payable to its shareholders and related companies are:

	<b>As of 31 December,</b>		
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Trade accounts receivable (Note 14):			
Camposol Europa S.L.	5,746	7,112	6,923
Camposol Fresh B.V.	15,848	9,681	7,275
Camposol Fresh USA	12,387	8,441	1,160
Camposol Holding Ltd.	1	-	-
Grainleins Ltd.	1	-	-
Camposol Fresh B.V. Sucursal España	892	-	-
	<u>34,875</u>	<u>25,234</u>	<u>15,358</u>
Others account receivable:			
Marinazul S.A.	34,155	27,451	3,579
Camposol Holding Limited	3,373	2,983	2,343
Campoinca S.A.	1,689	1,430	779
Muelles y Servicios Paita S.A.C.	1,382	981	890
Nor Agro Perú S.A.C.	440	420	421
Camposol Fresh USA	639	1,234	3,189
Camposol Fresh B.V.	156	-	2,758
Camposol Europa	183	-	-
Inversiones Agrícolas Inmobiliarias S.A.C.	406	360	-
Desarrollo Inmobiliario Mar Verde	31	-	-
Others	163	45	101
	<u>42,617</u>	<u>34,904</u>	<u>14,060</u>



	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Trade accounts payable (Note 20):			
Empacadora de Frutos Tropicales S.A.C	570	720	143
Gestión del Pacífico S.A.C.	96	170	17
Apoyo Consultoría S.A.C.	1	6	3
Marinazul S.A.	110	16	180
Muelles y Servicios Paita S.A.C.	1,827	2,071	2,206
Nor Agro Perú S.A.C.	187	187	187
Camposol Fresh USA	163	-	-
Camposol Fresh B.V.	644	-	-
Camposol Europa S.L.	19	21	24
Marinasol S.A.	42	43	45
Asoc. para la certif. de productores agrícolas proveedores Camposol	47	-	-
	<u>3,706</u>	<u>3,234</u>	<u>2,805</u>
Other accounts payable:			
Marinasol S.A.	2,320	2,262	997
Marinazul S.A.	-	-	2,055
Others	9	9	10
	<u>2,329</u>	<u>2,271</u>	<u>3,062</u>

The transactions during the year with related companies correspond to purchase of consulting, legal services, cash loans for working capital and purchase of raw materials.

These balances have no scheduled date for collection or payment and do not bear interest; however, the effect on results, if interest would be charged, is not significant.

c) Compensation of the Company key management -

Key Management personnel include the members of management and the board who receive remuneration.

	<b>As of 31 December,</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Compensation of key management	<u>2,393</u>	<u>3,240</u>	<u>2,012</u>

### 34 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The assets related to line of asparagus and artichokes have been presented as held for sale following the approval of the company's management and shareholders on November 2015 to sell these assets. The completion date for the transaction is expected by March 2016.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Assets of disposal group classified as held for sale</b>			
Property, plant and equipment (Note 6)	1,751	-	-
Inventory	<u>3,380</u>	<u>-</u>	<u>-</u>
	<u>5,131</u>	<u>-</u>	<u>-</u>

In December 2015, the Board decided to discontinue operations of Artichoke. On January and February 2016, the Company sold its production plant in the city of Trujillo for USD350. The profit from operations of this segment is shown under discontinued operations in the separate statement of comprehensive income of USD260.

A summary of the results of artichoke is shown below:

	<b>2015</b> <b>USD</b>	<b>2014</b> <b>USD</b>	<b>2013</b> <b>USD</b>
<b>Profit and loss</b>			
Revenue	16,336	13,685	12,772
Cost of sales	(15,066)	(12,381)	(10,906)
Gross profit	1,270	1,304	1,866
Selling expenses	(515)	(553)	(536)
Other expenses	(254)	-	-
Operating profit	501	751	1,330
Loss before income tax	501	751	1,330
Deferred income tax	38	-	-
Profit for the year from discontinued operations	539	751	1,330
<b>Cash flows</b>			
Operating activities	1,269	3,430	20
Investing activities	-	-	-
Financing activities	-	-	-
	<u>1,269</u>	<u>3,430</u>	<u>20</u>

### 35 COMMITMENTS AND GUARANTEES

- a) Commitments and guarantees in respect of the bonds are set out in Note 19.
- b) On October, 2008, Camposol S.A. signed an agreement with Peru Land & Farming LLC (PL&F) by means of which the Company gives first option to purchase avocado production from a designated area of 800 Ha to be sold in the United States of America. When the US market opens for Peruvian avocado, PL&F will have the right to purchase 100% of the production from that area. The option will gradually decrease over ten years, after which it will maintain a lifetime option for 30% of the production in the designated area. The transactions will be settled at market price. At the reporting date, no changes in the agreement with PL&F have occurred.
- c) On December 2014, Camposol S.A. issued a guarantee letter in favor of the Municipality of Lima for the project "Complementary design of the Wholesale Market of Santa Anita". This project comprises putting up for concession the design, construction, financing, conservation and exploitation of the infrastructure relating to complementary design of the Wholesale Market of Santa Anita ("*Desarrollo Complementario del Mercado Mayorista de Santa Anita*"). The project also comprises building a modular and multifunctional plant to manage fresh produce. Different types of services will be provided related to the Project within the framework of the Peruvian Law for Wholesale Markets and Rules for application. The Project is divided in six areas for the different processes that will be performed within the Wholesale Market of Santa Anita ("WMSA"). These processes comprise providing value-added services to wholesalers, related parties which trade perishable products for human consumption, such as supermarkets.

Additionally, the Project will comprise constructing and developing complementary service areas, such as electric substations, machinery rooms for equipment and control over the cooling chain, restrooms and dressing rooms for workers and the general public, areas to handle waste material, vehicle and pedestrian areas, as well as parking lots and green areas.

The Project is intended to make WMSA become the major perishables supply point for the large distribution chains in Metropolitan Lima as well as a potential strategic logistics point for wholesale producers and retailers in Lima seeking to become international.

As of 24 March 2015 the City Hall of Lima dismissed this private initiative, superseding the continuation of this project.

### 36 EVENTS AFTER THE REPORTING PERIOD

- On 17 December, 2015, Camposol S.A. concludes a contract of sale in which transfers ownership of its processing line of preserved asparagus to Sociedad Agrícola Viru S.A.C., which will be effective on January 2016.
- The Company is expecting to acquire 100% of the shares of Congelados y Frescos S.A.C. (Cofresac), by exchange of stock of Agroindustrias Santa Angela S.A.C., through its subsidiary Marinazul S.A., which will be effective in the first semester of 2016. Cofresac has, processing assets of seafood products located in Tumbes - Peru and cultivated ponds. The Group expect to increase the capacity to process seafood products with this acquisition.

Details of net assets acquired and goodwill are as follows:

	USD
Cash and cash equivalents	31
Trade accounts receivable	381
Other accounts receivable	13
Inventories	144
Prepaid expenses	8
Property, plant and equipment	6,621
Trade accounts payable	( 119)
Other accounts payable	( 292)
Long-term debt	( 121)
Deferred income tax	( 702)
<b>Total identifiable net assets</b>	<u><u>5,964</u></u>
 Purchase consideration	 3,587
Total identifiable net assets	( <u>5,964</u> )
Gain in acquisition	( <u><u>2,377</u></u> )
 Purchase consideration	 3,587
Cash and cash equivalents by acquired subsidiary	( <u>31</u> )
Cash consideration	<u><u>3,556</u></u>

The purchase consideration represents the fair value of the shares of Santa Angela S.A.C at the date of the disposal and did not include any additional cash consideration.

There is no additional assets, liabilities and contingent liabilities identified in the purchase.

There have been no additional relevant activities subsequent to the balance sheet date.

No other material events occurred after the end of the financial year.

**PRINCIPAL EXECUTIVE OFFICE OF  
CAMPOSOL S.A. AND THE SUBSIDIARY GUARANTORS**

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**PRINCIPAL EXECUTIVE OFFICE OF  
CAMPOSOL HOLDING LIMITED**

Kyprianou & Ayiou Andreou  
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Limassol, Cyprus

**TRUSTEE, REGISTRAR, PRINCIPAL PAYING AGENT AND TRANSFER AGENT  
FOR THE NEW NOTES**

The Bank of New York Mellon  
101 Barclay Street, 7 East  
New York, New York 10286  
United States of America  
Facsimile: +1 212 815 5603  
Attention: International Corporate Trust

**LUXEMBOURG LISTING, PAYING AND TRANSFER AGENT  
FOR NEW NOTES**

The Bank of New York Mellon (Luxembourg) S.A.  
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2-4 rue Eugene Ruppert  
L-2453 Luxembourg  
Luxembourg  
Facsimile: +1352 2452 4204  
Attention: International Corporate Trust

**PERUVIAN TRUSTEE AND COLLATERAL AGENT**

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Attention: Paulo Comitre Berry

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***To the Company and the Guarantors as to  
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New York, NY 10020

***To the Dealer Managers  
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Cyprus

**INDEPENDENT AUDITORS TO CAMPOSOL S.A.**

Gaveglío Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada  
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Lima 27, Peru

**INFORMATION AND EXCHANGE AGENT**

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New York, New York, 10005

Banks and Brokers call: + 212 269 5550  
All other call toll-free: + 800 821 2794  
Email: [camposol@dfking.com](mailto:camposol@dfking.com)

By Regular, Registered or Certified mail, hard or  
overnight delivery:

D.F. King & Co., Inc.  
48 Wall Street, 22<sup>nd</sup> Floor  
New York, New York, 10005  
Attn: Peter Aymar

By facsimile transmission (for eligible institutions only):

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For confirmation: +212 232 3235

**THE DEALER MANAGERS FOR THE EXCHANGE OFFER**

**J.P. Morgan Securities LLC**  
383 Madison Avenue  
New York, New York 10179  
U.S.A.

Attention: Latin America Debt Capital Markets  
U.S. Toll Free: +1 (866) 846-2874  
U.S. Collect: +1 (212) 834-7279

**Merrill Lynch, Pierce, Fenner & Smith  
Incorporated**  
One Bryant Park  
New York, New York 10036  
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Attention: Liability Management Group  
U.S. Toll Free: +1 (888) 292-0070  
U.S. Collect: +1 (646) 853-8988

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31st, 2016**

	For the period ended 31.12.16* USD 000	For the year ended 31.12.15** USD 000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment, net	426,491	116,007
Investments in associated companies	15,138	14,410
Intangible assets	3,580	3,573
Non-current portion of biological assets	-	300,783
<b>Total non-current assets</b>	<b>445,209</b>	<b>434,773</b>
<b>Current assets</b>		
Prepaid expenses	520	362
Current portion of biological assets	59,058	8,496
Inventories	18,612	30,542
Other accounts receivable	6,250	9,518
Income tax credit	3,634	4,554
Accounts receivable from related parties	43,414	42,617
Trade accounts receivable	48,068	49,605
Cash and cash equivalents	67,014	14,065
	<b>246,570</b>	<b>159,759</b>
Assets classified as held for sale	1,641	5,131
<b>Total current assets</b>	<b>248,211</b>	<b>164,890</b>
<b>Total assets</b>	<b>693,420</b>	<b>599,663</b>
<b>Equity and liabilities</b>		
<b>Capital and reserve attributable to shareholders of the Company</b>		
Share capital	159,717	159,717
Legal reserve	5,115	5,115
Other reserves	-26,580	-26,580
Revaluation surplus	109,693	-
Retained earnings	92,554	144,527
<b>Total equity</b>	<b>340,499</b>	<b>282,779</b>
<b>Non-current liabilities</b>		
Long-term debt	154,997	203,664
Deferred income tax	58,985	41,371
	<b>213,982</b>	<b>245,035</b>
<b>Current liabilities</b>		
Current portion of long-term debt	61,985	9,075
Trade accounts payable	29,448	27,688
Other accounts payable	5,101	4,710
Provisions	6,713	1,547
Bank loans	33,150	26,500
Accounts payable to related parties	2,542	2,329
	<b>138,939</b>	<b>71,849</b>
<b>Total liabilities</b>	<b>352,921</b>	<b>316,884</b>
<b>Total equity and liabilities</b>	<b>693,420</b>	<b>599,663</b>

\* Non audited

\*\* Audited

**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF COMPREHENSIVE INCOME  
THROUGH DECEMBER 31<sup>st</sup>, 2016**

	<b>For the period ended</b>	<b>For the year ended</b>
	<b>31.12.16*</b>	<b>31.12.15**</b>
	<b>USD 000</b>	<b>USD 000</b>
Continuing operations		
Revenue	194,178	195,192
Cost of sales	(112,885)	(123,753)
<b>Gross profit</b>	<b>81,293</b>	<b>71,439</b>
Net (loss) gain arising from change in fair value of biological assets	12,843	39,323
<b>Profit after adjustment from biological assets</b>	<b>94,136</b>	<b>110,762</b>
Administrative expenses	(22,206)	(21,224)
Selling expenses	(20,376)	(23,098)
Other income	2,443	8,624
Other expenses	(8,638)	(10,248)
Net foreign exchange transactions losses	(2,355)	(3,977)
<b>Operating profit</b>	<b>43,004</b>	<b>60,839</b>
Share of profit of investments accounted for using the equity method	728	254
Financial income	963	1,535
Financial cost	(24,380)	(24,344)
Change in fair value of derivative financial instrument	-	(104)
<b>Profit (loss) before income tax</b>	<b>20,315</b>	<b>38,180</b>
Income tax	(3,714)	(12,250)
<b>Profit (loss) for the period from continuing operations</b>	<b>16,601</b>	<b>25,930</b>
Discontinued operations:		
Profit for the year from discontinued operations	(15,925)	539
<b>Profit (loss) for the year</b>	<b>676</b>	<b>26,469</b>
Other comprehensive income		
Revaluation surplus	117,462	-
Deferred income tax related to revaluation surplus	(20,878)	-
Transference of revaluation assets	(1,473)	-
Other adjustment (Items that will not be reclassified to profit or loss)	-	-
<b>Total comprehensive income (loss) for the year</b>	<b>95,787</b>	<b>26,469</b>

**\* Non audited.**

**\*\* Audited**

CAMPOSOL S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEARS ENDED 31 DECEMBER 2016 AND  
2015

	Number of Shares	Share capital	Legal reserve	Other reserves	Revaluation surplus	Retained earnings	Total equity *
	Thousand	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
<b>Balances at 1 January 2015-restated</b>	<b>473,767</b>	<b>159,717</b>	<b>5,115</b>	<b>(26,580)</b>	<b>-</b>	<b>118,058</b>	<b>256,310</b>
Restatement of prior years	-	-	-	-	-	1	1
<b>Balances at 1 January 2015-restated</b>	<b>473,767</b>	<b>159,717</b>	<b>5,115</b>	<b>(26,580)</b>	<b>-</b>	<b>118,059</b>	<b>256,311</b>
<b>Comprehensive income:</b>							
Profit for the year	-	-	-	-	-	(27,653)	(27,653)
<b>Other comprehensive income:</b>							
Revaluation surplus	-	-	-	-	17,680	-	17,680
Deferred income tax related to revaluation surplus	-	-	-	-	(3,099)	-	(3,099)
Transference of revaluation assets	-	-	-	-	-	-	-
<b>Balances as of 31 December 2015</b>	<b>473,767</b>	<b>159,717</b>	<b>5,115</b>	<b>(26,580)</b>	<b>14,581</b>	<b>90,406</b>	<b>243,239</b>
<b>Balances at 1 January 2016</b>	<b>473,767</b>	<b>159,717</b>	<b>5,115</b>	<b>(26,580)</b>	<b>14,581</b>	<b>90,406</b>	<b>243,239</b>
<b>Comprehensive income:</b>							
Profit for the year	-	-	-	-	-	676	676
<b>Other comprehensive income:</b>							
Revaluation surplus	-	-	-	-	117,462	-	117,462
Deferred income tax related to revaluation surplus	-	-	-	-	(20,878)	-	(20,878)
Transference of revaluation assets	-	-	-	-	(1,473)	1,473	-
<b>Balances as of 31 December 2016</b>	<b>473,767</b>	<b>159,717</b>	<b>5,115</b>	<b>(26,580)</b>	<b>109,692</b>	<b>92,555</b>	<b>340,499</b>

\* Non audited



**CAMPOSOL S.A.**

**SEPARATE STATEMENT OF CASH FLOWS  
AS OF DECEMBER 31<sup>st</sup>, 2016**

	<b><u>31.12.16*</u></b>	<b><u>31.12.15**</u></b>
	<b>USD 000</b>	<b>USD 000</b>
<b>Cash flow from operating activities</b>		
Collections from costumers	220,465	193,706
Payments to suppliers and employees	(145,790)	(143,047)
Interest paid	(20,299)	(23,046)
Custom duties refund collections	3,781	5,426
Other collections	4,932	-
Other payments	-	(4,036)
<b>Net cash generated from (used in) operating activities</b>	<b><u>63,089</u></b>	<b><u>29,003</u></b>
<b>Cash flow from investing activities</b>		
Transfer to cash subject to restriction	-	7,500
Purchases of property, plant and equipment	(5,272)	(4,541)
Investment in biological assets	(16,571)	(11,183)
Purchases of intangibles	(914)	(1,634)
Proceeds and collections from related companies	-	37,581
Loans granted to related companies	-	(45,487)
Proceeds from sale of property, plant and equipment	2,146	9,062
<b>Net cash used in investing activities</b>	<b><u>(20,611)</u></b>	<b><u>(8,702)</u></b>
<b>Cash flow from financial activities</b>		
Bank loans proceeds	81,950	103,466
Bank loans payments	(75,300)	(131,796)
Loans received from related companies	2,400	92
Transaction cost	(5,381)	-
Medium-term debt proceeds	15,000	-
Prepayment of senior notes	(5,663)	-
Payments of long-term debt	(2,535)	(2,815)
<b>Net cash (used in) generated from financial activities</b>	<b><u>10,471</u></b>	<b><u>(31,053)</u></b>
Net increase (decrease) in cash and cash equivalents during the period	52,949	(10,752)
Cash and cash equivalents at beginning of period	14,065	24,817
<b>Cash and cash equivalents at end of period</b>	<b><u>67,014</u></b>	<b><u>14,065</u></b>

**\* Non-audited**

**\*\* Audited**

**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS OF DECEMBER 31<sup>st</sup>, 2016**

		For the period ended 31.12.16*	For the year ended 31.12.15**
	Notes	USD 000	USD 000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment, net	7	188,522	176,905
Investments in associated companies		2,764	2,036
Intangibles	10	13,813	13,717
Non-current portion of biological assets		314,808	300,783
Deferred income tax		2,360	4,131
		<u>522,267</u>	<u>497,572</u>
<b>Current assets</b>			
Assets held for sale		2,145	9,058
Prepaid expenses		988	970
Current portion of biological assets		74,377	14,211
Inventories	9	32,757	47,102
Other accounts receivable	8	16,029	21,396
Trade accounts receivable		42,799	40,709
Cash and cash equivalents		84,700	26,647
		<u>253,795</u>	<u>160,093</u>
<b>Total assets</b>		<u>776,062</u>	<u>657,665</u>
<b>Equity and liabilities</b>			
<b>Capital and reserve attributable to shareholders of the Company</b>			
Share capital		513	507
Share premium		217,312	212,318
Other reserves		825	825
Retained earnings		173,041	89,222
		<u>391,691</u>	<u>302,872</u>
<b>Minority interests</b>		<u>8,425</u>	<u>7,841</u>
<b>Total equity</b>		<u>400,116</u>	<u>310,713</u>
<b>Non-current liabilities</b>			
Long-term debt		155,430	204,851
Deferred income tax		56,432	46,201
Other payables		6,727	4,930
		<u>218,589</u>	<u>255,982</u>
<b>Current liabilities</b>			
Current portion of long-term debt		62,761	9,924
Trade payables		37,698	34,355
Other payables		16,047	10,571
Bank loans		40,850	36,120
		<u>157,356</u>	<u>90,970</u>
<b>Total liabilities</b>		<u>375,946</u>	<u>346,952</u>
<b>Total equity and liabilities</b>		<u>776,062</u>	<u>657,665</u>

\* Non audited

\*\* Audited

CAMPOSOL HOLDING LTD AND SUBSIDIARIES

THROUGH DECEMBER 31<sup>st</sup>, 2016

	Notes	For the year ended	
		31.12.16*	31.12.15**
		USD 000	USD 000
Revenue		276,691	272,692
Cost of sales		(181,607)	(193,203)
<b>Gross profit</b>		<b>95,084</b>	<b>79,489</b>
Net adjustment from change in fair value of biological assets		79,718	39,634
<b>Profit after adjustment from biological assets</b>		<b>174,802</b>	<b>119,123</b>
Administrative expenses	4	(26,610)	(30,319)
Selling expenses	5	(8,183)	(24,904)
Other income	6	5,274	9,518
Other expense		(10,144)	(15,534)
<b>Operating profit</b>		<b>135,139</b>	<b>57,884</b>
Share of gain (loss) of associated companies		728	253
Finance income		846	13
Finance costs		(24,717)	(24,969)
Currency translation differences		(2,455)	(5,222)
<b>Profit (loss) before income tax</b>		<b>109,541</b>	<b>27,959</b>
Income tax		(12,635)	(11,055)
<b>Profit (loss) for the period from continuing operations</b>		<b>96,906</b>	<b>16,904</b>
Gross profit for the period from discontinued operations		(6,511)	514
Administrative expense from discontinued operations		(186)	-
Other income and expense from discontinued operations		(6,498)	-
<b>Profit for the period</b>		<b>83,711</b>	<b>17,418</b>

\* Non audited.

\*Audited

**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**  
**AS OF DECEMBER 31<sup>st</sup>, 2016**

	Share capital	Share premium	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Balance as of 1 January 2016	507	212,318	825	89,222	302,872	7,841	310,713 (**)
Increase of capital	6	4,994	-	-	5,000	-	5,000
CTA	-	-	-	1,049	1,049	903	1,952
Adjustment	-	-	-	(852)	(852)	-	(852)
Net result	-	-	-	96,906	96,906	-	96,906
Dividends distribution	-	-	-	(89)	(89)	-	(89)
Result of non-controlling interest	-	-	-	-	-	(319)	(319)
Other comprehensive Income	-	-	-	(13,195)	(13,195)	-	(13,195)
Balance as of 31 December 2016	513	217,312	825	173,041	391,691	8,425	400,116 (*)

\* Non audited

\*\* Audited 2015

**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD  
AS OF DECEMBER 31<sup>st</sup>, 2016**

	<b><u>31.12.16*</u></b>	<b><u>31.12.15**</u></b>
	<b>USD 000</b>	<b>USD 000</b>
<b>Cash flow from operating activities</b>		
Collections	304,700	285,932
Payment to suppliers and employees	(229,302)	(232,118)
Interest paid	(20,691)	(23,564)
Income tax paid	-	(2,734)
Custom duties refund collections	5,348	7,660
Other collections	4,834	-
Other payments	-	(1,587)
<b>Net cash (used in) provided by operating activities</b>	<b>64,889</b>	<b>33,589</b>
<b>Cash flow from investing activities</b>		
Transfer to cash subject to restriction	-	7,500
Purchases of property, plant and equipment and biological assets	(7,305)	(11,921)
Investment in biological assets	(16,571)	(11,183)
Purchases of intangibles, excluding goodwill	(892)	(1,683)
Proceeds from sale of property, plant and equipment	2,156	7,461
<b>Net cash used in investing activities</b>	<b>(22,612)</b>	<b>(9,826)</b>
<b>Cash flow from financial activities</b>		
Bank loans proceeds	102,650	128,383
Bank loans payments	(97,920)	(151,866)
Increase of capital	5,000	-
Prepayment of notes	(5,563)	-
New long-term proceeds	15,000	-
Payments of long-term debt	(3,391)	(4,138)
<b>Net cash provided by financial activities</b>	<b>15,776</b>	<b>(27,621)</b>
 Net increase (decrease) in cash and cash equivalents during the period	 58,053	 (3,858)
Cash and cash equivalents at beginning of period	26,647	30,505
<b>Cash and cash equivalents at end of period</b>	<b>84,700</b>	<b>26,647</b>

\* Non-audited

\*\* Audited

## **Selected disclosure notes**

### **1. Basis of preparation**

This condensed consolidated financial information for the fourth quarter ended December 31<sup>st</sup>, 2016 has been prepared in accordance with IAS-34, 'Interim financial reporting' (IFRS). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31<sup>st</sup>, 2015 which have been prepared in accordance with IFRS.

### **2. Significant accounting policies**

The consolidated financial statements have been prepared on historical cost basis, except for biological assets and derivative financial instruments, which have been measured at fair value and in accordance with IFRS.

The financial statements are presented in United States dollars (USD) and all monetary amounts are rounded to the nearest thousand (USD '000) except when otherwise indicated. The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements as of December 31<sup>st</sup>, 2015.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31<sup>st</sup>, 2015.

## Results of fourth quarter 2016

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\*\*\*Discontinued operations

## Results as December 31<sup>st</sup>, 2016

	Blueberries		Avocados		Shrimp and other seafood products		Mangos		Grapes		Peppers		Other**		Asparagus***		Artichokes***		Total	
	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD	2016 YTD	2015 YTD
SD thousands																				
Revenues	100,202	48,071	53,413	53,678	70,173	57,156	21,495	23,082	13,583	16,844	4,170	21,214	13,655	16,592	20,640	36,055	3,216	16,637	300,547	289,321
Cost of goods sold	(38,785)	(16,237)	(33,739)	(33,580)	(63,784)	(58,745)	(17,166)	(18,102)	(13,584)	(18,866)	(4,697)	(22,011)	(9,852)	(14,206)	(27,208)	(33,072)	(3,159)	(16,161)	(211,974)	(230,981)
Cost of goods sold	(31,953)	(12,804)	(29,168)	(28,220)	(63,459)	(58,253)	(15,874)	(16,532)	(12,767)	(17,338)	(4,554)	(21,507)	(8,979)	(13,394)	(26,936)	(32,406)	(3,121)	(16,253)	(196,811)	(216,701)
Drawback	815	803	819	1,089	1,698	1,974	559	728	392	379	55	661	208	230	331	1,387	79	607	4,956	7,858
Costs associated to sales	(7,647)	(4,236)	(5,390)	(6,449)	(2,023)	(2,466)	(1,851)	(2,298)	(1,209)	(1,907)	(198)	(1,165)	(1,081)	(1,042)	(603)	(2,053)	(117)	(515)	(20,119)	(22,131)
Gross profit	61,417	31,834	19,674	20,098	6,389	(1,589)	4,329	4,980	(1)	(2,022)	(527)	(797)	3,803	2,386	(6,568)	2,983	57	476	88,573	58,349
Volumes produced (net MT) <sup>(1)</sup>	12,863	4,693	21,730	25,113	9,032	5,718	13,477	13,935	8,488	6,720	-	4,394	5,076	5,048	976	6,559	-	2,223	71,642	74,403
Volumes sold (net MT)	10,941	4,436	22,947	27,274	8,876	10,309	12,328	13,753	7,475	9,806	7,397	10,066	5,661	8,400	4,980	9,237	1,404	6,448	82,009	99,725
Weighted Average realized prices (US\$ /Kg.)	9.16	10.84	2.33	1.97	7.91	5.54	1.74	1.68	1.82	1.72	0.56	2.11	2.41	1.98	4.14	3.90	2.29	2.58	3.66	2.90
Planted area (Has)	1,460	954	2,653	2,655	1,003	967	448	536	391	310	20	216	-	-	151	1,615	-	137.0	6,125.5	7,390
Volume Harvested (MT) <sup>(2)</sup>	13,197	5,122	23,480	26,822	8,286	5,640	7,329	10,575	9,343	529	4,994	4,875	-	-	-	8,603	-	447.0	66,629	62,613
Yield party supply (MT)	-	-	1,269	3,135	515	442	13,534	8,930	-	-	-	1,217	-	-	-	1,947	-	4,011	15,318	19,682
Cash % *	100%	100%	88%	96%	100%	0%	53%	73%	100%	100%	0%	0%	0%	0%	0%	39%	0%	0.0%	67%	61%
Reserved % *	0%	0%	0%	0%	0%	0%	2%	2%	0%	0%	99%	91%	0%	0%	0%	58%	100%	98.0%	10%	20%
Frozen % *	0%	0%	14%	4%	0%	100%	45%	25%	0%	0%	1%	9%	0%	0%	0%	3%	0%	2.0%	23%	19%

(1) Includes processed raw material from suppliers

(2) Only own production

\* by net volume sold

\*\* include principally, the result of tangerine.

\*\*\*Discontinued operations



#### 4. Administrative expenses

Administrative expenses increased from USD 24.9 million in 2015 to USD 26.6 million in 2016. The increase of USD 1.7 million is mainly explained by higher personal expenses and professional fees.

	For the period ended	
	31.12.16 USD 000	31.12.15 USD 000
Personnel expenses	15,433	12,226
Professional fees	2,757	2,581
Depreciation & amortization	1,404	1,381
Maintenance	623	745
General services	1,403	1,366
Travel and business expenses	510	768
Renting of machinery and equipment	1,391	2,428
Transport and telecommunications	843	923
Insurance	73	233
Back office	277	-
Other expenses	1,896	2,253
Total	<b>26,610</b>	<b>24,904</b>

#### 5. Fixed Selling expenses

Fixed selling expenses decreased from USD 8.7 million in of 2015 to USD 8.2 million in 2016. The decrease of USD 0.5 million is mainly explained by lower personal expenses and general services; net of an increase of insurance expenses.

	For the period ended	
	31.12.16 USD 000	31.12.15 USD 000
Personnel expenses	3,586	4,003
Consulting services	711	853
Travel and business expenses	774	931
Insurance	1,913	1,119
General services	628	1,141
Other expenses	571	656
Total	<b>8,183</b>	<b>8,703</b>

## 6. Other expense (income)

Total other expense (income) change from net other expense of USD 0.1 million in 2015 to net other expense of USD 4.9 million in 2016.

Other income in 2016 is mainly explained by USD 1.8 million from recovery of funds in escrow from Inversiones Agrícolas, USD 0.8 million for income from previous years, USD 0.6 million for the write-off of payable accounts from previous years, USD 0.6 million from the lease of the Nor Agro pepper plant and USD 0.5 million of insurance proceeds among other.

Other expenses in 2016 is mainly explained by USD 4.0 million provisions for inventory impairment, USD 2.2 million assets disposal, USD 1.4 million impairment of trade accounts receivable, and 0.5 million for expenses from previous years, among other.

	For the period ended	
	31.12.16 USD 000	31.12.15 USD 000
Other income	5,274	9,152
Other expense	(10,144)	(9,188)
Total	<b>(4,870)</b>	<b>(36)</b>

## 7. Property, plant and equipment

Additions are composed of part of the equipment investment program, infrastructure and land to improve production facility and fields. The adjustments are principally the net cost of fixed assets from IAS-41.

	As of	31.12.16 USD 000
( + )	Opening net book amounts of January 1, 2016	176,905
( - )	Additions	18,352
( - )	Write –off	(7,090)
( + / - )	Depreciation	(13,016)
	Adjustments	13,371
	Closing net book amount as December 31,2016	<b>188,522</b>

## 8. Other accounts receivable

Other accounts receivable decreased from USD 21.4 million at December 31<sup>st</sup> 2015, to USD 16.0 million at the end 2016.

As of	31.12.16 USD 000	31.12.15 USD 000
Custom duties refund - Drawback	897	1,240
Value added tax (IGV in Peru)	5,190	6,169
Income tax credit	6,749	7,281
Prepayments to suppliers	209	292
Doubtful accounts	2,251	866
Loans to Employees	169	209
Loans to Third parties	342	442
Deposits in guarantee	572	334
Subsidies	284	353
Other	1,616	5,076
	<b>18,280</b>	<b>22,262</b>
Less :		
Allowance to doubtful accounts	(2,251)	(866)
	<b>16,029</b>	<b>21,396</b>

## 9. Inventories

Total inventories decreased from USD 47.1 million at December 31<sup>st</sup> 2015, to USD 32.8 million by the end of 2016. The decrease of USD 14.3 million is mainly explained by the decrease of finished products inventory such as asparagus and peppers.

As of:	31.12.16 USD 000	31.12.15 USD 000
Finished product	18,935	31,832
Supplies	10,662	11,385
Packaging	4,945	7,975
Raw material and others	3,438	2,186
Product in process	279	1,536
In-transit raw material and supplies	1,087	747
	<b>39,346</b>	<b>55,661</b>
Less:		
Impairment of finished products	(6,589)	(8,559)
	<b>32,757</b>	<b>47,102</b>

## 10. Intangible assets

As of:	31.12.16 USD 000	31.12.15 USD 000
Goodwill	10,104	10,104
Software	3,696	3,612
Others	13	1
<b>Total</b>	<b>13,813</b>	<b>13,717</b>

## 11. Transactions with related parties

The main transactions carried out between the Group and related companies are as follows:

	For the quarter ended	
	31.12.16 USD 000	31.12.15 USD 000
<b>Empacadora de Frutos Tropicales S.A.C.</b>		
Sales of services	-	3
Purchase of services	1,712	3,643
<b>Gestión del Pacifico S.A.C.</b>		
Sales of services	-	44
Purchase of services	-	237
<b>Gestora del Pacifico S.A.C.</b>		
Sales of services	-	-
Purchase of services	434	-
<b>Integrity Packing S.A.</b>		
Sales of services	2	1
Purchase of supplies	807	371

Amount dues / from to related parties

	As of	
	31.12.16 USD 000	31.12.15 USD 000
<b>Other accounts receivable</b>		
Empacadora de Frutos Tropicales S.A.C	270	3
Gestión del Pacifico S.A.C.	-	-
Gestora del Pacifico S.A.C.	-	-
Desarrollo Inmobiliario Mar Verde S.A.C.	43	-
<b>Trade accounts payable</b>		
Empacadora de Frutos Tropicales S.A.C	712	571
Gestión del Pacifico S.A.C.	-	104
Gestora del Pacifico S.A.C.	92	-
Desarrollo Inmobiliario Mar Verde S.A.C.	-	-
Integrity Packing S.A.	887	271

## 12. Seasonality

Company production is subject to seasonal fluctuations, with peak production in the third to fourth quarter of the year. This is due to seasonal weather conditions which affect production.

## 13. Use of NON-GAAP measures

In the discussion of operating results, CAMPOSOL refers to certain non-GAAP financial measures such as EBITDA. CAMPOSOL's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. EBITDA, which CAMPOSOL defines as sales minus cost of goods sold, administrative and selling expenses plus depreciation, amortization and amortization without IAS-41, is an approximation of cash flow from continuing operating activities before tax and net operating capital changes. Amortization without IAS-41 is the cost assigned to cost of goods sold that under an accounting without IAS-41 would be considered amortization.

CAMPOSOL's definition of EBITDA may differ from that of other companies. EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the Company's operations in accordance with IFRS. Nor is EBITDA an alternative to cash flow from operating activities in accordance with IFRS. A reconciliation of EBITDA to total profit before income tax is provided as follows:

	For the fourth quarter		For the period ended		For the audit year ended **
	31.12.16 USD 000	31.12.15 USD 000	31.12.16 USD 000	31.12.15 USD 000	31.12.15 USD 000
<b>EBITDA before fair value adjustment</b>	<b>35,787</b>	<b>19,302</b>	<b>72,490</b>	<b>42,850</b>	<b>42,888</b>
Discontinued operations	155	1,339	6,697	(3,459)	(514)
Depreciation & Amortization	(3,513)	(3,398)	(13,739)	(12,686)	(12,686)
Amortization without IAS-41	(1,326)	(1,399)	(5,157)	(5,422)	(5,422)
Other income (expenses)	5,153	(3,557)	(4,870)	(36)	(6,016)
Change in fair value of Biological assets	49,817	33,411	79,718	39,634	39,634
<b>Operating profit</b>	<b>86,073</b>	<b>45,699</b>	<b>135,139</b>	<b>60,881</b>	<b>57,884</b>
Share of gain (loss) of associated companies	940	578	728	253	253
Finance income	89	(30)	846	13	13
Finance costs	(6,136)	(6,047)	(24,717)	(24,969)	(24,969)
Currency translation differences	(2,787)	39	(2,455)	(5,222)	(5,222)
<b>Profit before income tax</b>	<b>78,179</b>	<b>40,239</b>	<b>109,541</b>	<b>30,956</b>	<b>27,959</b>

\*\* Audited

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