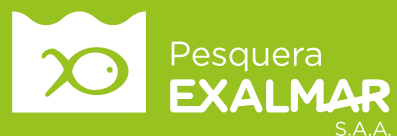

a clear
vision for
sustainable
growth

ANNUAL
REPORT
2014



a clear
vision for
sustainable
growth

ANNUAL
REPORT
2014

statement of responsibility

This document contains accurate and sufficient information about the business performance of PESQUERA EXALMAR S.A.A. (hereinafter, the Company) during 2014. Without prejudice to the responsibility corresponding to the issuer, the signatories are responsible for the contents hereof in accordance with the applicable legal provisions.

ROSSANA ORTIZ RODRÍGUEZ
General Manager

RAÚL BRICEÑO VALDIVIA
Finance and Administration Manager

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letter from the general manager

I want to begin this letter saying that 2014 was a year of challenges for the Company; but, at the same time, I wish to share how deeply satisfied and proud I am when saying we were always at the height of the challenges we faced and were overcoming. That said, let me give a brief summary on what happened the last year.

We had a first season in 2014 affected by the presence of El Niño (during which we fished 73% of our quota, although the sector fished 66%), and a second season without any quota for the sector. However, in 2014, the company increased its sales in 31% (US\$ 221 MM), and its EBITDA in 37% (US\$ 57 MM), regarding 2013.

There is a value of our corporate culture which, in my opinion, deserves a particular mention: for us, in Pesquera Exalmar, the most important thing has been and will be always our degree of commitment to the people.

How did we get it? Thanks to a good administrative management that is, also, the heart of our business culture, and which is based on: our rapidity, both in the response and in the aptitude to adapt ourselves to situations demanding changes; the support given to us by more than 35 years of experience and the exemplary business development we have had in the fishery sector; as well as the use of appropriate financing structures.

But there is a value of our corporate culture which, in my opinion, deserves a particular mention: for us, in Pesquera Exalmar, the most important thing has been and will be always our degree of commitment to the people.

We are sure that profitability is not a purpose but a means, because we think profitability is precisely what allows us to



achieve a real social transformation. For that reason, to our business knowledge we add our connectivity, such ability to establish connections based on mutual respect and confidence, with our investors, directors, collaborators, financial institutions, suppliers, fishing ship-owners, artisan fishermen, customers and the society in general, looking always for sustainable development. At Pesquera Exalmar, our structures are not pyramidal but horizontal. That attitude enables us to feedback and respond promptly. We are able to see and change our environment without leaving aside sensitivity; the heart we put in each of our actions. This one is one of the major strengths of the Company.

It is our hallmark as a company, but, we have also obtained some concrete external responses allowing us to confirm we are on the right track. Credit-rating agencies, such as Moody's and Standard & Poor's, despite the difficulties the sector faced during 2014, ratified the rating of the Company in B2 and B+, respectively.

Other positive outcomes 2014 left us, and that I want to share with you today, are directly linked to the Direct Human Consumption (DHC) business growth. Among these achievements stand out the start-up of operations at the freezing plant of Tambo de Mora, assigned to the processing of hydro-biological resources, with installed capacity of 575.28 MT per day. It

is also important to note the start-up of operations in three vessels, assigned to fish jack mackerel and mackerel, fully equipped with cold systems, and average storage capacity of 2,600 m3; likewise, the increase of participation, from 6.5% to 8.7%, in the fishing of jack mackerel and mackerel, and the increase of production in 57% at the plant of Paita; the growth of DHC sales in 124%, increasing participation from 9 % to 15 % in total sales; finally, the valuable obtaining of certifications, such as British Retail Consortium (BRC) and Tesco Food Manufacturing Standard (TFMS), which guarantee quality and safety of our products, and recognize the Company as authorized supplier of the Tesco Supermarket chain worldwide.

All these positive outcomes, besides our proved ability to face uncertain events (proper of this business) allow me to look at 2015 with optimism, without excessive triumphalism, but taking into account our legitimate aspirations, working always as a team. This new year we have made the decision of consolidating the DHC business, increasing production and looking for access to new markets. Likewise, we have plans to install natural gas at the plant of Tambo de Mora, which will reduce our costs.

Finally, I want to express my deepest gratitude to all of those who made these achievements possible for the Company during 2014. To our partners, investors, directors, collabora-

***All these positive
outcomes, besides
our proved ability to
face uncertain events
(proper of this business)
allow me to look at
2015 with optimism***

tors, financial institutions, suppliers, fishing ship-owner, artisan fishermen, and customers, who, with their confidence and permanent support to Pesquera Exalmar, enable us to stand up day by day, full of energy and enthusiasm, ready to continue doing what we know well: to work, through our line of business, for the development of Peru.



ROSSANA ORTIZ RODRÍGUEZ
General Manager



indirect human
consumption
IHC

2014

DESPITE A FIRST SEASON
AFFECTED BY EL NIÑO AND A
SECOND SEASON WITHOUT ANY
QUOTA FOR THE SECTOR

31%

THE COMPANY
INCREASED ITS SALES

57MM

USD EBITDA IN 37%



direct human consumption

DHC

OBTAINING OF CERTIFICATIONS, SUCH AS BRITISH RETAIL CONSORTIUM (BRC) AND TESCO FOOD MANUFACTURING STANDARD (TFMS), WHICH GUARANTEE QUALITY AND SAFETY OF OUR PRODUCTS, AND TO RECOGNIZE THE COMPANY AS AUTHORIZED SUPPLIER OF THE TESCO SUPERMARKET CHAIN WORLDWIDE.

START-UP OF OPERATIONS IN THREE VESSELS, ASSIGNED TO FISH JACK MACKEREL AND MACKEREL FOR DIRECT HUMAN CONSUMPTION, FULLY EQUIPPED WITH COLD SYSTEMS, REACHING A TOTAL STORAGE CAPACITY FOR THE EXTRACTION OF THESE RESOURCES OF

2,600 M³

INCREASE OF PARTICIPATION IN THE FISHING OF JACK MACKEREL AND MACKEREL, FROM 6.5% TO 8.7%, AND INCREASE OF PRODUCTION AT THE PLANT OF PAITA.

57%

GROWTH OF DIRECT HUMAN CONSUMPTION SALES IN

124%

INCREASING PARTICIPATION IN TOTAL SALES FROM 9 % TO

15%

START-UP OF OPERATIONS AT THE FREEZING PLANT OF TAMBO DE MORA, ASSIGNED TO THE PROCESSING OF HYDRO-BIOLOGICAL RESOURCES FOR DIRECT HUMAN CONSUMPTION, AND WITH INSTALLED CAPACITY OF

575.28 MT PER DAY





A clear vision for a commitment to the preservation of marine resources

OVER 35 YEARS
GROWING

WE ARE COMMITTED TO THE CONSERVATION AND PROTECTION OF THE ENVIRONMENT AND THE PRESERVATION OF MARINE RESOURCES, IN BENEFIT OF THE COMMUNITIES WHERE WE WORK AND THE FUTURE GENERATIONS, AS WELL AS THE GROWTH OF THE FISHING SECTOR IN OUR COUNTRY. THEREFORE, WE USE ECO-FRIENDLY TECHNOLOGIES AND KEEP A CONSTANT SEARCH FOR OPPORTUNITIES TO REDUCE ENVIRONMENTAL IMPACTS



environment

1.1 MACROECONOMIC CONTEXT

In accordance with the International Monetary Fund (IMF)¹, the global economy recorded a growth of 3.3% in 2014 and will reach 3.5% in 2015 and 3.7% in 2016, making a downward revision to the global growth of 0.3% for these two periods. The fall of oil price will stimulate the world growth; however, this will be broken by negative factors which keep little encouraging perspectives of the world economy, due to the long-term legacy of the crisis, the lower growth potential in many countries, and so on.

In advanced economies, a growth of 1.8% was reached in 2014 and it is forecast a growth of 2.4% in 2015 and 2016. The United States registered a growth of 2.4% in 2014 due to the improved consumption stimulated by the low oil prices and favorable conditions in the labor market, which would also stimulate the growth for 2015 and 2016 up to 3.6% and 3.3%, respectively. On the contrary, a slow recovery of domestic demand in the euro-zone affected the growth in 2014, coming down to 0.8%, with forecasts of 1.2% for 2015 and 1.4% for 2016.

In the emerging, developing market economies, there was an economic growth of 4.4 % in 2014 and it is projected to keep it

at 4.3% in 2015, and to increase it up to 4.7% in 2016, a weaker pace than forecast in the previous edition of the IMF, due to three main factors:

- A slightly moderate growth is forecast for China, where the investment has been slowed down. After a growth of 7.4% in 2014, it would grow at rates of 6.8% and 6.3% in 2015 and 2016, respectively.
- The economic outlook in Russia is much weaker. After reaching a growth of 0.6% in 2014, there is a growth forecast downgraded to -3.0% and -1.0% for 2015 and 2016, as a result of the economic impact of sharply lower oil prices and increased geopolitical tensions.
- In emerging, developing economies, the projected rebound in the growth of commodity exporters has been slowing down, due to the impact of lower oil prices and other commodities regarding trade and real incomes is heavily affecting the medium-term growth. For many oil importers, the boost from lower oil prices is less strong than in advanced economies, considering that the benefits related to this unexpected bonanza is focused on governments.

At local level, according to the Instituto Nacional de Estadística and Informática (INEI)², the national production grew up to 2.4% in 2014; making 16years of uninterrupted growth. This result is explained by the favorable performance of domestic demand, as well as in most of the sectors, with exception of fishing, mining and manufacturing, which were affected by weather factors, international lower prices and lower external demand.

Within the region, Peru would lead the growth and show the lowest inflation in 2015, with a growth of 4.8%, beyond Bolivia (+4.6%) and Paraguay (+4.3%), according with the amounts of The Central Reserve Bank of Peru³. The GDP recovery is supported by a positive contribution, mainly of exports and private investment, boosted by sectors such as construction, mining and hydrocarbons.

Peru is worldwide acknowledged by its macroeconomic soundness, after showing an accelerated growth during the last decade, leading the regional growth and allowing the GDP per capita will exceed the world average in 2020⁴. The growth has been driven by larger private investments, which

today represent about 20% of GDP. In addition, domestic demand has been strengthening, and this is complemented by a dynamic commercial exchange which has been diversifying. It occurs within a context of macroeconomic stability, with the lowest rates of inflation at regional level, a stable exchange rate, a good level of debt and international reserves by one third of GDP. Likewise, there is a favorable legal framework for foreign investment, a policy of trade openness sustained over time and a responsible economic policy that has deserved this investment grade and the confidence of investors.

1 IMF World Economic Outlook (WEO) Update, January 2015.
2 Technical Report N° 2, National Production, February 2015.

3 Inflation Report: Current Outlook and Macroeconomic Forecasts 2014 – 2016, Banco Central de Reserva del Perú, January 2015.
4 Presentation of the main macroeconomic outcomes and sector opportunities, “Why to invest in Peru?”, Proinversión, January 2015.

1.2
FISHERY SECTOR

Peru is the first exporter of fishmeal and fish oil worldwide. It has unique geographic conditions due to the convergence of the Humboldt and El Niño ocean currents, with an extensive fishing coast (greater than 2,000 km) and highly acknowledged biomass due to its quality and diversity.

In Peru, fishmeal and fish oil are produced from “anchovy” (*Engraulis ringens*), a small pelagic fish living in cold waters of the Humboldt Current and that is distributed in two population units: north-center stock (from Paita to San Juan de Marcona) and south stock (from Chala to Chile). Anchovy is not a migratory species, which inhabits near the coast, with a short-cycle of reproduction (six months), and a life-cycle of three years. It reaches the middle size of first maturity, when it is one year old and measures 12 cm long, being the minimum size for fishing. In three years, it could grow up to 20cm.

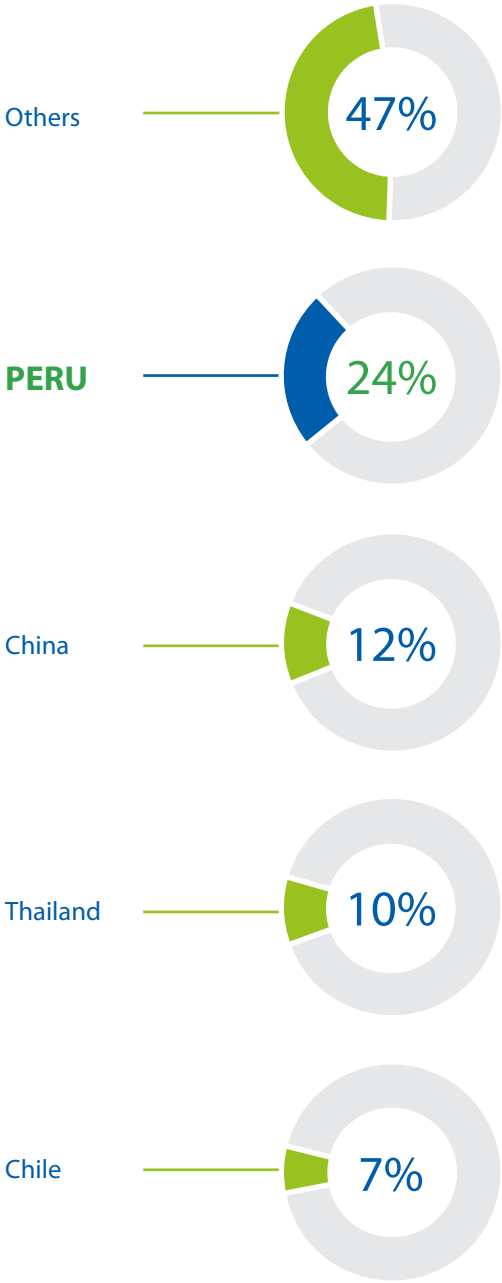
Since the system of individual anchovy fishing quotas entered into force in 2009, the country has had an effective regulatory framework which has led the industry organization and focus on quality and efficient use of plants and vessels, by reducing the number of vessels used, reaching greater productive efficiency, and, therefore, considerable savings on fixed costs and better production planning, allowing an efficient investment in the sector and diversification in Direct Human Consumption business.

Given these conditions, Peru is the first producer and exporter of fishmeal and fish oil worldwide, being aquaculture the main destination of these products.

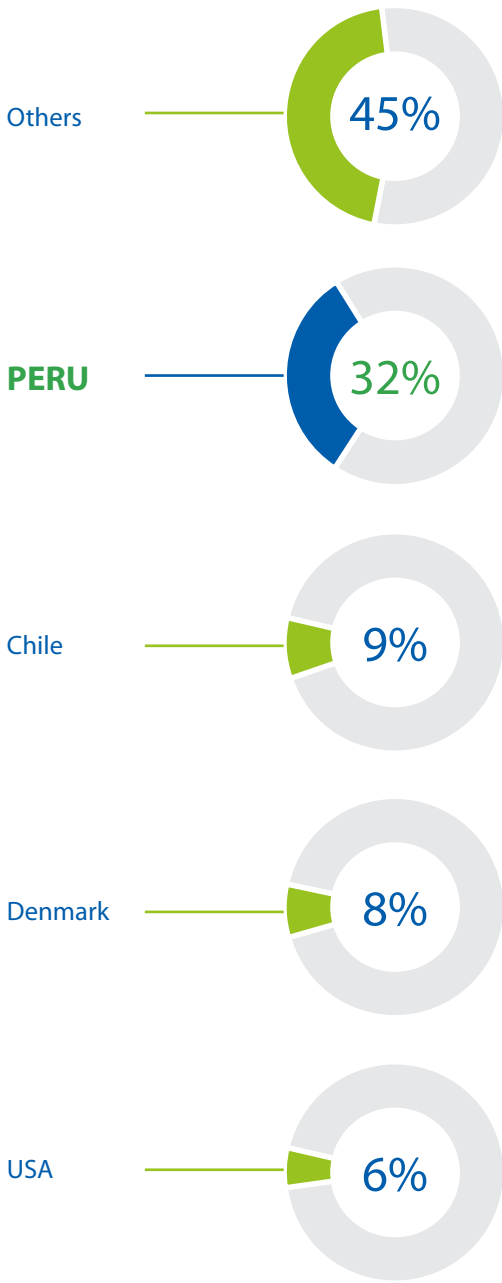
The world supply of fishery resources is limited for a controlled catch due to the need of preserving the resource and to restrictions of producer countries for protecting the marine ecosystem, while the global demand has showed a significant growth in aquaculture, especially in Asian countries, because of the population growth and a diet rich in marine resources, as well as an important demand for animal food. Fish consumption is expected to continue growing, given the growing demand of emerging markets and global tendencies related to healthy eating.

Because of the high protein content and high digestibility, fishmeal and fish oil produced from the anchovy processing are the main sources of food in aquaculture and, in lower rate, in food for other animal species such as pigs. Additionally, fish oil has been benefited in the last years for the new Direct Human Consumption demand through its Omega-3 type, given its proved benefits in coronary and neurological system. The greatest demand from Asian countries has higher per capita fish consumption rates in Europe and great potential of consumption in Africa and South America. Likewise, consumption patterns in developed countries with higher

WORLD FISHMEAL PRODUCTION (MT)

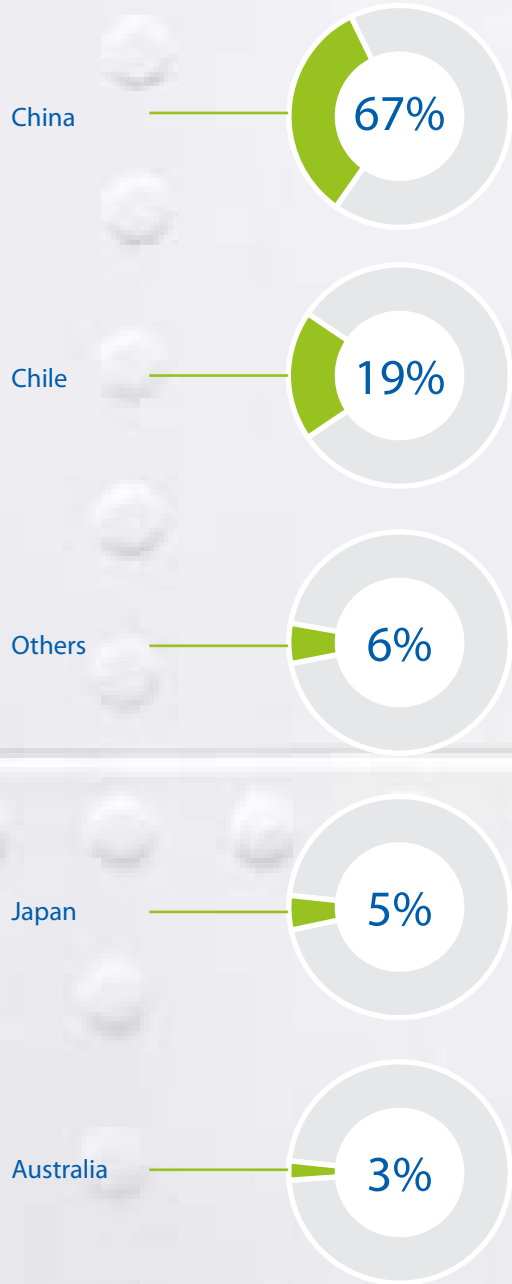


WORLD FISHMEAL EXPORTATION(MT)

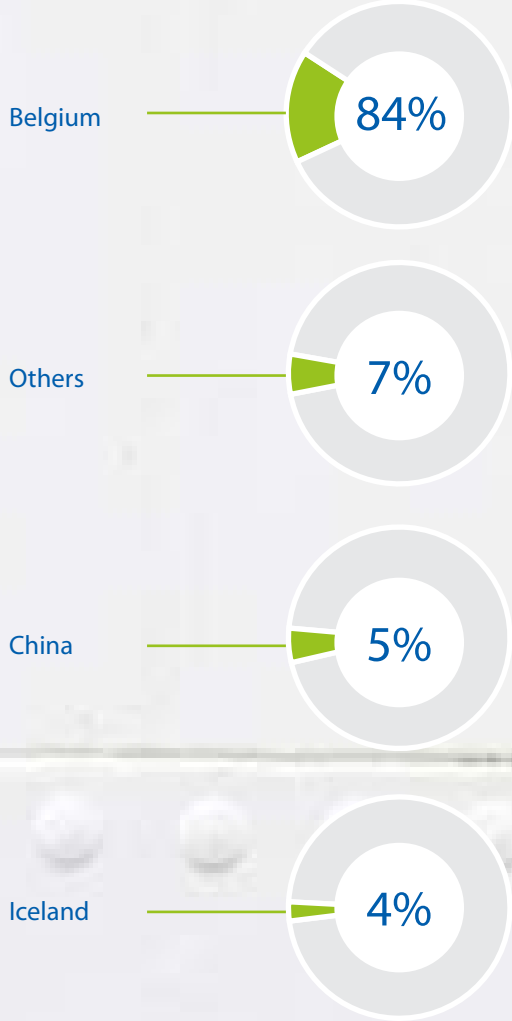


SOURCE
The Annual Yearbook 2014, IFFO, as at December 2013.

DESTINATION OF EXPORTS OF FISHMEAL (MT)



DESTINATION OF EXPORTS OF FISH OIL (MT)



value-added products create potential demand of Direct Human Consumption products. In this way, limitations of supply in anchovy catch and the increasing aquaculture demand have carried to a sustained going up in the level of prices of fishmeal and fish oil for a number of years.

Due to the low presence of aquaculture in the country, the production is driven to the international market, being China the main export destination of fishmeal for Peru.

EIn 2014, the fishery sector represented a contribution of 0.7% regarding to the total domestic production, according to the Instituto Nacional de Estadística e Informática (INEI)⁵, decreasing in 27.9% in relation to the previous year, due to a reduction in fishing for Indirect Human Consumption (- 52.7%), whereas that of Direct Human Consumption increased slightly (+ 0.8%). According to the information from the Ministry of Production – PRODUCE⁶, by December 31st, 2014, the unloading of hydro-biological resources decreased in 41% in relation to the previous year, affected by low availability of anchovy due to

the water warming caused by El Niño in the first period of 2014, and by the suspension of the second period in the same year. Regarding exports of hydro-biological products by December 31st, 2014, it increased in 5% in relation to the previous year, after a slight increase of both exportations of Indirect and Direct Human Consumption products.

SOURCE
Fishery Statistical Bulletin, PRODUCE, as at December 2014.

⁵ Technical Report N° 2, National Production, February 2015.
⁶ Fishery Statistical Bulletin, PRODUCE, as at December 2014.



1.2
FISHERY SECTOR

UNLOADING OF HYDRO-BIOLOGICAL RESOURCES

Thousand MT



SOURCE
Fishery Statistical Bulletin, PRODUCE, as at December 2014.

EXPORT OF HYDRO-BIOLOGICAL PRODUCTS

Thousand MT



SOURCE
Fishery Statistical Bulletin, PRODUCE, as at December 2014.

A clear vision for a transparent communication with our stakeholders

OVER 35 YEARS
GROWING

THE COMPANY PRACTICES A TRANSPARENT, FLUENT, APPROPRIATE, EQUITABLE COMMUNICATION WITH ITS STAKEHOLDERS, CREATING TRUSTY RELATIONSHIPS. THE PRACTICES OF CORPORATE GOVERNANCE STAND OUT, SUCH AS THE MOSTLY INDEPENDENT BOARD, BOARD COMMITTEES, ASSISTANCE TO THE INVESTORS AND PARTICIPATION IN EVENTS, QUARTERLY CONFERENCE CALLS, AMONG OTHERS.



company information

2.1 NAME, ADDRESS, CONSTITUTION AND CORPORATE PURPOSE

Pesquera Exalmar S.A.A. is the fourth company in the sector in term of fishmeal and fish oil processing. It was founded in 1992, but it has more than thirty-five years of experience in the sector, due to the knowledge and long career of its founder and majority shareholder, Victor Matta Curotto. The Company has overcome several historical changes, such as the privatization process in the sector, world crisis and nature impacts, which led many companies to bankruptcy but did not prevent Pesquera Exalmar from reaching an important growth and becoming consolidated in the sector, as other companies that started in the late 1990s and early 2000s, supported by economic groups with great soundness, both in Peru and abroad. Currently, the Company participates firmly and competes with international groups finding great potential in the sector. Thus, it consolidates its unit of Indirect Human Consumption and grows in Direct Human Consumption.

Pesquera Exalmar S.A. was incorporated through public deed granted on November 25th, 1997, before the Notary Public of Lima, Dr. Walter Ramón Pinedo Orrillo, registered with Entry A 001 in the Electronic Record N° 11006351 of the Register of Legal Entities of Lima.

By agreement of the General Meeting of Shareholders held on November 1st, 1997, converted into public deed on December

5th, 1997, before the Notary Public of Lima, Dr. Walter Ramón Pinedo Orrillo, Corporación Matta S.A. changed its name to PESQUERA EXALMAR S.A.

By public deed granted on January 5th, 1998, before the Notary Public of Lima, Dr. Ricardo Ortiz de Zevallos V., Pesquera Exalmar S.A. merged with Pesca Perú Huacho S.A., Pesquera María del Carmen S.A. and Exalmar S.A.

The purpose of this company is to engage in the extraction, transformation, commercialization and export of hydro-biological products for Direct and Indirect Human Consumption, as well as import of supplies for its business activity, wholesale and retail purchase and sale of those products, representation of them, and other related or similar activities. Likewise, without excluding related activities, the Company can engage in the production and commercialization of fishmeal and fish oil. The Company has an indefinite duration. These activities are classified in the CIIU Code 15127. Its economic activity is governed by the General Fisheries Act, its regulations and amendments.

The headquarters is located at Av. Víctor Andrés Belaúnde 214, San Isidro, Lima, Peru. The phone number is 51 1 441 4420, and fax 51 1 441 4643.

More than thirty-five years of experience in the sector, due to the knowledge and long career of its founder and majority shareholder, Victor Matta Curotto.



2.2 CORPORATE IDENTITY

mission

To offer products elaborated with quality and eco-efficiency to its customers, on the basis of constant innovation and the work capacity of its human team, eventually guaranteeing their sustainability and inspiring confidence in its shareholders and stakeholders.

To be recognized worldwide as the most efficient business supplying hydro-biological products with high protein value.

vision

2.2
CORPORATE IDENTITY

corporate values



COMMUNICACIÓN

We practice a transparent and conciliatory style that provides feedback in all of our areas of action.



EXCELLENCE

We encourage teamwork and innovative attitude, aimed to achieve results beyond than expected, contributing with professional development.



RESPONSIBILITY

We are committed to our decisions and their results.



RESPECT

we appreciate the effort of our collaborators, the resources of our country and the need to preserve the environment for the benefit of the communities where we work, as well as future generations.



2.3
ECONOMIC GROUP

Here is the list of the main companies of Grupo Matta which are linked to us for having shareholders and/or directors in common:

- **Complejo Agroindustrial Beta S.A.:** engaged in production, packing and export of fresh green asparagus, table grapes, citric fruits and avocados. The Company stocks up on the cultivation of 3,120 hectares: 1,512 are in Ica, 242 in Pisco, 172 in Chíncha, 924 in Chiclayo and 270 in Piura. Out of the total area cultivated, 72% are fields of asparagus, 18% grapes, 6% citric fruits, and 4% avocados. The Company is in the process of implementing 271 additional hectares of asparagus in Olmos and around 400 hectares of grapes in Piura, which would increase the crop fields of the Company up to 3,800 hectares. In addition, the Company has about 1,500 hectares for developing additional projects of bananas, blueberries, berries, and asparagus, within the next years.

Beta is the first producer and exporter of fresh green asparagus in Peru. It has five packing plants: two of asparagus, one of them located in the north of Peru (Jayanca-Chiclayo) and the other one in Chíncha, in the south of Lima; one plant for processing grapes is located in Ica, in the south of Lima, and the other one in Piura, in the north of Peru; and one plant for multiple processing located in

Chíncha. In 2015, the Company will begin to produce frozen asparagus in the new plant located in Ica. The main destinations for its asparagus production are The USA and Europe, while the grapes are exported to England and Asia.

In 2014, the sales of Complejo Agroindustrial Beta (Beta Agro-industrial Complex) raised up to US\$ 110 million and EBITDA up to US\$ 30 million.

- **CMV Servicio Ejecutivo S.A.:** engaged in the service of executive transportation. For this, it operates a fleet of one hundred high-level performance vehicles, with revenues of US\$ 4 million in 2014, approximately, and an average of 142,000 services satisfactorily provided. Its 19-year experience in the market, providing transportation service with the highest standards of quality, safety, and comfort, enables it to be an exclusive service of executive transportation for the main hotels and companies in the city, such as J. W. Marriott, Belmond Miraflores Park Hotel, Hilton Lima Miraflores, Atton, Sonesta El Olivar, Melia, Pluspetrol, Xtrata Tintaya, Bambas Mining Company, Viajes Pacifico SAC, Pepsicola Panamericana SRL, Gran Tierra Energy Peru SRL, HSBC Bank USA, PricewaterhouseCoopers, and so on.



Likewise, it has counters at Jorge Chavez International Airport, international and domestic arrivals, for providing transportation service from the airport to the city, and vice versa, with complete safety and comfort. It provides job to 120 workers and, through the entrepreneurship program, it has 80 micro-entrepreneurs, service providers who are part of the personnel of drivers.

- **Corporación del Mar S.A. (Cormar):** in April 2008, Pesquera Exalmar, through the Lima Stock Exchange, acquired 50% of Cormar shares to the value of approximately US\$ 68.7 million. Currently, Cormar does not operate, and it divided its whole assets in favor of Exalmar and Austral Group.

2.4
SHARE CAPITAL, SHAREHOLDERS
AND SHARE EVOLUTION

As at December 31st, 2014, the capital fully subscribed and paid of the Company amounts to S/. 295,536,144, divided into 295,536,144 common shares with voting rights for a nominal value of S/. 1.00 each one. All shares provide their holders the same rights and liabilities.

On October 23rd, 2014, the General Meeting of Shareholders, convened on September16th, 2014, was held. In such Meeting, a share capital reduction by share amortization was approved, on the occasion of the 1,460,413 shares the company

held, and the consequent partial amendment of its Bylaws. According to the approved capital reduction, the share capital was reduced, as of the date the Meeting of Board was held, from S/. 296,996,557 to S/.295,536,144. As a result, the Article 5 of the Company's Bylaws, regarding share capital, was amended. This agreement is under registration process.

The shareholding composition as of December31st, 2014, regarding shareholders with more than 5%, is:

SHAREHOLDERS	SHARES	PARTICIPATION ORIGIN	
Caleta de Oro Holding S.A.	180,048,423	60.6%	Panama
Caleta de Oro Holding del Perú S.A.C.	25,000,000	8.4%	Peru
Stafedouble S.L. Sociedad Unipersonal	15,000,001	5.1%	Spain
Others	76,948,133	25.9%	-
Total (*)	296,996,557	100.0%	

(*) The amount of shares reduced is not considered, because as at December 31st, 2014 such process was under registration process.



2.4
SHARE CAPITAL, SHAREHOLDERS
AND SHARE EVOLUTION

The table below details the distribution of shares with voting rights, according to the ownership percentage:

OWNERSHIP	N° OF SHAREHOLDERS	PARTICIPATION
Less than 0.5%	131	4.5%
Between 0.5% - 1%	4	2.8%
Between 1% - 5%	10	18.6%
Between 5% - 10%	2	13.5%
More than10%	1	60.6%
Total	148	100.0%

The company’s shares are quoted on the Lima Stock Exchange. As at December 31st, 2014, the market value of the 296,996,557 shares was S/.1.35 per share, while as at Decem-

ber 31st, 2012, it was S/. 1.60. The information regarding the monthly quotation of shares during 2014 is as follows:

PRICE 2014 (S/.)					
MONTH	OPENING	CLOSING	MAXIMUM	MINIMUM	AVERAGE
January	1.59	1.60	1.60	1.59	1.59
February	-	-	-	-	-
March	1.59	1.60	1.60	1.59	1.60
April	1.60	1.53	1.60	1.53	1.54
May	1.38	1.33	1.39	1.33	1.34
June	1.35	1.30	1.38	1.25	1.29
July	1.29	1.30	1.30	1.20	1.21
August	1.28	1.30	1.30	1.28	1.30
September	1.30	1.35	1.35	1.30	1.34
October	1.35	1.36	1.37	1.35	1.36
November	1.36	1.36	1.36	1.36	1.36
December	1.36	1.35	1.36	1.35	1.35



2.5
HISTORY OF PESQUERA EXALMAR:
OVER 35 YEARS GROWING

YEARS	1976	1992	1993 - 1997	1998 - 2000	2001 - 2007	2008
SIGNIFICANT EVENTS	VÍCTOR MATTÁ CUROTTO WENT INTO FISHERY SECTOR	PRIVATIZATION PROCESS OF FISHERY SECTOR AND CONSTRUCTION OF THE FIRST PLANT	ACQUISITION OF PLANTS AND VESSELS AND INCORPORATION OF PESQUERA EXALMAR S.A.	THE EL NINO PHENOMENON	STRATEGIC FINANCIAL DECISIONS	STRATEGIC FINANCIAL DECISIONS
	Mr. Víctor Matta Curotto went into the fishery sector as a ship-owner with the purchase of the vessel Cuzco 4.	One of the first private companies that went into industrial activity. Construction of the first plant of fishmeal in Casma (Casma, Ancash), by the company Explotadora de Alimentos del Mar S.R.L.	1995 Construction of the plant in Tambo de Mora (Chincha, Ica) by the company Pesquera Alfa S.A. 1997 Purchase of the company Pesca Perú Huacho S.A., whose main asset was the plant in Huacho (Huaura, Lima), by the company Pesquera María del Carmen S.A. Incorporation of Pesquera Exalmar S.A. Purchase and construction of new fishing vessels.	1998 merger of Mr. Víctor Matta Curotto's companies (Pesquera Alfa S.A., Pesquera María del Carmen S.A. and Pesca Peru Huacho, with Pesquera Exalmar S.A.). Construction of plant in Chicama (Ascope, La Libertad). Strong El Niño event. International Crisis (Asian crisis, Russian crisis). 2000 Purchase of vessels.	2004 Entering the capital market with the First Program of Short-Term Instruments for US\$ 5 MM, 2006: Acquisition of a plant in Chimbote (Santa, Ancash) and fishing vessels. 2007 Incorporation of Private Equity with 22.7 % of share capital (Citigroup Venture Capital International, through its corporate financing vehicle Stafedouble), for US\$ 30 MM.	First International Syndicated Loan of US\$ 80 MM. Acquisition of 50% of participation in Cormar S.A. Acquisition of a plant in Callao (Callao, Lima).
PROCESSING CAPACITY		80 MT/ hour	224 MT/ hour	284 MT/ hour	374 MT/ hour	474 MT hour
HOLD CAPACITY AND IHC QUOTAS	368 m³	368 m³	4,390 m³	5,257 m³	9,210 m³	11,116 m³



2.5
HISTORY OF PESQUERA EXALMAR:
OVER 35 YEARS GROWING

YEARS	2009	2010	2011	2012	2013	2014
SIGNIFICANT EVENTS	SINGLE QUOTA SYSTEM	IPO	STRATEGIC FINANCIAL DECISIONS	DIRECT HUMAN CONSUMPTION	INTERNATIONAL BOND ISSUANCE	THE EL NINO PHENOMENON AND DHC GROWTH
	<p>Allocation of a Maximum Percentage of Catch per Vessel (PMCE) based on fleet capacity and amounts caught in the previous four years.</p> <p>Process of adaptation to the new system, resizing the fleet for more efficiency and reducing the number of vessels to 14.</p> <p>Beginning of fishing activity for Direct Human Consumption with three vessels with Freezing System.</p>	<p>Initial Public Offering (IPO) of 57.5 million shares, adding an additional capital of US\$ 100 MM.</p> <p>Acquisition of additional quotas, reaching 6.45% in the Center - North area and 4.34% in the South.</p> <p>Investments in Direct Human Consumption, implementing Freezing System in three vessels.</p>	<p>Second International Syndicated Loan of US\$ 140 MM.</p> <p>Prepayment of the First International Syndicated Loan.</p> <p>Conversion of the plant in Huacho to SteamDried, being all the plants of Exalmar under such system.</p> <p>Construction of the plant in Paita begins.</p>	<p>Investments in Direct Human Consumption.</p> <p>Construction of the plant for frozen products in Paita (Paita, Piura), with an investment of US\$ 10 MM and a residual flour plant in the same location.</p>	<p>First International Bond Issuance for US\$ 200 MM, maturing in 2020, with an interest rate of 7.375%, allocating funds for the settlement of the Second Syndicated Loan and several investments.</p> <p>Construction of a plant for frozen products in Tambo de Mora (Chincha, Ica), with an investment of US\$ 25 MM.</p>	<p>Proven ability to manage season without quota for the sector.</p> <p>Start of operations in plant for frozen products in Tambo de Mora and license for three new vessels for catching of mackerel and jack mackerel.</p>
PROCESSING CAPACITY	474 MT/ hour	474 MT/ hour	434 MT/ hour	IHC: 434 MT/ hour DHC: 108 MT/ day	IHC: 434 MT/ hour DHC: 683 MT/ day	IHC: 434 MT/ hour DHC: 683 MT/ day
STORAGE CAPACITY AND IHC QUOTAS	5,950 m ³ DHC: 1,266 m ³	5,950 m ³ DHC: 2,570 m ³	IHC: 7,730 m ³ DHC: 2,570 m ³	IHC: 7,730 m ³ DHC: 2,570 m ³	IHC: 7,730 m ³ DHC: 2,600 m ³	IHC: 7,730 m ³ DHC: 2,600 m ³



2.6
DESCRIPTION OF OPERATIONS

PRODUCTION PROCESS (INDIRECT HUMAN CONSUMPTION)

catch



process
(Steam Dried)



**COOKED
PRESSED
DRIED**

products



FISHMEAL:
(Standard, Taiwán/ Tailandia,
Prime and Superprime)

FISH OIL:
IHC and DHC (Omega 3, Omega 6)

distribution



**BROKERS
DIRECT SALES**



2.6
DESCRIPTION OF OPERATIONS

The fishmeal production process begins when catching anchovy, the only species from which fishmeal can be produced in Peru; it continues with a cooking phase, followed by pressing, and drying; and, finally, the product is milled. The drying system is completely indirect (steam dried) and includes three phases: rotadisc dryers, rotatube dryers, hot air dryers, which allow the making of an easily-digestible product with higher levels of protein.

Regarding fish oil, it has gained importance due to its unique strengths in the market, significantly and increasingly contributing with Omega-3 and Omega-6 as dietary food supplies for direct human consumption within the last years.

All the plants have been changed to the vapor drying system (SD) and there are two plants using Natural Gas as energy source (plant of Tambo de Mora is in process of implementation). These improvements allow significantly increased efficiency in production, and reduce environmental impacts.

Finally, the fishmeal distribution system is carried out by brokers or direct sale to distributors in the sector, both in Europe and Asia.

PRODUCTS

a. Fishmeal:

Fishmeal contains 65% and 72% of high quality proteins, and is rich in essential Omega-3, EPA and DHA fatty acids, being a source of food and energy used as supply for feeding animals, such as bovine and porcine cattle, being aquaculture and fish farming sector the most important ones for their exponential growth.

The Company has its own laboratories which guarantee product innocuousness through all the stages of its elaboration process, meeting the highest quality standards required by international markets.

Fishmeal is packed in new 50 kg. polypropylene sacks.

b. Fish Oil:

Fish oil is obtained by separating fats in liquid phase from solid fish at temperatures of 92°C and 95°C, through processes of decantation, centrifugation and polishing.

Fish oil derived from anchovy is valued for its Omega-3 properties, rich in EPA and DHA, and is mainly used for feeding fishes in aquaculture industry. However, fish oil demand has recently been increasing due to a growing

interest in the health benefits of a human diet based on Omega-3, EPA and DHA fatty acids.

Several studies show that EPA regulates brain function, blood pressure, cholesterol level, as well as allergic and inflammatory functions; otherwise, DHA is synonymous of development during pregnancy, breastfeeding, maturity, adulthood, and, particularly, in the elderly.

DIRECT HUMAN CONSUMPTION:

• Productive process:

There are two well-defined production systems in the freezing plants (DHC): one is for manual operations performed by personnel specialized in making frozen hydro-biological products, and the other is automated and uses state-of-the-art equipment specific for pelagic species (jack mackerel and mackerel).

a. Manual production system:

It begins unloading raw material and continues with primary or conditioning operations (filleting, eviscerating, finning, laminating, die-cutting, pre-cooking) in order to can it in accordance with the presentation requested

by the customer. Time and temperature are controlled through all the process. Afterwards, the product is frozen at -18 °C in quick freezing tunnels or plate freezers in order to preserve and conserve its characteristics. It is packed and labeled with relevant information for performing traceability. Immediately, it goes into the cold storage chamber, whose purpose is to keep and maintain the quality of our products through low temperatures of freezing, being the maximum of -18°C.

b. Automated production system:

Being specific for pelagic species (mainly, jack mackerel and mackerel), it begins pumping fish from the holds of ships having refrigeration system on board (Refrigerated Sea Water - RSW) for continuing the cold chain from extraction to transport of raw material to the plant. Afterwards, it continues to the buffer tank and can be stored in fish-storage sheds, which have a refrigeration system. This allows ships setting sail as soon as possible to the fishing zone and optimizing the catch of the available resource, continuing safely our production.

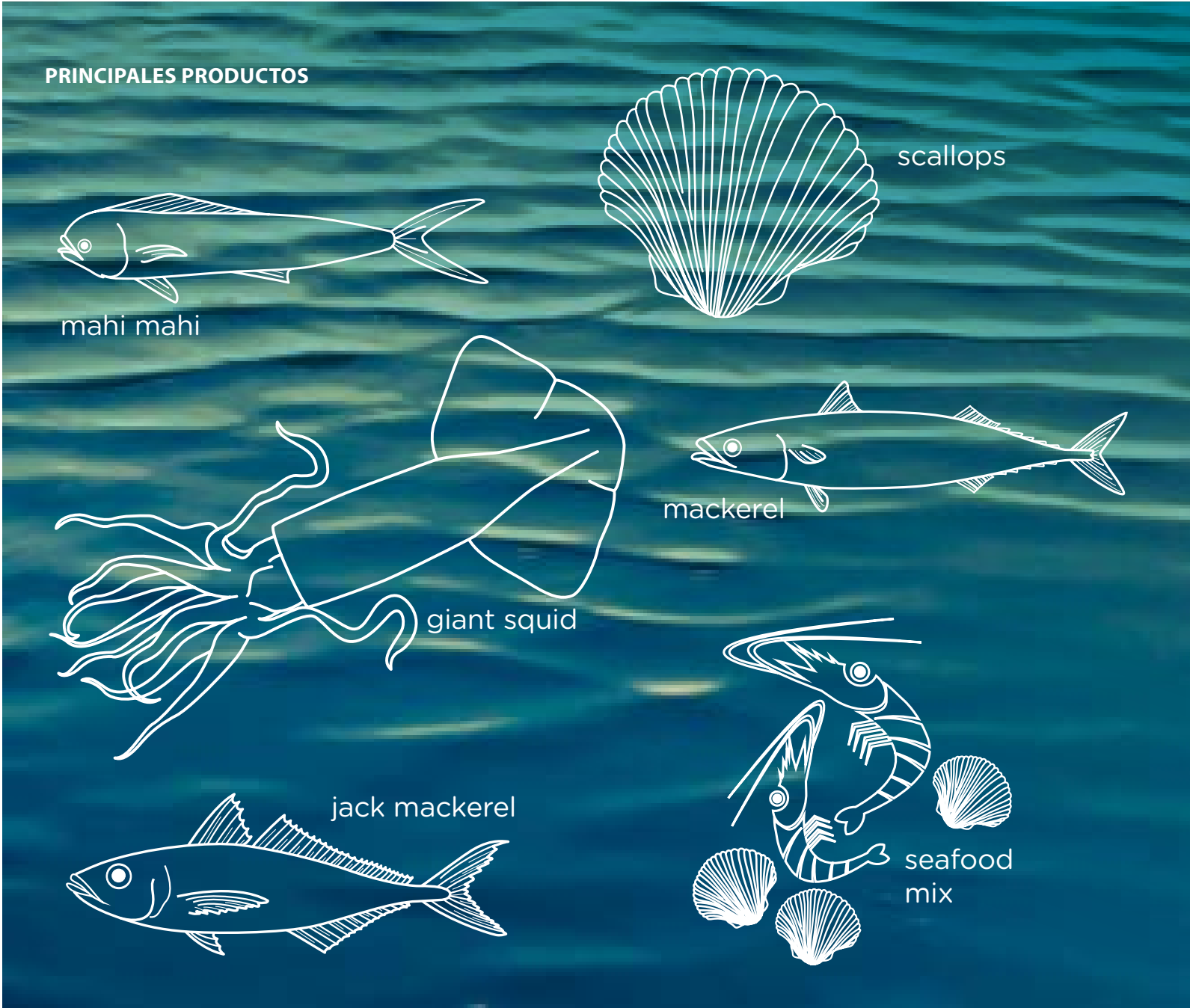
Talking about production, fish is classified through an automatic system, addressed to the manual selection belts, where pelagic species are separated by trained



2.6
DESCRIPTION OF OPERATIONS

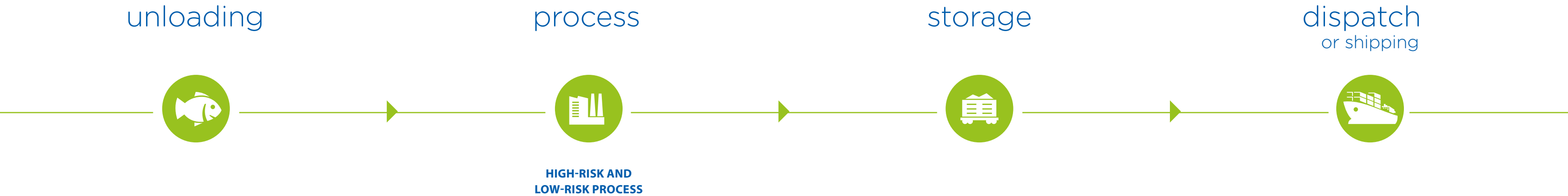
personnel. Then, the product is conveyed to some scales having smart applications, where the product is automatically weighted, time and temperature are controlled, packing is automated, and, by a robot system, it is placed in racks for continuing with the freezing stage in freezing tunnels at -43 °C. This stage is finished when the product reaches a temperature of -18 °C in the thermal centre. Racks are conveyed to an automated equipment, and then to a pallet where stretch film is automatically placed for going into the cold storage chamber, whose purpose is to maintain and preserve the quality of our products through low temperatures of freezing, being the maximum -18°C.

In the refrigerated shipping process, personnel of finished products and shipping verify hygiene, cleanliness, hermetic seal of containers, and correct functioning of cold system. Our objective is to provide the necessary conditions for conveying the finished product to its final destination, maintaining the quality characteristics and food safety.

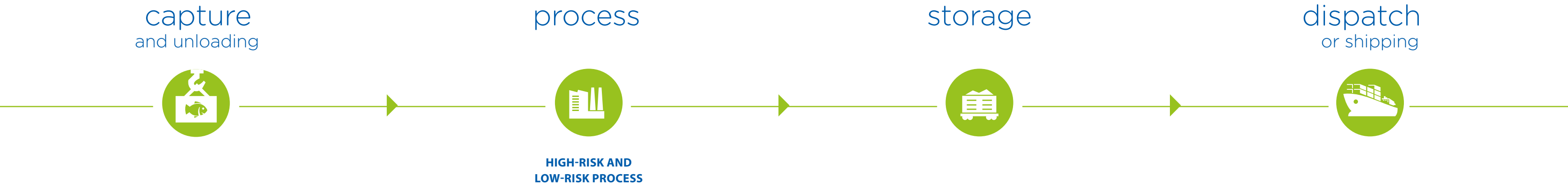


PRODUCTIVE PROCESS (DIRECT HUMAN CONSUMPTION)

MANUAL PRODUCTION SYSTEM



AUTOMATED PRODUCTION SYSTEM



2.6
DESCRIPTION OF OPERATIONS

MAIN ASSETS

- Fleet**
Readjusting to the individual system of fishing quotas, the fleet currently operates 22 vessels out of a total of 59, with a hold capacity of about 7,274 m³, allowing the efficient catch of the allocated quota of 6.54725 % (Centre - North) and 4.33437 % (South).

Out of the total operating fleet, six vessels (RSW) (Refrigerated Sea Water) have an effective total hold capacity of 2,600 m³ and 1,950 m³ of effective capacity for delivering raw material of quality. Likewise, they are completely equipped with state-of-the-art cold systems, used for direct human consumption catch (jack mackerel and mackerel).

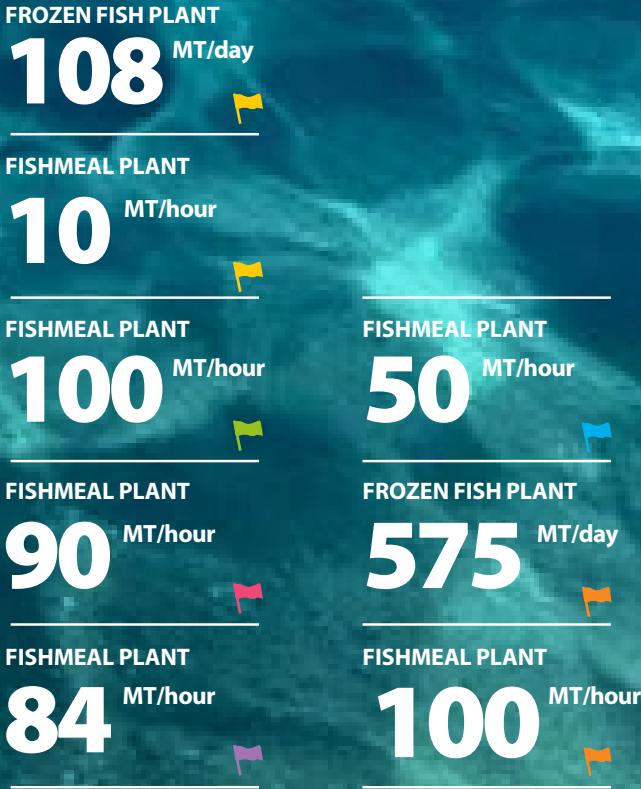
It should also be stated that in 2014 none of the main assets in guarantee in favor of banking entities was delivered.

- Processing Plants**
The Company has six plants for producing fishmeal and fish oil located in Tambo de Mora, Huacho, Callao, Chimbote, Paita and Chicama, with a processing capacity of 434 MT per hour.

The six plants strategically located along the Peruvian coast allow us optimizing production and reception of raw material, both from the own fleet or the third parties. Currently, we have completed the implementation of improvements in plants in order to meet the requirements of environmental adaptation that will result in mitigation of environmental impacts.

On the other hand, we have two plants for making frozen products (Direct Human Consumption), strategically located in Tambo de Mora (575 MT / day) and Paita (108 MT/day).

MAIN ASSETS



2.7
REGULATORY FRAMEWORK

The Ministry of Production (PRODUCE), through the Vice-Ministry of Fisheries, is the governing body of fishery sector. Its functions are oriented to manage resources rationally, as well as to promote and develop fish production and fishing in general.

The Instituto del Mar del Peru (IMARPE) seeks to study the environment and marine biodiversity, to assess fishery resources, and provide information and advice for decision-making on fishing, aquaculture, and marine environmental protection.

According to the regulatory framework in force, there are four ways to access the exploitation of marine resources: (a) authorizations to develop aquaculture on private property, to do researches, to increase fleet, and install industrial fishing establishments; (b) concessions to manage and take advantage of fishing infrastructure of the State, and to develop aquaculture in public property and depths, or in both marine and continental waters; (c) licenses to operate processing plants of fishery products; and, (d) permissions to operate vessels with national and foreign flag. Concessions, authorizations, and permissions are granted for indefinite period. The owners of fishing vessels and industrial establishments can freely

transfer these assets which necessarily entails the transfer of permissions and licenses granted by the State (licenses and permissions are inseparable from assets).

The Deputy Minister of Fisheries, along with the Instituto del Mar del Peru (IMARPE), has a number of monitoring instruments allowing him controlling the access to extraction and processing of pelagic resources, such as the application of bans, specification of volumes of total catch permitted, minimum capture sizes, and percentage of young individuals permitted in the extraction, determination of protected areas, establishment of non-fishing zones or fishing prohibition, among others.

Considering the volume and size of the existing infrastructure, anchovy and sardine have been declared as species fully exploited. This has involved restricting the entry of new fishing vessels to extract these species, and authorizations have been granted only to replace the existing fleet. Likewise, two ban periods annually set for anchovy, which vary according to the resource availability and anchovy life cycle. Generally, these periods are from May to July, and from November to January.



2.7
REGULATORY FRAMEWORK

Industry standards are mainly contained in the General Fisheries Act (DL 25977) and its Regulations (DS 01-94-PE). The aim is to regulate fishing activities in order to promote sustainable development as a source of food, employment and earnings, and to ensure the responsible use of hydro-biological resources.

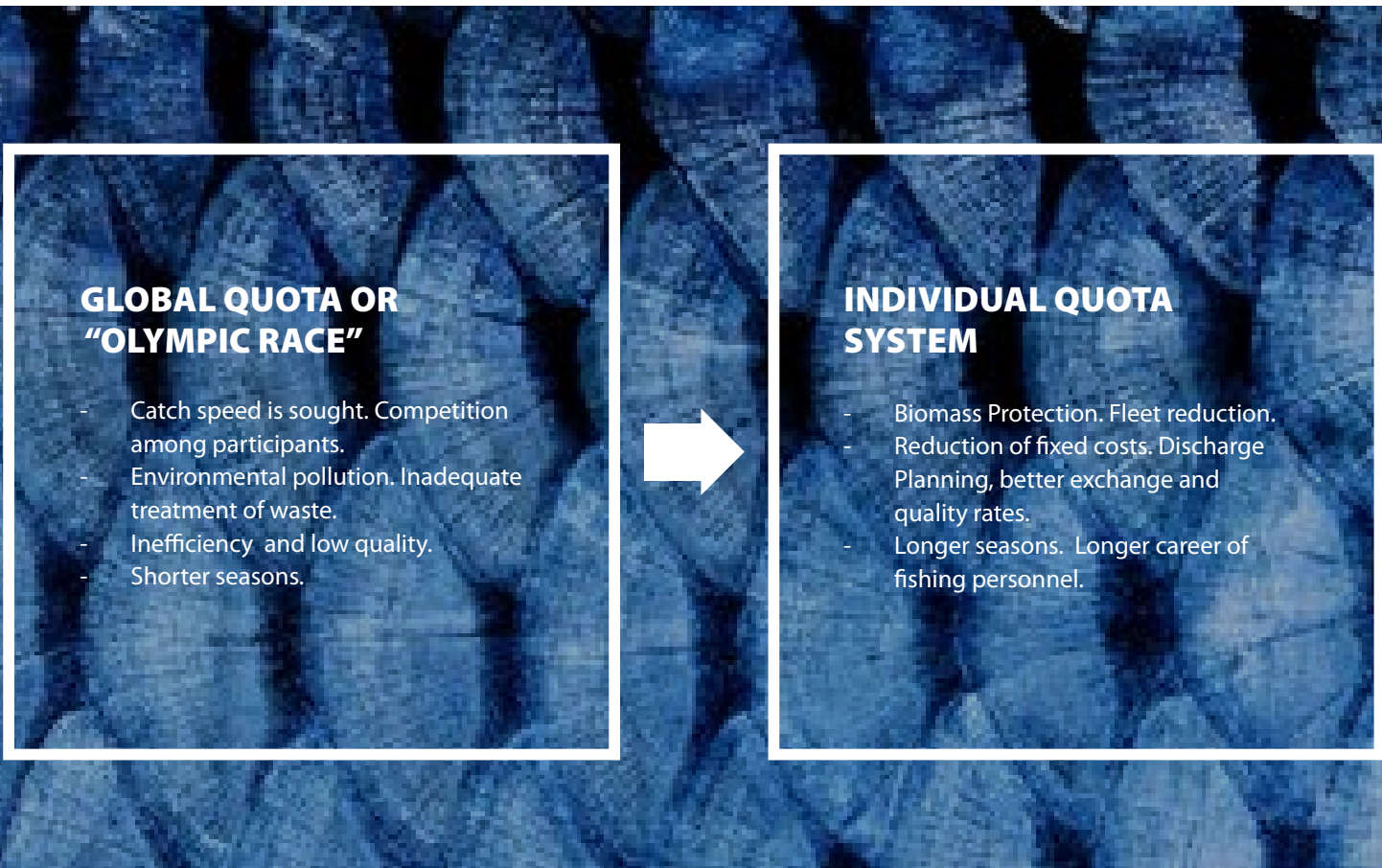
In 2003, the creation of the Fish Monitoring and Control & Unloading Program stands out, in cooperation with private certification companies, through permanent monitoring and control in places for unloading the fish catch aimed to produce fishmeal and fish oil, strengthening actions to control the proper operation of equipment and electronic weighing instruments from industrial fishing establishments, through the monitoring and control of vessels not having fishing permissions, with drastic sanctions to offenders.

In 2008, the Act of Maximum Limits of Catch – Legislative Decree 1084, and its corresponding Regulations were enacted, changing from the system of global quota of catch to a mixed system, where the establishment of a global quota of catch for

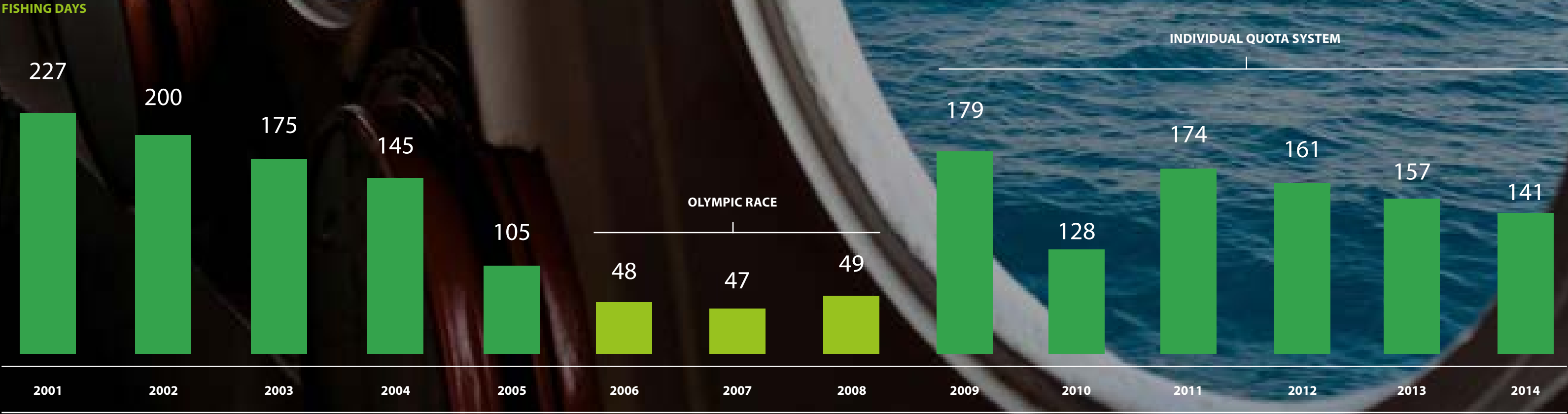
each season, and the allocation of maximum limits of catch per vessel (LMCE) or individual fishing quotas are mixed. This system of individual transferable fishing quotas (ITQ) was implemented from the first fishing season of 2009 onwards, and allowed each authorized vessel catching anchovy, and even completing their individual quota or a percentage out of the total catch permitted.

Through this new regimen it is sought to protect the resources, due to the inordinate race or “Olympic Race” seen over the years among the participating agents, in order to access the maximum rate of the global quota authorized in a minimum time, thus reducing fishing days significantly. In 2009, Exalmar was operating with less than 50% of its vessels, capturing its allocated quota successfully.

This new system meant a change not only for companies, but also for many crew members who would lose their jobs with the reduction of the fishing fleet. Therefore, in order to support those who adopt the system established in DL 1084, a



2.7
REGULATORY FRAMEWORK



2.7
REGULATORY FRAMEWORK

program of voluntary benefits financed by the contribution of fishing companies (owners) for indirect human consumption was created. These programs include:

- Retraining: relocation of workers in dependant activities, training them in three-year technical degrees in specialized educational institutes.
- Development of micro and small enterprises: training in technical degrees related to business management and expert advice.
- Early retirement: for workers older than fifty years who want to adopt this system.
- Payment of special bonus to workers with 2.25 compensations per year of work (up to 18 salaries): in cases of retraining and development of micro-entrepreneurs, with a financial grant for the duration of their training up to 20% of the monthly salary they received before accepting the benefits

In 2012 the Supreme Decree No. 005-2012 and other additional rules were issued, whereby reserve areas designated for the extraction of anchovy for Direct Human Consumption were established and said as artisanal vessels having a hold capacity up to 10 m3, and Small Scale Fishing Vessels with more than 10 m3 and up to 32.5 m3 of hold capacity. It was es-

tablished that between 0 and 5 miles artisanal vessels would be authorized to catch anchovy exclusively for Direct Human Consumption, and the area between 5 and 10 miles would be allocated to small scale fishing vessels which should preferably allocate their catch to DHC. Fishing for the industry which produces fishmeal and fish oil would be conducted by vessels greater than 32.5 m3 of hold capacity, making their fishing away from 10 nautical miles.

In 2013, the Chamber of Constitutional and Permanent Law of the Supreme Court of Justice of the Republic, in process of Popular Action, rendered item 2.2 of Article 2 in Supreme Decree N° 005-2012-PRODUCE invalid. However, on December 13th, 2013, SD 011-2013-PRODUCE was issued, through which it was ordered to keep reserve areas allocated for the extraction of anchovy for Direct Human Consumption.

In 2015, by Supreme Decree No. 001-2015-PRODUCE, the regime for extraction of anchovy resource allocated for direct human consumption in the south was established. This rule renders Supreme Decree 001-2013-PRODUCE invalid, reducing the reserve area exclusively for direct human consumption, and explicitly stating that industrial fleet will carry out its activities out of the reserve area, established from the coastline to mile 5.

Finally, according to the regulation requirements of the Securities Exchange Superintendency, the following is reported:

- Regarding judicial, administrative or arbitration proceedings initiated or being predictable to initiate against or in favor of Pesquera Exalmar, it is considered that we do not have proceedings out of the normal course of our operations, and whose result could have a significant impact on our operations and/or financial position.
- Regarding special relationships between the issuer and the State, such as special tax treatment, exemptions, supervision, concessions, among others, Pesquera Exalmar does not have special relationships as mentioned.

In 2012 the Supreme Decree No. 005-2012 and other additional rules were issued, whereby reserve areas designated for the extraction of anchovy for DHC were established and said as artisanal vessels having a hold capacity up to 10 m³, and Small Scale Fishing Vessels with more than 10 m³ and up to 32.5 m3 of hold capacity.

A clear vision for a
management based on
our capacity to adapt
ourselves and innovate

OVER 35 YEARS
GROWING

HORIZONTAL MANAGEMENT WHICH ALLOWS AGILITY AND
SPEED OF ACTION, ADAPTING OURSELVES TO THE CHANGE
AND KEEPING ALWAYS OUR STANDARDS OF QUALITY AND
EFFICIENCY. WE ARE COMMITTED TO PROVIDE EXCELLENT
PRODUCTS TO OUR CLIENTS, ACHIEVING CLOSE AND
LASTING RELATIONSHIPS.



**VÍCTOR
MATTA CUROTTO**

Chairman

**RENATO
VÁZQUEZ COSTA**

Director

**CECILIA
BLUME CILLÓNIZ**

Director

**RODRIGO
SARQUIS SAID**

Director

**ANDRÉS
MUÑOZ RAMÍREZ**

Director

**CARLOS
ROJAS PERLA**

Director

**PEDRO PABLO
KUCZYNSKI GODARD**

Director



3.1
DIRECTORS

VÍCTOR MATTÁ CURIOTTO
Chairman

Businessman with over 35 years of experience in fishery, food processing and services. Founding partner of Pesquera María del Carmen, Pesquera Alfa and Exalmar (companies that merged giving origin to Pesquera Exalmar S.A.), Complejo Agroindustrial Beta and Empacadora Beta S. A (companies merged into Complejo Agroindustrial Beta S.A.), Agro cítricos S.A., Alpine Peru S.A. and Compañía Hotelera El Sausal. Chairman of Pesquera Exalmar S.A., Complejo Agroindustrial Beta S.A. and Corporación Exalmar S.A.

RENATO VÁZQUEZ COSTA
Director

Lawyer graduated from the National University of San Agustín, Arequipa (1963). Expert in negotiation of corporate contracts. He has participated in and led important mergers, acquisitions and international transactions. Currently, he is advisor and director of several companies, as well as partner of the Estudio Echecopar, associated to Baker & McKenzie International. He has over twenty-five years of experience in the field of insurance, period in which he has advised both insurance companies and corporate policyholders. He has also experience in arbitration and commercial litigation, as well as in international transactions. He has been a member of the Board of Directors of Pesquera Exalmar since 2007.

CECILIA BLUME CILLÓNIZ
Director

Lawyer graduated from the Pontificia Universidad Católica del Perú, with studies on Political Science and Public Services Regulation. During her career she has served the State of Peru in the Ministries of Energy and Mines, Economy and Finance, and in the Presidency of the Council of Ministers, being Chief of Staff three times. She has been director of several public companies from the electric sector, Legal Chief of Osinergmin, Member of the Indecopi Market Access Commission, director of CONITE, Chairman of the Electric Legal Committee of SN-MPE, and member of the Board of Directors of Pro Inversion. She worked as a lawyer in Estudio Echecopar, professor of Business Law and teacher in the Energy Seminar at the Universidad Peruana de Ciencias Aplicadas, member of the Advisory Board for the Master of Public Management at the ESAN university, Universidad Peruana del Norte, member of the Alumni Association Board of the Pontificia Universidad Católica del Peru, and Transparencia Civil Association. She is director of several national private companies, and columnist of papers such as El Comercio and Correo. She has been New Zealand Consul in Peru since 2010. Nowadays, she manages CB Consult S.A.C., a firm giving legal and economic consultancy services. She has been a member of the Board of Directors of Pesquera Exalmar since 2010.

RODRIGO SARQUIS SAID
Director

Graduated in commercial engineering from the Universidad Adolfo Ibáñez de Chile in 1985. Currently, he is the Executive Chairman of BlumarSeafood. Previously, he was Chairman of Pesquera ITATA S.A., a company specialized in extractive fishing and salmon farming, which merged with Golfo in 2011 giving origin to BlumarSeafood. He is director of the Association of Fishing Industrialists ASIPES A.G. Region VIII, director of Sinergia Inmobiliaria S.A., and director of Agroindustrial Siracusa S.A. He also served as Chairman of the Sociedad Nacional de Pesca de Chile (National Fisheries Society of Chile) and chief advisor of the National Council of Fisheries (business sector). He has participated in other businesses, such as the olive oil industry, in Villa Prat, located in Maule Region – Chile. Likewise, he is also a member of the group of thirty businessmen of the first Business Advisory Council formed by the Universidad de Desarrollo (University for Development) in Chile. He has been a member of the Board of Directors of Pesquera Exalmar since 2011.



3.1
DIRECTORS

ANDRÉS MUÑOZ RAMÍREZ
Director

Commercial Engineer in Business Administration from the University of Santiago de Chile in 1986, post-graduate in Administration and Business Management from the University for Development of Chile in 1995. Currently, He is Chairman of Financiera TFC. He served since 1999 to 2011 at Interbank, being Executive Commercial Vice-President, responsible for opening the Representative Office in China. He developed the Corporate Finance area (Capital Markets and M&A) and was Executive Vice-president of Risks, being responsible for the acquisition of Banco Latino and restructuring the Loan Portfolio of the bank. He has experience in Housing Mortgage area at Interbank and was Director of URBI (Interbank Real Estate Group). Previously, he worked as Risk Manager - Company Admission, at Grupo Santander Peru. In 2008, he participated in KELLOG GRADUATE SCHOOL OF MANAGEMENT, The CEO’S Management (Illinois, July 2008). He was a visiting professor at the School of Economics for the course “Topics in Applied Economy”, at the University of Lima. He has been a member of the Board of Directors of Pesquera Exalmar since 2013.

CARLOS ROJAS PERLA
Director

Graduated of Business Administration from the Universidad del Pacífico in Peru, with specialization courses at the University of Harvard, TEC of Monterrey and the Universidad del Pacífico. He works as columnist of G de Gestión magazine and regular lecturer in seminars. He is also Director for Peru Chapter of the “Hedge Fund Management Association”, and has been a founding member and Managing Director of Andino Asset Management SAC, since November 2011. He worked in Compass Peru from March 2006 to September 2011 as Investment Manager. He was Director of Compass Group SAFI (Sociedad Administradora de Fondos de Inversión). He was a member of the Investment Committee of Faro Capital Private Investment fund I, a fund of “private equity” with a committed capital of US\$ 55 MM. In September 2006, he found and manages for Compass Group the fund Peru SpecialInvestmentsFund (PSIF), the first “hedge fund” of Peruvian shares. This fund had US\$ 135 MM in assets under management, and was ranked in 2007 and 2010 by the Bloomberg magazine, within funds with better return on investment for the industry. He also was Investment Manager at Compass Colombia for a short time. He has been a member of the Board of Directors of Pesquera Exalmar since 2013.

PEDRO PABLO KUCZYNSKI GODARD
Director

: Graduate from Exeter College, University of Oxford. He completed a Master’s degree in Economics at the Woodrow Wilson School of Public and International Affairs at the University of Princeton in the United States. He held the positions of Minister of Energy and Mines, Minister of Economy and Finance, and President of the Council of Ministers of Peru. He has been a member of the Board of Directors of Pesquera Exalmar since June 2014.

CRISTIÁN CELIS MORGAN
Director

Commercial Engineer graduated from the Pontificia Universidad Católica de Chile in 1991. In 1996, he obtained his Master’s degree in Finance at the London Business School. He developed his professional career performing different positions at Citigroup. He was a partner of the business unit of Citigroup Venture Capital International, which was a part of the Citi Capital Advisors division of Citigroup. He was responsible for creating, structuring, and monitoring private equity investments for Citigroup in Latin America. Among his responsibilities with private equity investments, he was director of several companies and factories, such as Salmenes Tecmar S.A. (salmon farming), Compañía Minera Las Luces (copper mine), Sociedad Punta de Lobos S.A. (salt production and extraction), Grupo GTD (telecommunications and fiber optic network), Hidroeléctricas del Sur S.A. (power generation) and Dream S.A. (casinos and hotels complex). He previously worked in the area of investment banking at Citigroup. He was a member of the Board of Directors of Pesquera Exalmar from 2007 to June 2014.



3.2
DEGREE OF LINKAGE

The Board of Directors is currently comprised by seven directors. The Chairman of the Board, Mr. Victor Matta Curotto, who is linked to the shareholders Caleta de Oro Holding del Peru S.A.C., Caleta de Oro Holding S.A., and Silk Holding Management LTD, adding the control Economic Group up to 70.74 % of shareholding.

Likewise, Pesquera Exalmar has six independent directors. They are Jorge Renato Vásquez Costa, María Cecilia Blume Cillóniz, Rodrigo Sarquis Said, Andrés Muñoz Ramírez, Carlos Rojas Perla and Pedro Pablo Kuczynski Godard.

3.3
BOARD COMMITTEES

The following people are part of the Board Committees of Pesquera Exalmar:

COMMITTEES	DIRECTORS
Committee of Corporate Governance	Cecilia Blume and Carlos Rojas
Committee of Remunerations	Renato Vázquez and Andrés Muñoz
Committee of Audit	Rodrigo Sarquis and Pedro Pablo Kuczynski
Committee of Risks	Cecilia Blume, Rodrigo Sarquis and Andrés Muñoz
Committee of Finance	Carlos Rojas and Pedro Pablo Kuczynski

**Mr. Víctor Matta,
Chairman, Businessman
with over 35 years of
experience in fishery, food
processing and services.**



3.4
MANAGEMENT TEAM

The Management Team of the company is composed by the following people:

MANAGERS	
Rossana Ortiz Rodríguez	General Manager
Raúl Briceño Valdivia	Finance and Administration Manager
Arturo Muñoz Lizárraga	Plant Operations Manager
Fernando Angulo Delgado	Fleet Operations Manager
Judith Vivar Ramírez	Commercial Manager
Demian Ballón Espinoza	Controller Manager

Now there is a brief overview of the members in the Management Team:

- Rossana Ortiz Rodríguez:** Public Accountant graduated from the University of Lima. She studied in the Senior Management Program at the University of Piura in 1992. She also has several studies in the areas of strategic planning, projects, management, accounting, tax and systems; studies in Sweden, Japan and the United States. Likewise, she studied in the Training School of Arthur Andersen, at local and international levels, and in various educational institutions of the country. She served as Executive Director of Pesquera Exalmar S.A. (1996 - 2005), Business, Administration and Finance Manager of Fima S.A. (1990 - 1995), and Senior Auditor at Arthur Andersen & Co. (1983 - 1989). She has been working in her current position since 2006.
- Raúl Briceño Valdivia:** Bachelor's degree in Economics from the University of Lima in 1982 and Master's degree from ESAN in 1986. He studied in the Executive Development Program at the University of Piura (1991), and a certification program in Quality Management-AOTS, obtained in Osaka (Japan) in 2003. In 2014, he participated in the International Financial Management Program or-

ganized by P.A.D. of the University of Piura and the London School of Economics. He worked in the financial area of Minsur S.A. (1988 - 1999), and as Business Assistant Manager at Interbank (1983 -1988). He has been working in his current position since 2000.

- Arturo Muñoz Lizárraga:** He has a BA in Mechanical Engineering from the National University of Callao (1989). He graduated from the Master Program of Maintenance Management at the National University of Callao. He studied specialized courses of energy saving at the Latin American Energy Conservation Seminar in Armstrong, Three Rivers, Michigan (1997). He previously served as Operation Manager at Alexandra S.A.C. (2001 - 2005), Fishing Technical Manager in Fima S.A. (1995 - 2000), and Plant Engineer - Chief of Production at Conservera Rody S.A. (1990 - 1995). He has been working in his current position since 2005.
- Fernando Angulo Delgado:** Bachelor of Maritime Science, graduated from the Escuela de Oficiales de la Marina Mercante (School of Merchant Navy Officers) in 1987, with wide experience at managing port and maritime operations, maintenance management and operations, integrated management systems (Safety, Protection and Quality).

He was Fleet Marine Superintendent at Trabajos Marítimos S.A., an important maritime and port operator in Peru. He has been working in his current position since 2012.

- Judith Vivar Ramírez:** Business Manager with a Master's degree in International Business from the Peruvian University of Applied Sciences (UPC). She has a long career in the fishery sector of Peru. She has been working in her current position since 2009.
- Demian Ballón Espinoza:** Business Manager from Ricardo Palma University, with a Master's degree in Corporate Finances from the University of Applied Sciences (UPC). He was Head of Management Control at Inretail Peru Corp, and Assistant Manager of Control and Project Management at Intercorp Retail. He has been working in his current position since May 2014.
- José Francisco del Castillo:** Bachelor of Economics from the University of Lima (2002), with a specialization in finance and risks. He worked as Commercial Manager for Direct Human Consumption at Pesquera Diamante, and Associate Manager at Marinasol S.A. He was Manager of the Business Unit of Direct Human Consumption until November 2014.



The background of the entire page is a photograph of fishermen. In the foreground, a man in a bright orange raincoat and a matching hard hat is looking towards the left. Behind him, another person in similar gear is partially visible. They are on a boat, with the dark, textured hull and ropes visible. The sea and a clear blue sky are in the background.

A clear vision, committed to the development of human talent

OVER 35 YEARS
GROWING

WE CONSIDER THE LEVELS OF COMMITMENT AND CONNECTION WITH PEOPLE AS THE MOST IMPORTANT THING IN OUR SEARCH FOR GENUINE SOCIAL TRANSFORMATION. WE PROMOTE THE DEVELOPMENT OF FISHING SHIPOWNERS AND ARTISANAL FISHERMEN WHEN CREATING TRUST, DEVELOPMENT RELATIONSHIPS IN AREAS WHERE WE OPERATE. LIKEWISE, WE BELIEVE IN THE PERSONAL AND PROFESSIONAL DEVELOPMENT OF OUR COLLABORATORS THROUGH TEAMWORK AND INNOVATIVE ATTITUDE, AIMED TO ACHIEVE RESULTS BEYOND WHAT IS EXPECTED.



management report

4.1 INDIRECT HUMAN CONSUMPTION (IHC)

After suspending the second season of 2014 due to abnormal environmental conditions that temporarily affected the coastal habitat of anchovy, the Company opportunely adopted the corresponding measures to face the situation of the sector, such as:

- To reduce CAPEX and maintenance expenses, accepting only what is strictly necessary.
- To reduce other expenses until April 2015, such as insurance, energy, etc.
- To guarantee liquidity to cover fixed costs until the first semester of 2015, by having cash and bank lines of credit.

The suspension of the second season of 2014 affected the 2014 financial statements because of an increase in ban expenses amounting to USD 4.0 MM in the last quarter of 2014 (+ 62%), compared to the same period in the previous year, due to the suspension of the second fishing season of 2014. Additionally, 2014 has been impacted by the catch of only 66.4% out of the quota for the first season of 2014, due to the abnormal warming of waters as a consequence of El Niño.

So far, the information spread by IMARPE and ENFEN about environmental conditions shows positive perspectives for the first season of 2015:

- On December 22nd, IMARPE published its report “Situation of the Stock North-Center of the Peruvian Anchovy to December 2014”, which states the following:
 - There is a tendency to the normalization of the coastal upwelling system, restoring the cold conditions on the coastal border.
 - Anchovy biomass showed a significant recovery from 1.45 millions of MT (estimated in the IMARPE report to October) to 4.39 millions of MT, which is mainly composed by young individuals.
- The Official Announcement of the Multi-sectorial Committee Responsible for the National Study of the El Niño Phenomenon (ENFEN) No. 01-2015 was released on January 9th, and reported the following:
 - Change from weak warm conditions to neutral conditions, ending the moderate coastal El Niño that started in May and ended in October 2014.
 - That “current conditions in the Peruvian sea continue favoring the recovery process of anchovy biomass”.
- The Official ENFEN Announcement No. 02-2015 was released on February 6th, and states the following:

- That, along the Peruvian coast, neutral conditions continued on sea surface temperature, air temperature, and temperature of the average sea level; and they are expected to continue for the rest of the summer.
- That, according to the analysis of current conditions, neutral conditions in the Niño 1+2 region are expected for the next two months.
- Financial statements as at December 31st, 2014 included the catch and processing of the first anchovy season in 2014, as well as the inventories to December 31st, 2013, and fishing and production of January, 2014. In this first season, a catch of 66.4% out of the total quota of 2,530 thousand MT assigned to the central-north area (2,050 thousand MT in the same season of 2013) was gotten and Pesquera Exalmar reached an effective catch of 72.5% out of its quota.
- During the first season of 2014, Exalmar achieved a participation of 12.7% in the total processing, higher than the 10.8% reached in the same season of 2013.
- By the end of the first season of 2014, Pesquera Exalmar ranked fourth in fishery industry, in terms of fishmeal and fish oil processing.

COMPANY	1 ST SEASON 2014
TASA	25.8%
CHINA FISHERY COPEINCA	19.5%
PESQUERA DIAMANTE	13.1%
EXALMAR	12.7%
HAYDUK	9.9%
AUSTRAL	8.9%
OTHERS	10.1%



4.1
INDIRECT HUMAN CONSUMPTION (IHC)

- Considering that one-year financial statements usually include the sales corresponding to the production of the second quota in the previous year and the first quota in the current year, in 2013 financial statements of the companies from this sector included an effective catch quota of 2,725 thousand MT, while a volume of 3,954 thousand MT of effective quota was included for this year, representing an increase of 45.1%.
 - There was an effective catch of 66.4% out of the allocated quota in the first season of 2014, compared to a catch of 97.2% in the first season of 2013.

Thousand MT	AS AT DECEMBER 31ST, 2013		
	2nd Season 2012	1st Season 2013	Total
C-N Quota	810	2,050	2,860
Effective catch	732	1,993	2,725
Quota Advance	90.4%	97.2%	95.3%
Exalmar processing	82	216	298
Quota allocated to Exalma	6.55%	6.55%	
Participation of Exalmar	11.2%	10.8%	
Season	11/22- 01/31	05/17- 07/31	

Thousand MT	AS AT DECEMBER 31ST, 2014		
	2nd Season 2013	1st Season 2014	Total
C-N Quota	2,304	2,530	4,834
Effective catch	2,274	1,679	3,954
Quota Advance	98.7%	66.4%	81.8%
Exalmar processing	266	213	479
Quota allocated to Exalmar	6.55%	6.55%	
Participation of Exalmar	11.8%	12.7%	
Season	11/12-01/31	04/23 – 08/10	

- The higher levels of quota and effective catch described regarding the previous year had a positive impact on the processing and sales volume, as well as on gross margin and results for 2014.
- As at December 31st, 2014, the catch and processing volumes shown correspond to the balance of the second season of 2013 and the first season of 2014. In this period, the own catch and the purchase to third parties were lower (-4 43%) than the same period in the previous year, due to the suspension of the second season of 2014.

4.1
INDIRECT HUMAN CONSUMPTION (IHC)

THOUSAND MT	2013	2014	VARIACIÓN
Own catch	268.6	155.7	-42%
	58%	59%	
Purchase to third parties	197.8	108.2	-45%
	42%	41%	
Total processing	466.4	263.9	-43%
Fishmeal produced	106.2	60.0	-43%
Oil produced	17.1	14.0	-19%
Fishmeal factor	4.4	4.4	-
Fish oil factor	3.7%	5.3%	-

- Regarding inventories, the highest quota of the second season of 2013, and thus the highest oil fish and fish meal production corresponding to November and December 2013 compared to the previous year, had an impact on the first levels of the 2014 inventory. In the case of fishmeal, such first inventory plus production up to December 31st, 2014 meant an available volume for sale of 98.7

thousand MT (117.3 thousand MT in the same period of the previous year), from which 91.8 thousand MT were sold, with a remaining stock of 7.0 thousand MT (38.7 thousand MT to December 31st, 2013). Oil sales up to December 31st, 2014 were 19.4 thousand MT, with a final remaining stock of 0.7 thousand MT (6.5 thousand MT in the same period of the previous year).

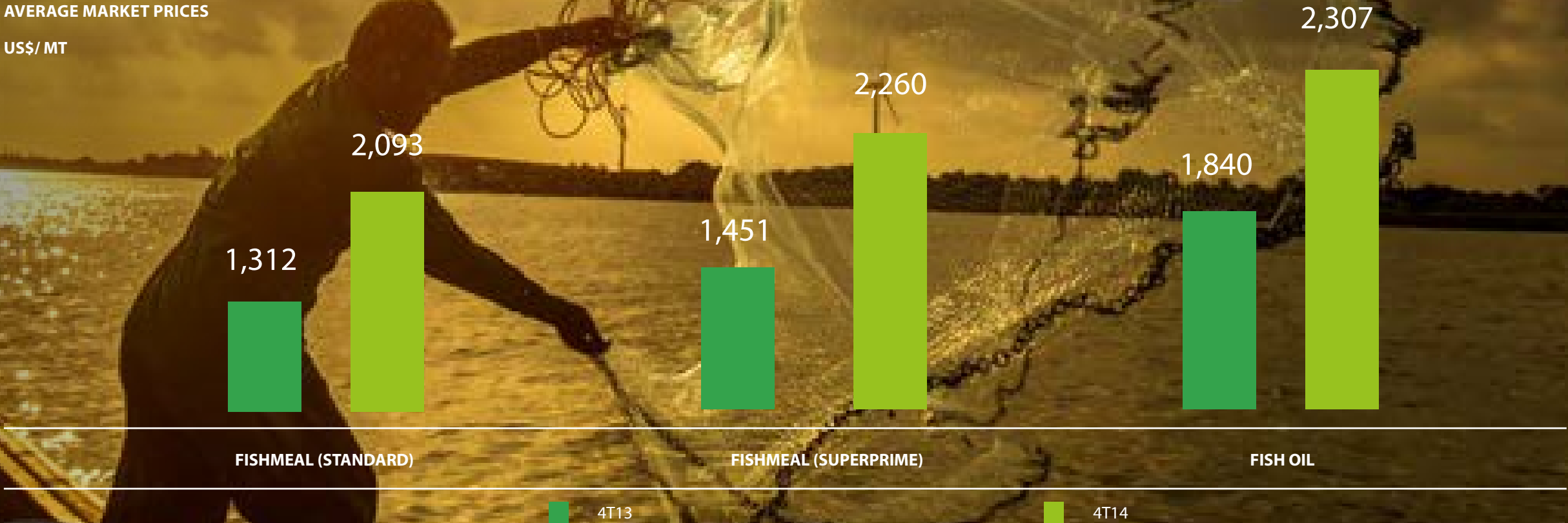
FISHMEAL (THOUSAND MT)	2013	2014	VARIATION
First inventory	11.1	38.7	249%
Production	106.2	60.0	-43%
Sales	79.9	91.8	15%
Reprocessing	1.3	0.1	
Final inventory	38.7	7.0	-82%

FISH OIL (THOUSAND MT)	2013	2014	VARIATION
First inventory	1.0	6.5	547%
Production	17.1	14.0	-19%
Sales	11.6	19.4	67%
Reprocessing	0.0	-0.4	
Final inventory	6.5	0.7	-90%

4.1
INDIRECT HUMAN CONSUMPTION (IHC)

- The suspension of the second season of 2014 had a significant impact on prices, both on fishmeal and fish oil. Then, the average prices during the fourth quarter of 2014 increased by 56% in the case of Superprime fishmeal (US\$ 2,260 per MT) and 25% in the case of fish oil (US\$ 2,307 per MT), regarding the same period in the previous year.

AVERAGE MARKET PRICES
US\$/ MT



4.2
DIRECT HUMAN CONSUMPTION (DHC)

On January 3rd, 2014, PRODUCE established the jack mackerel and mackerel quota for the extractive fishing of industrial fleet at 152.0 thousand MT, for the period between January 16th and December 31st, 2014. As at December 31st, 2014, 89.7 thousand MT approximately were captured, reaching 59.0% of effective catch, 49% higher than the previous year (60.3 thousand MT).

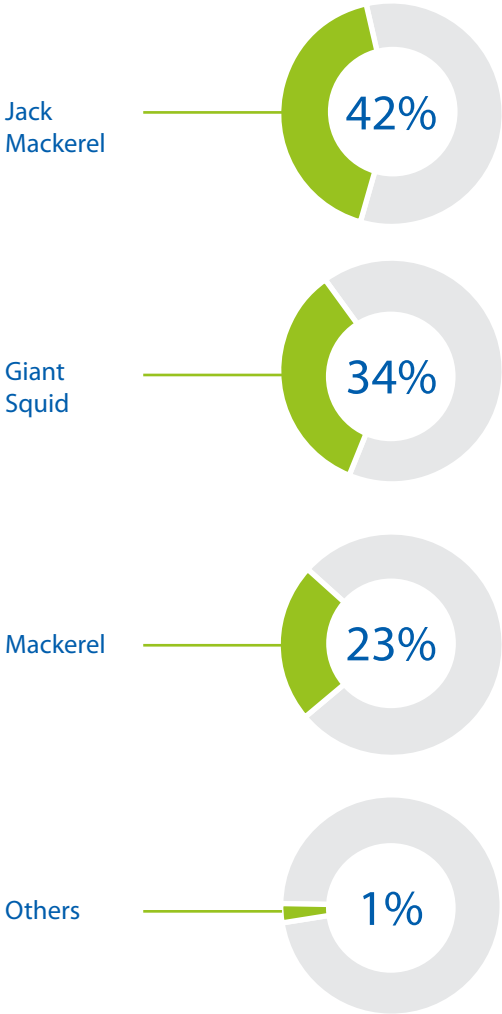
As at December 31st, 2014, Pesquera Exalmar captured around 7.8 thousand MT of mackerel and jack mackerel (8.7% out of the effective catch), representing an increase of 98% compared to the catch of 2013, when we reached 6.5% of participation.

It should be noticed that in mackerel and jack mackerel catch there is not an individual system of quotas, but a global quota where only licensed vessels participate.

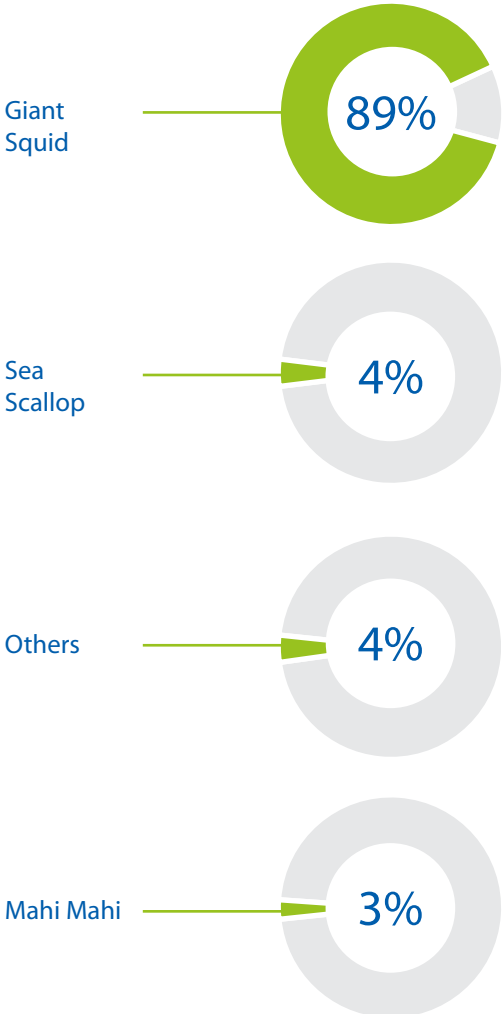
In 2014, the first year of operations, the plant of Tambo de Mora produced 13,346 MT of frozen products. The 8,721-MT production of mackerel and jack mackerel and the 4,538-MT production of giant squid were outstanding, which mainly occurred in the second semester of the year, due to the work for catching this species by southern ports, such as Ilo and Matarani.

MACKEREL AND JACK MACKEREL			
MT	2012	2013	2014
C-N Quota	160,000	106,000	152,000
Effective Catch	112,310	60,329	89,700
Quota Advance	70.2%	56.9%	59.0%
Exalmar Catch	6,777	3,941	7,792
Exalmar Participation	6.0%	6.5%	8.7%

PRODUCTION OF THE PLANT IN TAMBO DE MORA (*)



PRODUCTION OF THE PLANT IN PAITA (*)



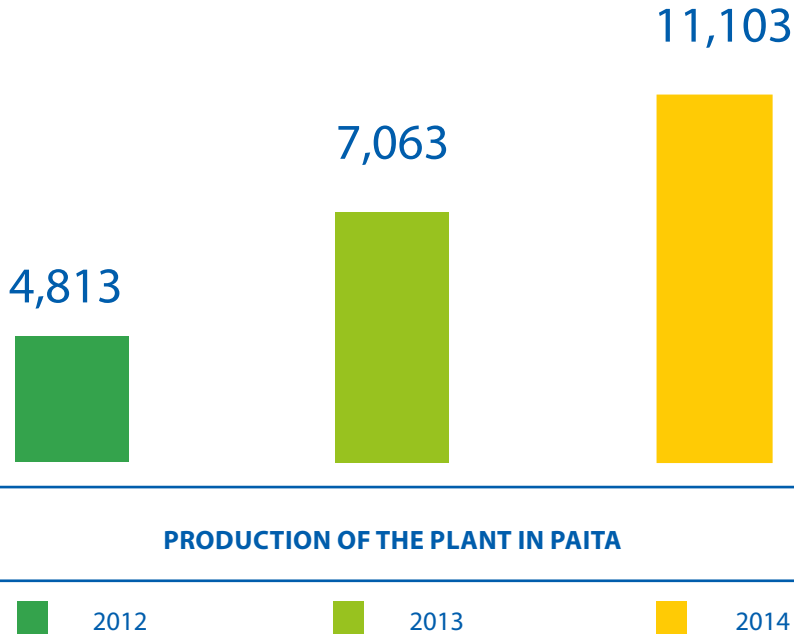
Participation in catching mackerel and jack mackerel increased from 6.5 % to 8.7 %.

(*) in MT as at December 31st, 2014.

4.2
DIRECT HUMAN CONSUMPTION (CHD)

The production of the Plant in Paita reached 11,103 MT as at December 31st, 2014, increasing by 57% regarding the previous year (7,063 MT).

MT



PRODUCTION OF THE PLANT IN PAITA

Regarding DHC inventories, as at December 31st, 2014, we have a final inventory of 5,489 MT of various species, both in the Plant of Tambo de Mora and in the Plant of Paita.

On January 8th, 2015, the catch limit for jack mackerel was established at 96,000 MT and for mackerel, at 44,000 MT, applicable to extractive fishing for Direct Human Consumption, for the period between January 1st and December 31st, 2015.

*Production
of Paita Plant
increased in 57%.*

INVENTORY OF FROZEN PRODUCTS DHC (*)					
MT	MACKEREL AND JACK MACKEREL	GIANT SQUID	MAHI-MAHI	SCALLOPS	OTHERS
Sales	8,630	9,420	227	490	397
Final Inventory	335	4,781	210	43	120

(*) in MT as at December 31st, 2014.



4.3
ANALYSIS OF ECONOMIC &
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US\$ MM	2013	2014	%
Sales	168.9	220.9	31%
Gross Profit	40.9	56.3	38%
Operating Profit	23.5	37.4	59%
Profit before Tax	-7.8	18.1	132%
Net Profit	-1.5	14.3	872%
EBITDA (*)	41.6	56.8	36%



Despite a first season of 2014 affected by El Niño and a second season without quota for the sector, the Company increased its sales by 31% and its EBITDA by 36 %.

(*) The estimated EBITDA does not include other incomes/expenses since these are non-recurrent items, and does not include employees' profit sharing neither.
(**) Operating profits do not include other incomes/expenses.

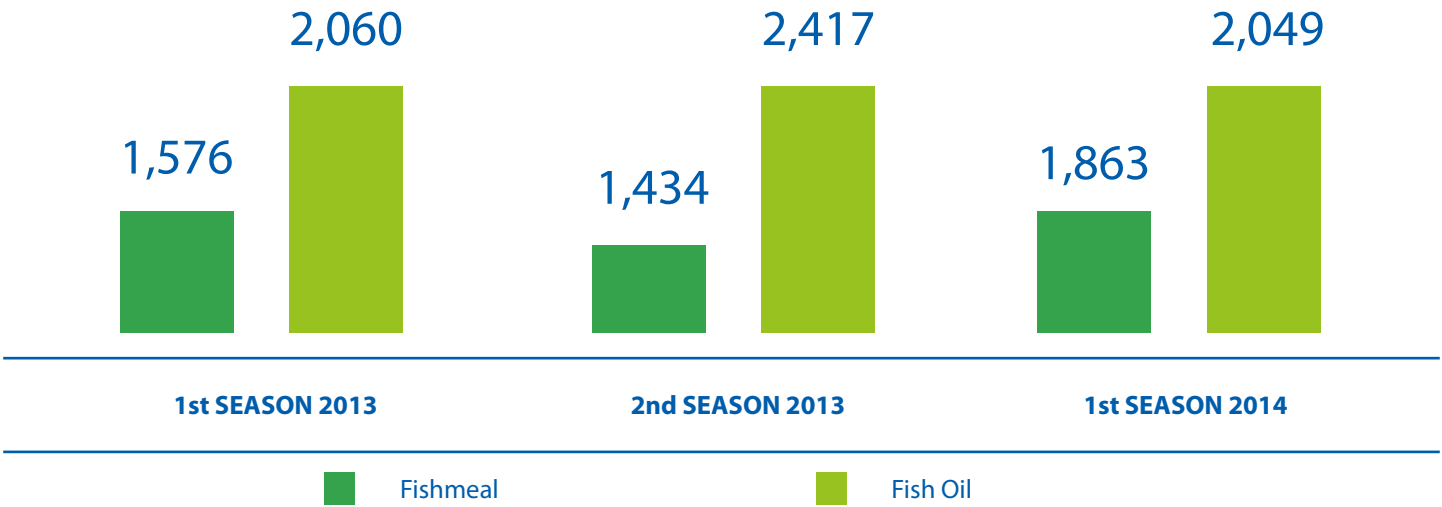
4.3
ANALYSIS OF ECONOMIC &
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4.3.1 SALES

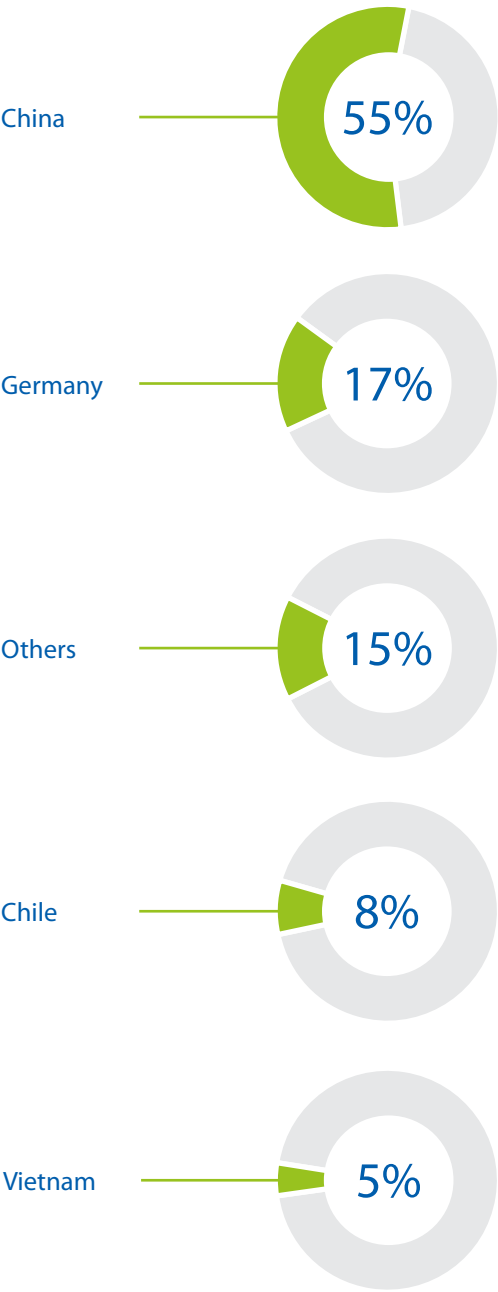
- As at December 31st, 2014, total sales increased by 31% compared to the same period in 2013; IHC business increased by 22%, for the following reasons: i) Opening stocks increased due to a greater fishing quota during the second season in 2013 (2,304 MT, compared to 810 MT in 2012); ii) Fishmeal and fish oil sales increased, with similar average prices, yet offset by a higher volume.
- Average sales prices for fishmeal and fish oil to December 31st, 2014 remained at similar levels, regarding the previous year. However, in the last quarter of the year, prices increased considerably, as a consequence of the suspension of the second anchovy fishing season.
- Sales corresponding to the first and unique 2014 season were made between May 2014 and February 2015, which, based on the fishing conditions from the said year, is atypical. Export average price for fishmeal corresponding to the first season of 2014 was 1,863 US\$/MT, compared to 1,576 US\$/MT in the first season of the previous year, while export average price for fish oil was 2,049 US\$/MT compared to 2,060 US\$/MT in the same season of 2013. It should be noted that fishmeal exported during the last quarter of 2014 had an average price of 2,050 US\$/MT, while for the stock by the season closure there are contracts with an export price of about 2,300 US\$/MT.

**DHC sales increased in 124%
and accounted for 15% out
of sales, compared to 9%
obtained the previous year.**

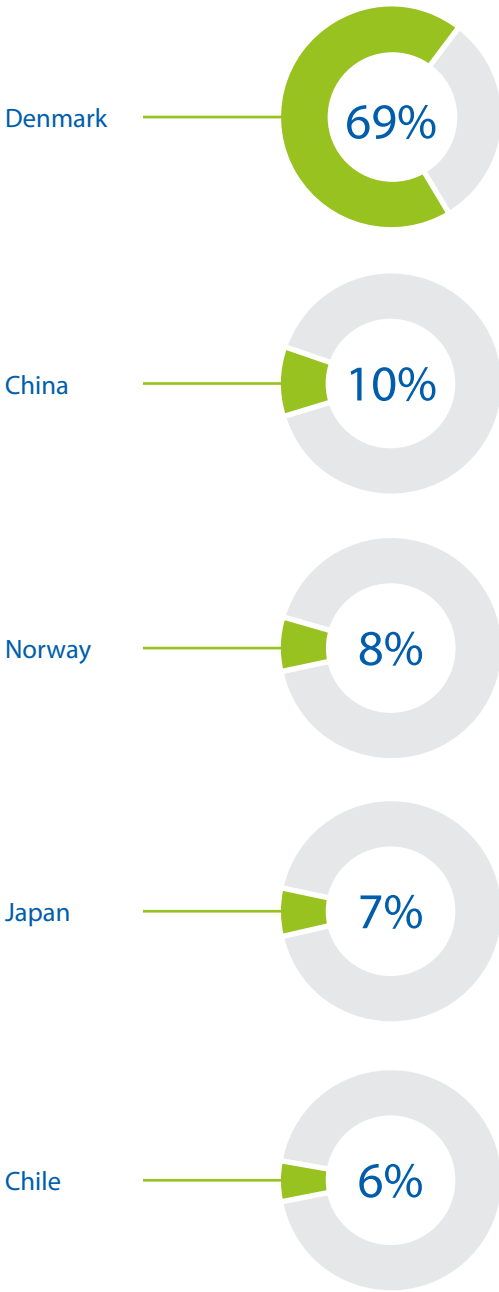
AVERAGE EXPORT PRICE PER SEASON
US\$/ MT



FISHMEAL EXPORTS (*)

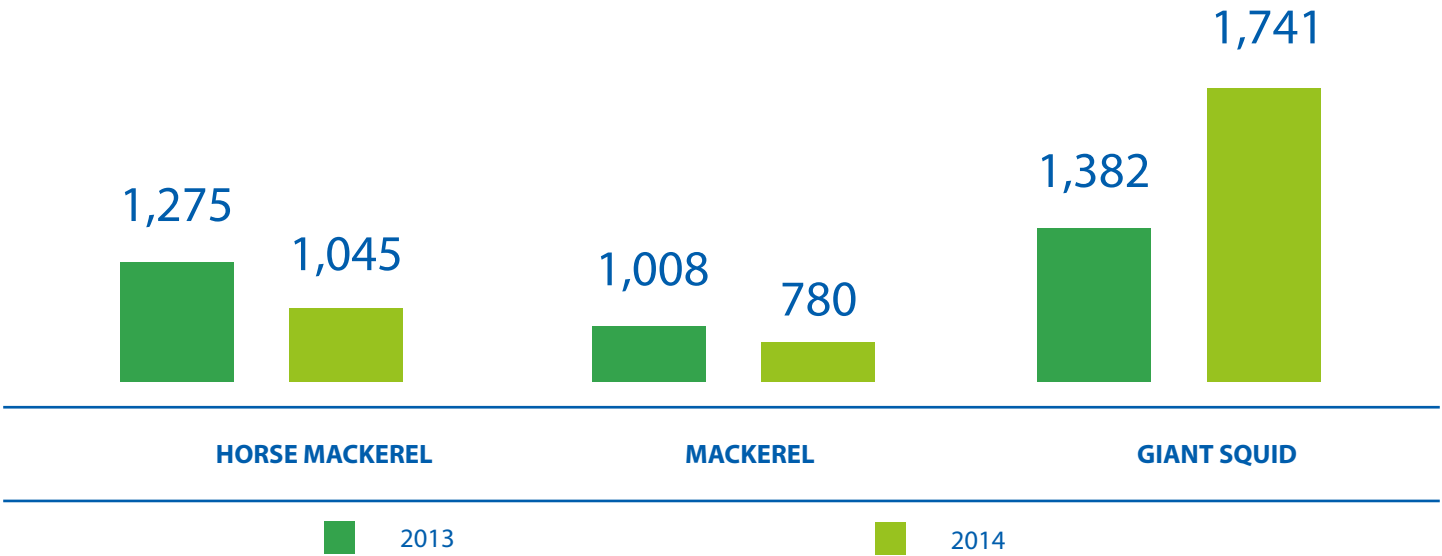


FISH OIL EXPORTS (*)



- DHC business increased by 124% compared to the same period in the previous year, boosted by the greater production and sales of frozen products (+149%) and a decrease in sales of fresh fish (jack mackerel and mackerel) by 80%, after the start of operations at the plant of Tambo de Mora.
- DHC sales accounted for 15% out of total sales, compared to 9% obtained the previous year.

AVERAGE SALES PRICES FOR MAIN SPECIES (DHC)
US\$/ MT

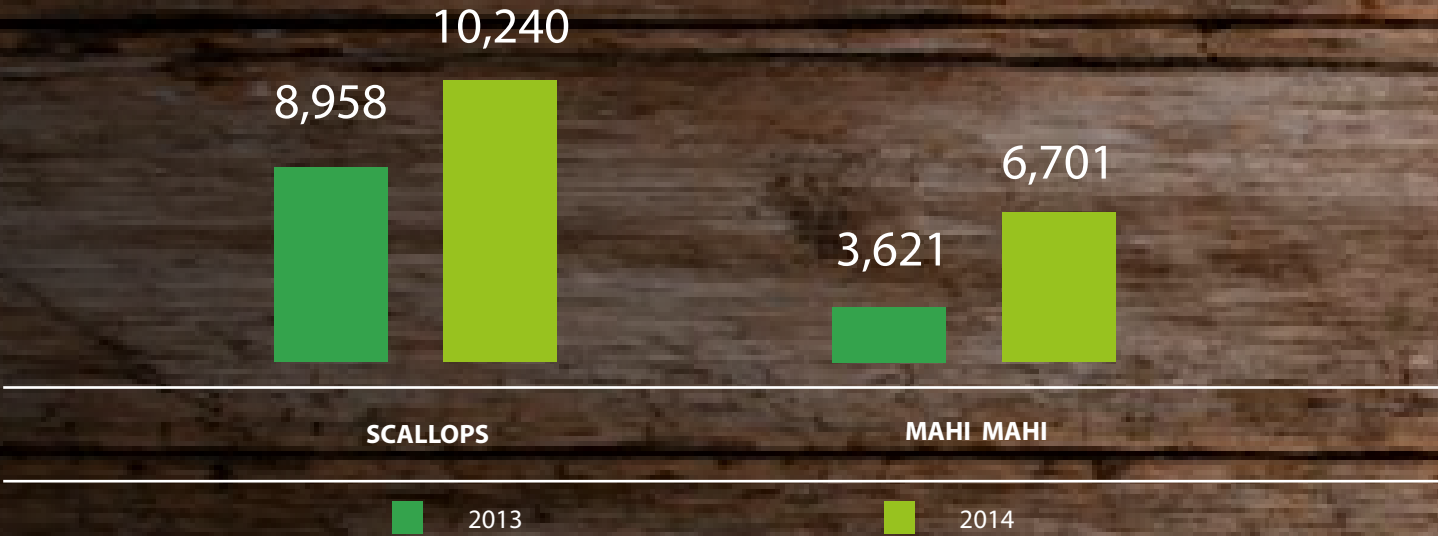


(*) Figures in US\$ as at December 31st, 2014.

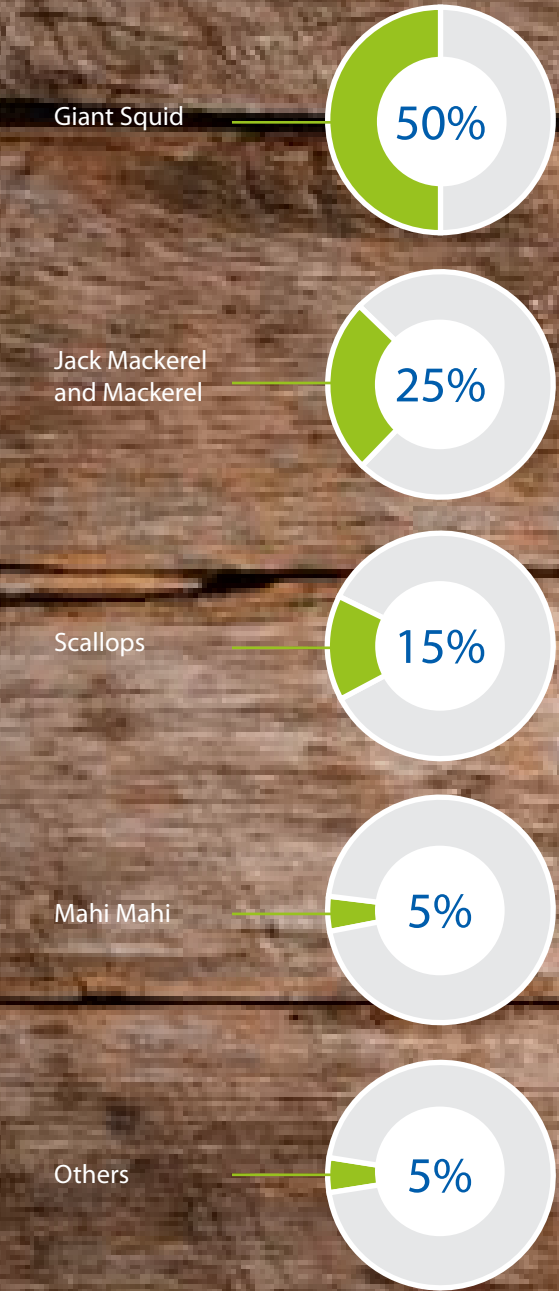


4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

AVERAGE SALES PRICES FOR MAIN SPECIES (DHC)
US\$/ MT



DHC: SALES OF FROZEN PRODUCTS (*)



(*) Figures in US\$ as at December 31st, 2014.



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

US\$ MM	2013	2014	VARIATION
FISHMEAL			
MT	79,903	91,809	15%
US\$/MT	1,616	1,597	-1%
Fishmeal Total Sales	\$129,102	\$146,608	14%
% Total Sales	76%	66%	
FISH OIL			
MT	11,628	19,394	67%
US\$/MT	1,979	2,043	3%
Fish Oil Total Sales	\$23,008	\$39,623	72%
% Total Sales	14%	18%	

ANCHOVY			
MT	6,522	4,438	-32%
US\$/MT	274	235	-14%
Anchovy Total Sales	\$1,789	\$1,043	-42%
% Total Sales	1%	0%	
Fishing Quota Lease	\$0	\$158	
% Total Sales	0%	0%	
INDIRECT HUMAN CONSUMPTION TOTAL	\$153,899	\$187,433	22%
% Total Sales	91%	85%	

(*) Se incluye jurel, caballa, conchas de abanico, perico, calamar, pota en diferentes presentaciones, entre otros.



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

US\$ MM	2013	2014	VARIACIÓN
FRESH FISH			
MT	2,260	888	-61%
US\$/MT	600	301	-50%
Fresh Fish Total Sales	\$1,357	\$267	-80%
% Total Sales	1%	0%	

FROZEN PRODUCTS (*)			
MT	8,790	19,164	118%
US\$/MT	1,499	1,654	10%
Frozen Products Total Sales	\$13,175	\$31,698	141%
% Total Sales	8%	14%	

Others	\$460	\$1,546	236%
% Total Sales	0%	1%	
DIRECT HUMAN CONSUMPTION TOTAL	\$14,992	\$33,511	124%
% Total Sales	9%	15%	
TOTAL	\$168,891	\$220,944	31%

(*) It includes jack mackerel, mackerel, sea scallops, mahi-mahi, squid, and giant squid in various forms, among others.

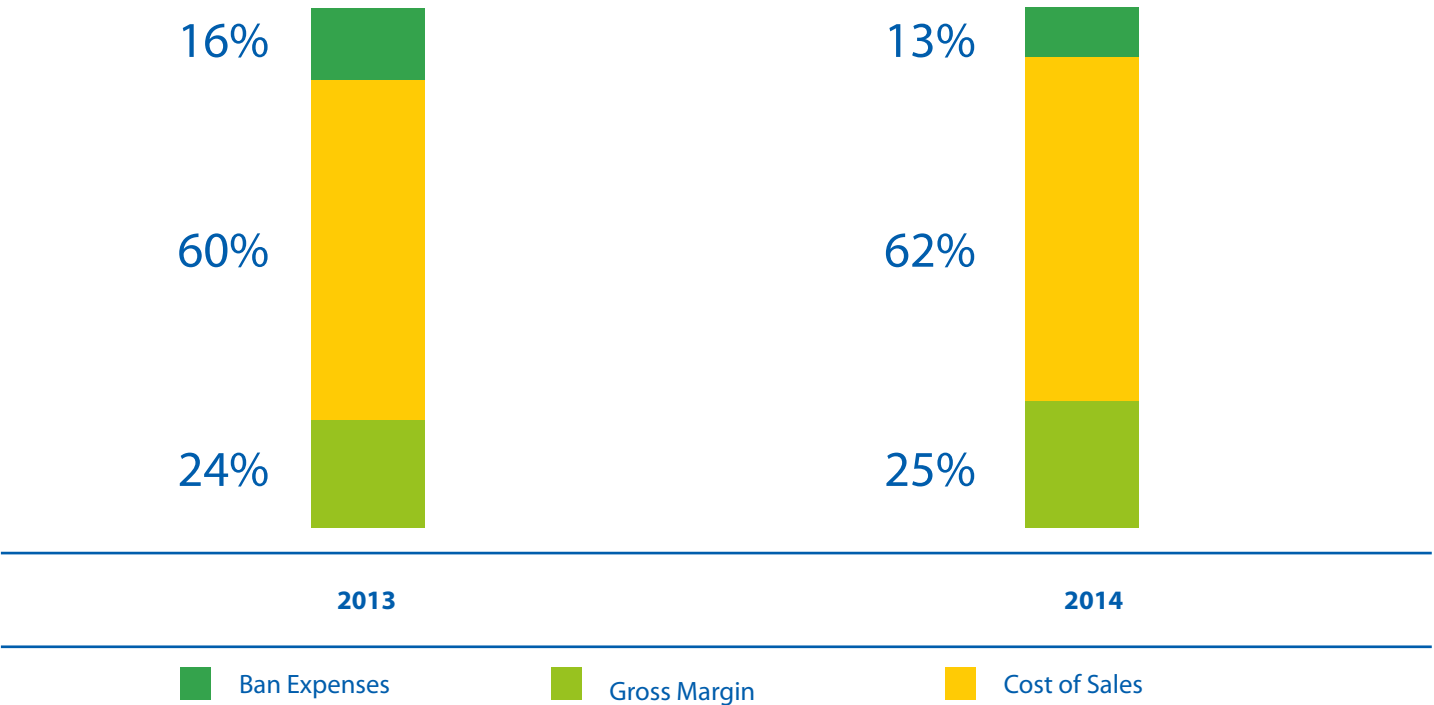
4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

4.3.2 GROSS PROFIT:

US\$ MM	2013	2014	%
Sales	168.9	220.9	31%
Cost of Sales	100.9	136.5	35%
Ban Expenses	27.0	28.2	4%
Gross Profit	40.9	56.3	38%
% on Sales			
Cost of Sales	60%	62%	3%
Ban Expenses	16%	13%	-20%

- As at December 31st, 2014, gross profit was 38% higher than the gross profit obtained in the same period the previous year. This is a consequence of i) a higher effective fished quota during the second season of 2013 (2,274 thousand MT, compared to 732 thousand MT from the second season of 2012), which had a great impact on the first semester; ii) a higher level of inventories and increase on fishmeal and fish oil prices during the last quarter, due
- to the suspension of the second season of 2014; iii) greater production volume and sales (+124%) in DHC business.
 - 2014 figures were negatively affected during the last quarter of the year due to an increase in US\$ 4.0 MM in IHC ban expenses, after the suspension of the second fishing season of 2014.

Gross profit increased
by 38% over the
previous year.



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

US\$ MM	2013	2014	%
Sales	168.9	220.9	31%
IHC Sales	153.9	187.4	22%
DHC Sales	15.0	33.5	124%
Cost of Sales	100.9	136.5	35%
IHC Cost of Sales	85.3	107.8	26%
DHC Cost of Sales	15.6	28.7	84%
Ban Expenses	27.0	28.2	4%
IHC Ban Expenses	24.4	25.3	4%
DHC Ban Expenses	2.6	2.9	11%
Gross Profit	40.9	56.3	38%
IHC Gross Profit	44.2	54.4	23%

DHC Gross Profit	-3.3	1.9	157%
% on Sales	2013	2014	%
Cost of Sales	60%	62%	3%
IHC Cost of Sales	55%	58%	4%
DHC Cost of Sales	104%	86%	-18%
Ban Expenses	16%	13%	-20%
IHC Ban Expenses	16%	13%	-15%
DHC Ban Expenses	18%	9%	-50%
Gross Margin	24%	25%	5%
IHC Gross Margin	29%	29%	1%
DHC Gross Margin	-22%	6%	125%



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

4.3.3 COST OF SALES:

- As at December 31st, 2014, IHC cost of sales was 58% of IHC sales, higher than the 55% attained in 2013. This increase is the result of higher fixed costs of production, caused by an earlier first season in 2014, which started on April 23rd (in 2013, the season started on May 17th) and its extension to August 10th (in 2013, it ended on July 31st). IHC cost of sales per unit edged up slightly by 4% (US\$ 972 per MT⁸, compared to US\$ 932 per MT reached the previous year in the same period). On the other hand, the lower levels of catch during the first season this year
- increased the associated fishing effort, which had an impact on the efficient use of hold.
- DHC cost of sales was 86% out of DHC sales, compared to the 104% recorded in 2013, as a consequence of the better use of installed capacity due to a larger production of DHC.
- As at December 31st, 2014, anchovy catch cost per MT without depreciation remained similar to the previous year, after having lower catch levels, as well as lower cost of personnel, lower costs of maintenance and fuel, due to the suspension of the second season of 2014.

	Costs of Own Catch		
	2013	2014	Variation
Own Catch MT	268,596	155,736	-42%
Cost of own catch (thousand US\$)	29,541	17,127	-42%
US\$/MT	110.0	110.0	0%

Depreciation	3,761	2,243	-40%
US\$/MT (without depreciation)	96.0	95.6	0%
Others:			
Personnel	12,122	6,453	-47%
Personnel/MT	45.1	41.4	-8%
Maintenance	3,388	1,740	-49%
Maintenance/MT	12.6	11.2	-11%
Fuel	7,887	4,724	-40%
Fuel/MT	29.4	30.3	3%
Others	2,383	1,967	-17%
Others/MT	8.9	12.6	42%

- As at December 31st, 2014, the cost of purchase to third parties per MT decreased by 6%, due to a lower price of fishmeal per MT, which can be used as a point of reference for the cost of fish purchase to third parties. Purchase to third parties accounted for 41% out of the total processed volume, compared to the 42% reached the previous year in the same period.
- In 2014, the cost of quota lease (central-north) was US\$ 3,911, which was not the case the previous year in the same period. This lease meant 21,364 MT and a cost of US\$ 183.1 per MT.

8 It includes MT of fishmeal and fish oil sold.

4.3
ANALYSIS OF ECONOMIC &
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	Cost of Purchase to Third Parties		
	2013	2014	Variation
Purchase to third parties MT	197,784	108,173	-45%
Cost of purchase to third parties (Thousand US\$)	59,044	30,383	-49%
US\$/MT	298.5	280.9	-6%

	Costs of Quota Lease		
	2013	2014	Variation
Leased Catch MT	0	21,364	
Cost of quota lease (Thousand US\$)		3,911	
US\$/MT		183.1	



4.3
ANALYSIS OF ECONOMIC &
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- The processing cost per MT to December 31st, 2014 (excluding raw material) increased by 8% compared to the previous year, mainly due to the lower volume of processing after the suspension of the second season of 2014. The processing period was reduced from 157 to 141 days (-10%), which generated lower processing costs (-34 %).

	Processing Cost		
	2013	2014	Variation
Fishmeal and Fish Oil Processing MT	123,319	73,974	-40%
Processing Cost (Thousand US\$)	28,354	18,752	-34%
US\$/MT	229.9	253.5	10%
Depreciation	4,344	3,163	-27%
US\$/MT (without depreciation)	194.7	210.7	8%
Others:			
Personnel	2,297	2,408	5%
Personnel/MT	18.6	32.6	75%
Maintenance	776	953	23%
Maintenance/MT	6.3	12.9	105%

Fuel	10,978	6,237	-43%
Fuel/MT	89.0	84.3	-5%
Inspections and analysis	3,189	746	-77%
Inspections and analysis/MT	25.9	10.1	-61%
Others	6,770	5,991	-12%
Others/MT	54.9	81.0	48%

4.3.4 BAN EXPENSES:

- As at December 31st, 2014, there were 224 ban days (compared to 208 days as at December 31st, 2013). Although, the first fishing season of 2014 meant more production days for starting on April 23rd and extending to August 10th (in 2013 it started on May 17th and ended on July 31st), the suspension of the second season of 2014 generated an increase of 50 additional ban days, regarding the previous year.
- The ban expenses in absolute values increased by 5% compared to the previous year, due to the suspension of the second fishing season, which generated higher fixed costs in plants, such as salaries and maintenance.

4.3
ANALYSIS OF ECONOMIC &
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US\$ MM	2013	2014	Variation
Fleet ban expenses	12.2	11.9	-2%
Plant ban expenses	9.5	12.3	29%
Non-production Costs IHC (*)	2.7	1.1	-59%
Non-production Costs IHC (*)	2.6	2.9	12%
Ban Expenses	27.0	28.2	5%

4.3.5 OPERATING EXPENSES:

- Sales and Administrative Expenses:**
As at December 31st, 2014, administrative expenses decreased by 7%, while sales expenses changed from 5.7% of sales to 5.2%.

US\$ MM	2013	2014	Variation
Sales expenses	9.5	11.6	22%
% over Sales	6%	5%	-7%
Administrative Expenses	7.9	7.3	-7%

(*) Non-production costs correspond to the non-production days in plants, during fishing seasons.

*In 2014, there
were 224 ban
days, compared
to 208 days the
year before.*

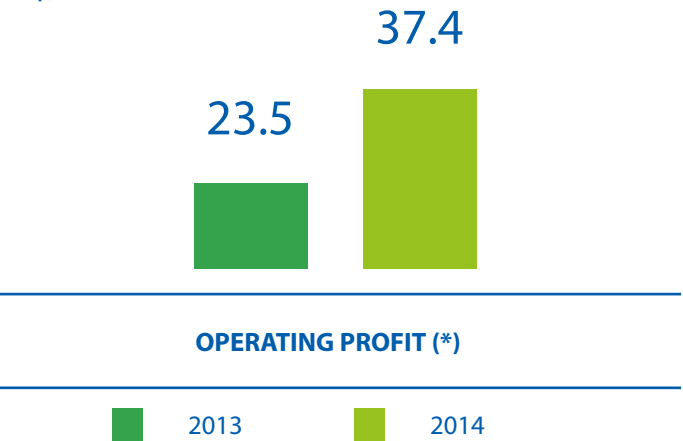


4.3
ANALYSIS OF ECONOMIC &
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4.3.6 OPERATING PROFIT (*):

- As at December 31st, 2014, operating profit increased by 59% regarding the previous year, with an operating margin of 17% (14% to December 31st, 2013) as a result of higher gross profits associated with higher sales during the first semester, after a larger quota in the second season of 2013, as well as sales from the first season of 2014 affected by higher fishmeal and fish oil prices during the last quarter of the year.

US\$/ MT



4.3.7 FINANCIAL EXPENSES:

- Net financial expenses decreased by 35 %, due to the exceptional charges generated in 2013 for the prepayment of syndicated loan and hedging transactions. As at December 31st, 2014, net financial expenses accounted for 8 % of sales, lower than the 16 % of December 31st, 2013.

US\$ MM	2013	2014	Variation
Financial income	0.2	0.2	6%
Financial expenses	-27.0	-17.7	-34%
Net financial expenses	-26.8	-17.5	-35%
% over Sales	16%	8%	-50%

4.3.8 NET PROFIT:

- As at December 31st, 2014, net profit was US\$ 14.3 MM, which meant 872 % more regarding the previous year, due to the higher quota allocation for the second season of 2013, lower financial expenses and higher fishmeal and fish oil prices during the last quarter.

4.3.9 INDEBTEDNESS:

- As at December 31st, 2014, the total net debt amounted to US\$223.7 MM. Long-term debt (current and non-current part) was US\$210.3 MM, where US\$ 7.6 MM corresponded to leasing operations. Short-term debt related to working capital was of US\$42.6 MM. Cash amounted to US\$29.2 MM, more than 322% above 2013 level (US\$ 6.9 MM).

Debt Position			
US\$ MM	2013	2014	%
Short-term Debt	56.3	42.6	-24%
	21%	17%	
Long-term Debt	207.6	210.3	1%
Current part	2.4	2.4	-2%
Non-current part	205.2	208.0	1%
	79%	83%	
Total Debt	263.9	252.9	-4%
Cash	6.9	29.2	322%
TOTAL DEBT	257.0	223.7	-13%

(*) Operating profits do not consider the other incomes / expenses.



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

- Regarding short-term debt, it was reduced by 24% compared to the previous year, due to the suspension of the second fishing season, which prevented us from having more debt for fuel purchase, fish purchase to third parties, among others, reaching US\$42.6 MM up to December 2014. In December 2013, the debt was \$56.3 MM.
- As at December 31st, 2014, the total short-term debt corresponds to the use of unsecured credit facilities. As there was no second fishing season in 2014, such a debt represents unsecured short-term debt to December 31st, 2014.

US\$ MM	2013	2014	%
Short-term Debt (Working Capital)	56.3	42.6	-24%
Net Trade Accounts Receivable	17.2	13.4	-22%
Valued Inventory (US\$)	73.9	24.0	-68%
Fishmeal stock (thousand MT)	38.8	7.1	-82%
Fish Oil stock (thousand MT)	6.5	0.7	-90%
DHC stock (thousand MT)	0.7	7.9	960%
Fishmeal Valued Inv. (*)	55.6	13.2	-76%
Oil Fish Valued Inv. (*)	15.7	1.4	-91%
DHC Inv. (**)	2.6	9.3	263%
Receivables + Valued Inventory + Cash	98.0	66.6	-32%
Short-term Debt Coverage	179%	156%	

Net profit was US\$ 14.3 MM, which meant 872 % more regarding the previous year, due to the higher quota allocation for the second season of 2013, lower financial expenses and higher fishmeal and fish oil prices during the last quarter.

(*) Valued at average market prices for the season.
(**) Valued at inventory costs.

4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

4.3.10 FINANCIAL INDICATORS:

- Liquidity:**
The current test (current assets / current liabilities) increased despite a reduction of receivables and inventories, due to a lower short-term debt.

As at December 31st, 2014, available cash is enough to cover two payments of the bond debt service plus a quarter of projected fixed costs:

- Interests of annual bonds: US\$ 14.8 MM.
- Financial expenses: US\$ 1.1 MM.
- Fixed Operation expenses: US\$ 7.5 MM
- Administrative expenses: US\$ 1.8 MM.
- Solvency:**
EBITDA increase compared to 2013 substantially improved the solvency rate.

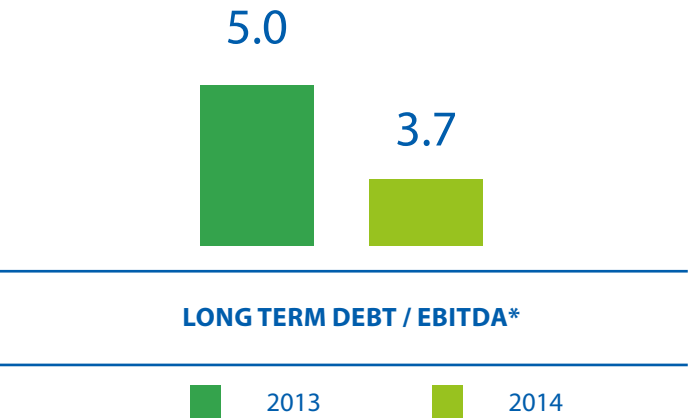
- Profitability:**
Profitability ratios increased, due to the higher allocated quota in the second season of 2013, which resulted in production and sales increase during the first semester of 2014, as well as the higher fishmeal and oil fish price during the last quarter, because of the suspension of the fishing season.

- Covenants:**
In the international bond issuance by US\$ 200 MM, incurrence covenants were agreed into issuance agreement.

LIQUIDITY



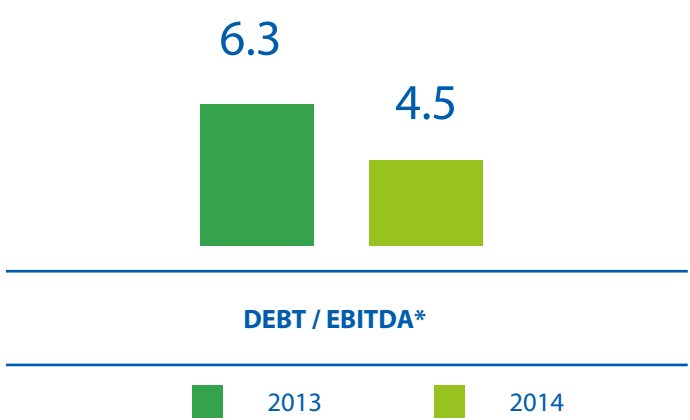
SOLVENCY



Profitability Position

	2013	2014
ROE	-1%	6%
ROA	0%	3%
Net Margin	-1%	6%

TOTAL DEBT / LTM EBITDA:



(*) LTM EBITDA is considered.



4.3
ANALYSIS OF ECONOMIC &
FINANCIAL INFORMATION

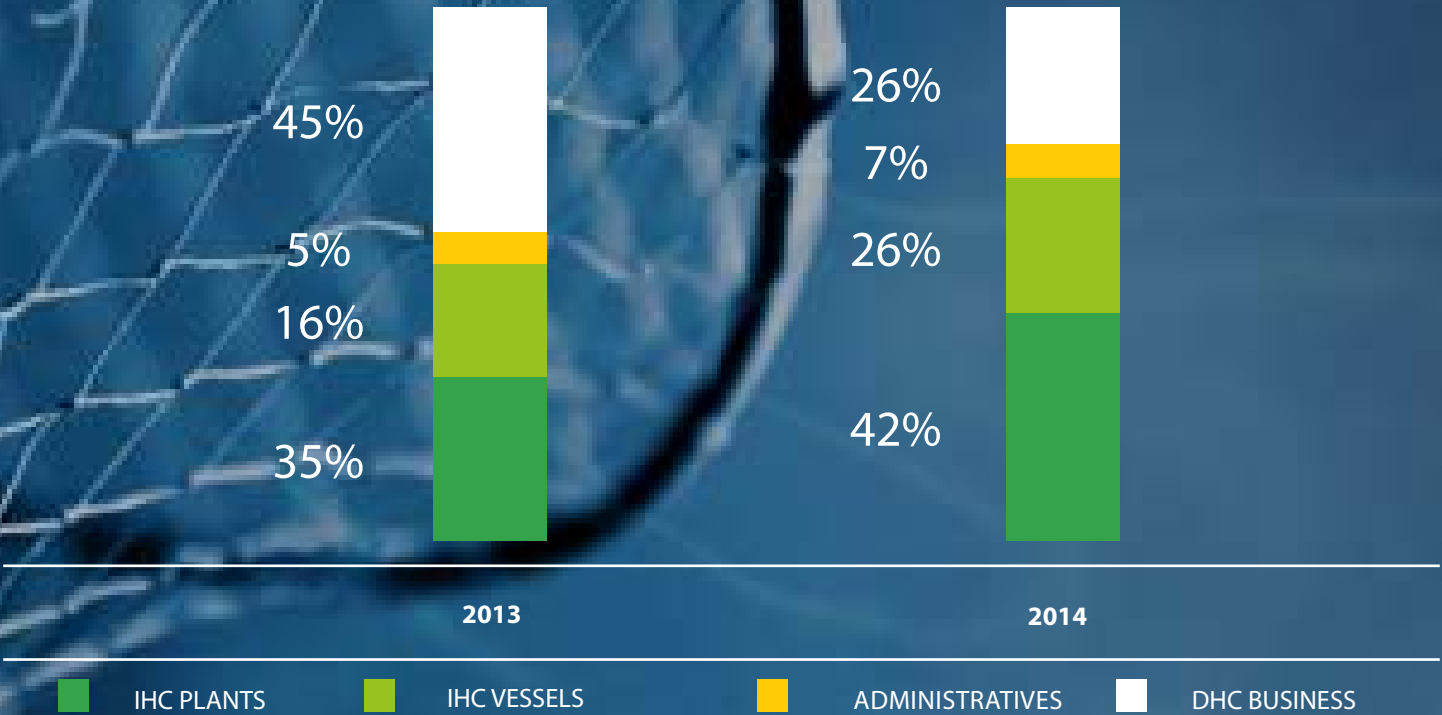
It shows the relation between the obtained funds through third parties and operating results. In case this relation is greater than 3.5, we could not assume more debt, except for the authorized by the baskets made for that purpose, and which are indicated in the corresponding prospectus.

As at December 31st, 2014, the indicator dropped from 6.3x to 4.5x, compared to the same period in the previous year. It should be noted that the suspension of the second season of 2014 did not allow higher levels of EBITDA.

4.3.11 CAPEX:

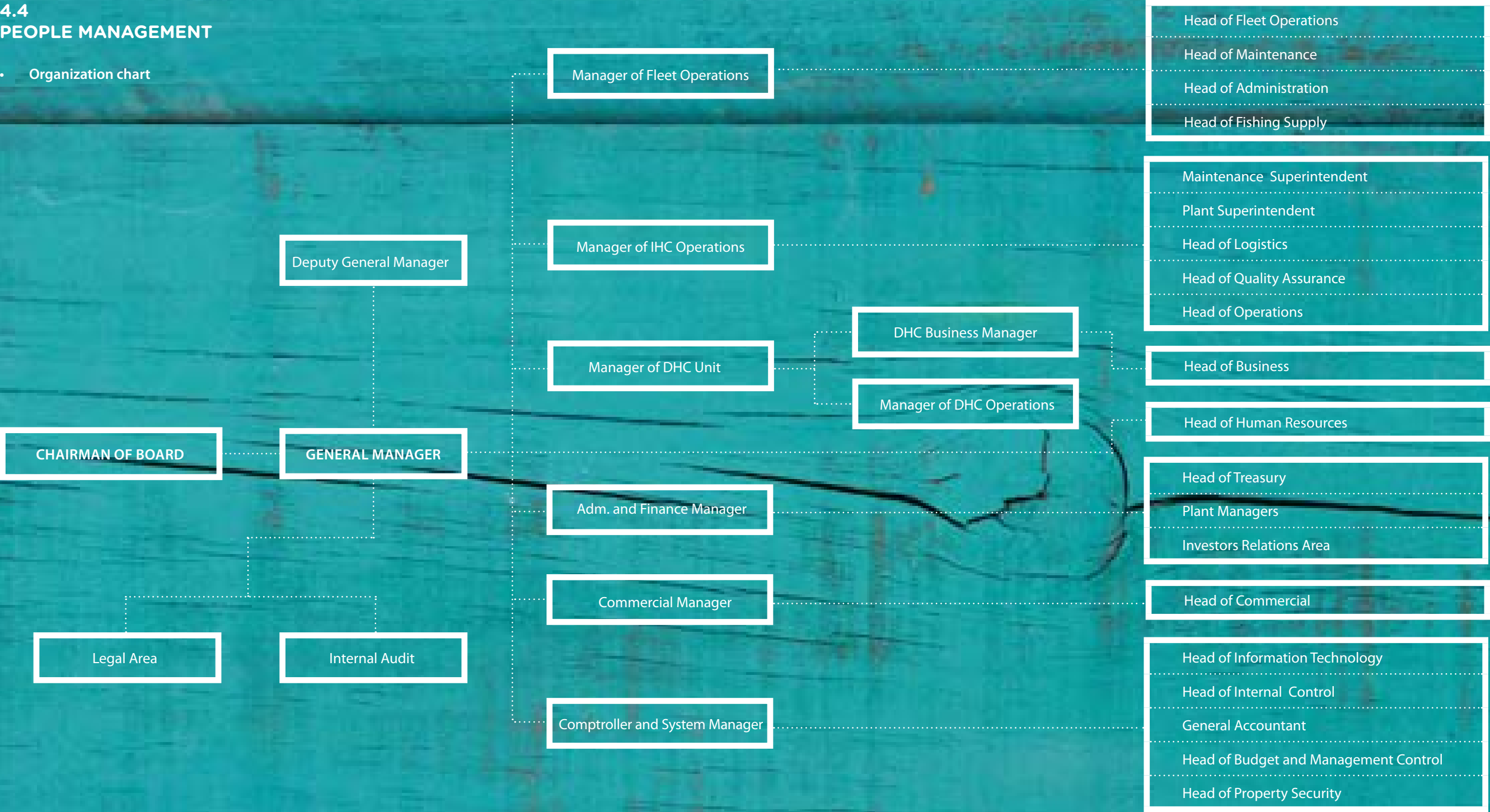
- Regarding CAPEX, as at December 31st, 2014 there have been investments for US\$ 17.2 MM. These were mainly aimed to plants and vessels for IHC.
- Total investment has decreased by 59% regarding the same period in the previous year, due to the investment made by the Company in the DHC Plant of Tambo de Mora in 2013.

**CAPEX were
mainly aimed
to plants and
vessels for IHC.**



4.4
PEOPLE MANAGEMENT

- Organization chart



4.4
PEOPLE MANAGEMENT

• Collaborators

LOCATION	EMPLOYEES	WORKERS	CREW	TOTAL
Callao	25	64	0	89
Chicama	28	71	0	99
Chimbote	24	72	0	96
Huacho	23	73	0	96
Paíta	22	72	0	94
San Isidro	97	0	0	97
Tambo de Mora IHD	23	75	0	98
Tambo de Mora DHC	18	55	0	73
Fleet	41	0	383	424
Total	301	482	383	1,166

The Working Plan of the Head of Human Resources was based on professional, family, and personal development of collaborators nationwide.

Regarding professional development, we continued with the “School of Leaders” Program, addressed to Managers, Heads, and Superintendents who participated in workshops that enhance their leadership skills and people development in favor of all the organization.

Likewise, Talent Development Program was implemented for all collaborators of the organization. Through this program they had the opportunity to discover their talents, passions, and career opportunities.

Taking advantage of the fishery sector situation, a sociologist conducted an organizational diagnosis in the Fleet Management. In light of the results we decided to intervene in the improvements through a process of modernization which was expanded to the other Managements of the company. Such a process was led by the General Manager, the Head of Human Resources, and the Comptroller. Procedures and processes of the company were reviewed in depth with leaders of each area, emphasizing those ones that allow us maintaining our leadership to work effectively and efficiently.

**“School of Leaders”
Program, addressed
to Managers, Heads,
and Superintendents
who participated in
workshops that enhance
their leadership skills
and people development
in favor of all the
organization.**

For the next year we will work directly with each Management and area supported by an external consultant to become the organizational management of the company more efficient, and to overcome the obstacles found in the initial diagnosis.

Regarding the total of workers, 841 are temporary workers and 325 are permanent, with a total of 1,166 workers, lesser than previous years, being 1,286 in 2013, and 1,111 in 2012.



4.5
QUALITY, SAFETY, AND
ENVIRONMENTAL MANAGEMENT

The Company works with teams specialized in providing the necessary support for operating the Quality, Safety, Occupational Health and Environmental System. This system permits and ensures a proper performance, thus obtaining safe products, reducing accidents in the plants, and minimizing environmental impacts. Products for export are certified by independent entities in the ports of loading, in accordance with the specifications and weight established in each of their contracts. Likewise, safe and innocuous food for Direct Human Consumption is guaranteed, by means of standard processes for its preparation, reducing any kind of risk for the products, people, environment and our facilities.

- **Occupational Health and Safety**
The Occupational Health and Safety area ensures to comply with the current legal regulation and performs medical surveillance aimed at reducing and preventing accidents, time and the optimization of resources. We comply with the current regulation, based on Law 29783, which is aimed to promote a culture of prevention of risks at work. Furthermore, we have OHSAS 18001:2007 certification.

During 2014, we continued the Supportive Medical Service for the Occupational Health and Safety Management System, and the development of the Annual Occupatio-

nal Health Program, which allows achieving the sustainable physical, psycho-social wellbeing of collaborators.

- **OHSAS 18001:2007**
Standard voluntary certification on safety we have in the plant of Callao. The achievement of goals was evident by means of trainings, practices, and drills. Certification processes for the plants of Chicama and Tambo de Mora were postponed to 2015, because it is an essential requirement to do it during production. We also started the Cross-Audits at all sites, with our own staff which has the necessary skills to carry out the process.
- **BASC Safe Commerce**
Certification on the Control and Security Management System (SGCS BASC) applied to all our plants of Indirect Human Consumption, as a business alliance for safe commerce with national and international cooperation within our production and commercialization process. It provides trust and transparency to our customers, preventing the risk of infiltration when shipping the products by controlling the secure operating processes, as well as the personnel, access, infrastructure, suppliers, and even customers.



The Company works with teams specialized in providing the necessary support for operating the Quality, Safety, Occupational Health and Environmental System. This system permits and ensures a proper performance, thus obtaining safe products, reducing accidents in the plants, and minimizing environmental impacts.



4.5
QUALITY, SAFETY, AND
ENVIRONMENTAL MANAGEMENT

<p>The compliance with this system is annually validated by external audits, ensuring the compliance with national and international standards. The DHC plant of Tambo de Mora began its implementation and BASC certification process by the middle of 2014, obtaining satisfactory results in 2015.</p>	<ul style="list-style-type: none">• GMP+B2 All IHC plants have this Certification, which guarantees food innocuousness of the ingredients industrially produced throughout the production and suppliers chain, by using an effective quality control system based on the HACCP, SSOP, GMP and ISO 9001 principles. Annual follow-up audits are conducted.	<p>ria. At the moment, we have this certification for our plants and fleet, and periodic audits are conducted.</p>	<p>the second phase will be applied in 2015. The aim is to continue reducing the pollutant impact that our processes and activities may have on the environment. For this purpose, we have completed the implementation of systems for physical-chemical treatment of effluents generated by the unloading of raw material and periodic cleaning of all the plants, with the installation of unloading systems with vacuum pumps at all sites. We also completed the implementation of equipment to mitigate fugitive emissions and domestic wastewater treatment plants. Furthermore, we have been implementing the change of energy matrix at the Indirect Human Consumption plant in Tambo de Mora, expecting to complete the Natural Gas project in 2015. We continue implementing the projects of Compost production and Donation of water from the treatment of domestic wastewater, which is donated to the community for municipal reforestation projects.</p>
<ul style="list-style-type: none">• Quality Quality area monitors and guarantees the proper performance of the Quality Management System for each business unit, ensuring safe and innocuous products. All collaborators are responsible for quality within the framework of their tasks, offering customers high standard products in the entire process of extraction, processing and distribution. During 2014, we kept the management of raw materials improving continuously, by using cold techniques since the extraction, storage and processing. State-of-the-art laboratory equipment is used and the online monitoring has been improved by our SAP system with the QM module, which enables us to identify immediately the results in the obtained products, giving better response capacity in the operational process.	<ul style="list-style-type: none">• IFFO The IHC plants also have the IFFO certification. This represents the Global Standard for Responsible Supply (IFFO RS- International Fishmeal and Fish Oil Organization), which means seafood production from authorized fisheries and safe processing, on the basis of responsible and legal extraction, the absence of potentially dangerous materials, and traceability with records of evidence. Annual revalidation audits are conducted.• Friends of the Sear This is a Certification for fishery products and sustainable aquaculture, following strict sustainability criteria.	<ul style="list-style-type: none">• BRC - British Retail Consortium The plants of frozen products for Direct Human Consumption have the BRC Certification, a global standard for Innocuous Food, demonstrating our ongoing commitments to the safe food production and the quality of products, in order to meet the customer's requirements. In 2014, the plant of frozen products in Tambo de Mora obtained the BRC Certification, allowing the access of value-added frozen products to supermarkets or final sales markets with recognized level of demand. The TFMS (Tesco Food Manufacturing Standard) certification was also obtained, which recognizes the Company as an authorized supplier of Tesco supermarket chain worldwide.• Environmental Management System based on ISO 14001: 2004 During 2014, the first phase of this certification was conducted in the plants of Callao and Tambo de Mora, while	<p>Regarding direct human consumption, we comply with the current legislation under the guidelines of clean production, reducing potential impacts or pollution that could result from our operational processes and activities.</p>

4.5
QUALITY, SAFETY, AND
ENVIRONMENTAL MANAGEMENT

ties. Accordingly, both plants have all the authorizations, permits and approvals from the corresponding EIA, and so do the domestic wastewater treatment plants (PTAR). We have properly equipped treatment systems, which allow liquid effluents and gas emissions within permitted limits.

4.6
SOCIAL RESPONSIBILITY
AS BUSINESS PHILOSOPHY

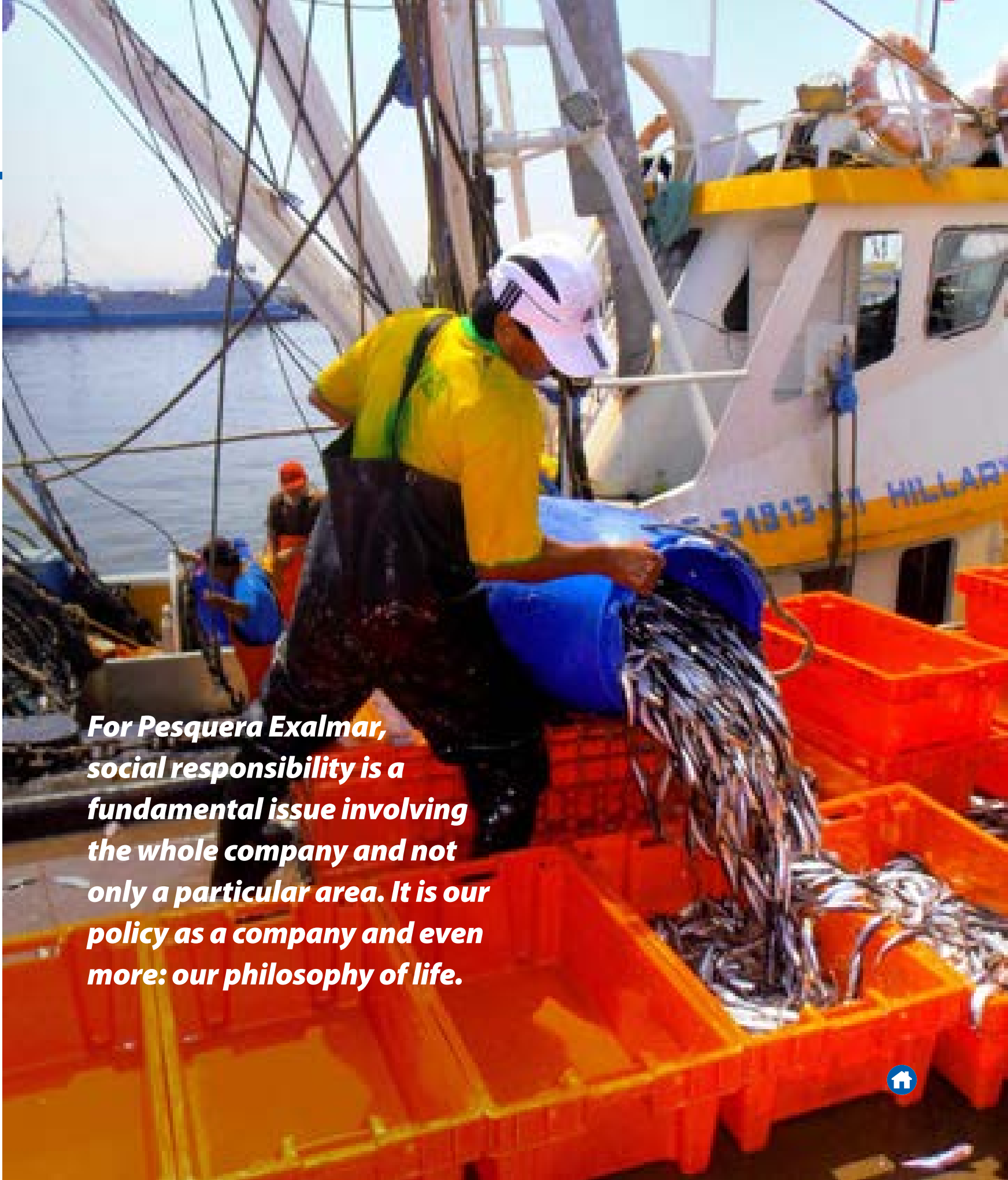
For Pesquera Exalmar, social responsibility is a fundamental issue involving the whole company and not only a particular area. It is our policy as a company and even more: our philosophy of life.

Being aware of the fundamental importance of the human factor, we aim our efforts towards personal and professional development of the fishing ship-owners, their crew, and the artisanal fishermen.

Thinking on their well-being and establishing links beyond strict work, we promote various initiatives. These include, for example, the PescaPuntos Program. Through this original proposal, we reward the loyalty of the fishing ship-owner who decides to unload his catch of the day with us, and, thus, he accumulates points; but also the crew members are rewarded and accumulate points if they meet some requirements, such as delivering the fresh catch and by-catch, or delivering their garbage cans for us to take charge of it responsibly, instead of throwing their contents into the sea. Both the fishing ship-owners and the crew have their respective catalogs, to accumulate points and exchange the items most desired.

Another initiative of Pesquera Exalmar is to finance, with own capital, the fishing ship-owners and artisanal fishermen

*For Pesquera Exalmar,
social responsibility is a
fundamental issue involving
the whole company and not
only a particular area. It is our
policy as a company and even
more: our philosophy of life.*



4.6
SOCIAL RESPONSIBILITY
AS BUSINESS PHILOSOPHY

for unloading their catch in our plants. Thanks to it, they can perform maintenance and operational improvements on the vessels they use to make a living.

The support goes even beyond, as Pesquera Exalmar takes its commitment to the fishing community as a comprehensive task. And, these activities range from regular survival and navigation workshops to advice and updating on legal and accounting issues, with the best disposition to support their integration and participation in the formality.

Pesquera Exalmar is always looking for providing the guidance artisanal fishermen need to make them a human and professional group with better resources to integrate an efficient chain. On the one hand, through fair prices; and, on the other hand, supporting their training and development of infrastructure, allowing them to grow.

We, as a company, have the ability to positively change our environment, because progress is for us a concept that involves joint growth of both Pesquera Exalmar and the fishing communities who work with us. That is one of our biggest strengths: we promote true social transformation inspired by the values of respect and mutual trust, sustainable development and the ability to establish connections at any level, from em-

pathy and dialogue, as well as sensitivity and the heart we put into each of our actions.

Exalmar has this humanistic vision so deep-seated that we implement it all the time, especially in times of crisis

OUR RESPONSE TO THE CHALLENGES OF 2014

During 2014, there was a first season affected by the presence of El Niño and a second season without quota to the sector in which there was no fishing.

Facing such a critical situation, the usual policy in a company of this sector would have included work stoppage, perfect suspension of work, and closing of plants. But that was not the reaction the Company had.

With the experience provided by the years in the sector, an accurate financial structure and efficient management of fixed costs, the Company was able to face successfully this period, and thanks to its characteristic philosophy, its response did not yield to the coldness of numbers and focused on human factor.

Firstly, all the people who were related to the Company always were adequately informed: fishing ship-owners, their crew, artisanal fishermen, and plant workers. All of them were visited

and duly notified, both on the critical situation it was going through and on the measures to be taken in each case, in order to continue supporting them despite the difficulties.

The most vulnerable human group, and the most affected by the situation, was detected: they were the fleet workers who are paid per job, and after coming back from the sea with empty hands, there was no way to make a profit. How could we help them? Pesquera Exalmar defined the two major deficiencies: food and health. And then, the Company acted accordingly with its principles and gave them food vouchers, while the CTS (compensation for time of services) was released and, through Essalud, a system of unemployment insurance for workers and their spouses was guaranteed. All this was made in benefit of this sector specifically, which was the most affected.

Regarding the workers and employees, the Company did not cancel the work nor close the plants. On the contrary, despite the crisis, the salaries were paid, as well as the bonus payments and the schooling for each child, besides the possibility of loans in this area with credit facilities.

Briefly, facing a situation of crisis, the response of Pesquera Exalmar is always quick and people are its main interest. In this way, we reaffirm one of our greatest strengths: the desire of being

*We, as a company, have
the ability to positively
change our environment,
because progress is for us a
concept that involves joint
growth of both Pesquera
Exalmar and the fishing
communities who work
with us.*

authentic promoters of social transformation inspired by the values of respect and mutual trust, sustainable development and the ability to establish connections at any level, from empathy and dialogue, as well as sensitivity and the heart we put into each of our actions.



4.7
INVESTOR RELATIONS AND
CORPORATE GOVERNANCE

The objective of the Investors Relations area is to achieve an effective communication among Pesquera Exalmar, its shareholders, the financial community and other stakeholders, promoting transparent and permanent communication in the management and dissemination of information that contributes to a proper market valuation of the Company.

For that, this area reports and gives other communications for external dissemination and responds to information requests from investors, media and regulatory agencies of the stock market, using tools that allow to strengthen this relationship and to achieve a constant feedback giving satisfaction to its stakeholders.

Likewise, it coordinates the required actions to promote the best practices of Corporate Governance, such as information transparency, trust, equity, fluidity and integrity, which are detailed in the Report of Corporate Governance (Appendix I).

In 2014, the communication with investors was held by using several tools, disseminating information related to the Company through Important Facts, Press Releases, e-mails, publications on the website, and so on. We participated in several local, international events having one-by-one meetings with investors. We also had quarterly telephone conferences and quarterly reports for explaining the financial results. Likewise, the sessions of the Board Committees were held, and the Internal Standards of Conduct, as well as, the Policy of Classification, Management and Dissemination of Information were approved.

The Company is committed to adopt such practices, and is developing permanent efforts to improve its Corporate Governance, protecting the rights of investors and other stakeholders.

Pesquera Exalmar is committed to adopt best Corporate Governance practices, protecting the rights of investors and others stakeholders.



appendix

- **APPENDIX I**
ANNUAL REPORT ON GOOD CORPORATE GOVERNANCE
- **APPENDIX II**
AUDITED ANNUAL FINANCIAL STATEMENTS

CHANGES OF THOSE RESPONSIBLE FOR PREPARING AND REVIEWING THE FINANCIAL INFORMATION

Since 2003, the firm Pazos, López de Romaña, Rodríguez, representatives of BDO, had served as external auditor, and so had Beltran, Gris & Asociados S.C.R.L., representatives of Deloitte ToucheTohmatsu, since 2007. In 2013, the company PricewaterhouseCoopers was appointed as external auditor.

Regarding the responsible of the accounting information in the company, on June 30th, 2013, Mr. Mario Minaya Gonzales, Comptroller Manager, left his position vacant for personal reasons. This position was temporary assumed by Mr. Hilarion Hurtado Cardenas, General Accountant of the Company. In May 2014, Mr. Demian Ballon Espinoza, was hired as Comptroller Manager and is currently responsible for the financial information of the Company.



ANNUAL REPORT ON GOOD
CORPORATE GOVERNANCE

The Corporate Governance has allowed Pesquera Exalmar advancing towards the consolidation of an ethical way of doing business, where the managing bodies are responsible with society and stakeholders, taking always into consideration the shareholder's interests, and being recognized for it. This allows us to gain the attention of investors and to be perceived as a more reliable, transparent, better-structured company, which plans its objectives and strategies better, and is stronger and more competitive.

In 2014, the communication with investors was held by using several tools, disseminating information related to the Company through Important Facts, Press Releases, e-mails, publications on the website, and so on.

108 meetings with investors from different nationalities were held, both in the offices of the company and one-by-one meetings, at events carried out for this purpose, at local and international levels, which are detailed as follows:

DATE	EVENT	ONE-BY-ONE MEETINGS
January	Santander, Cancún	17
March	Larrain Vial, Chile	22
July	Larrain Vial, Lima	11
October	Santander, Lima	7
November	Credicorp, Lima	12
November	Corpbanca, Chile	16
Total		21

Likewise, we had quarterly telephone conferences with investors after the presentation of the financial results, in charge of the General Manager, Rossana Ortiz, accompanied by the Finance and Administration Manager, Raul Briceño, who participated in the last Conference Calls made (the third quarter of 2014) with 20 investors via web and 36 investors via audio. Both the recording and the presentation were promptly published on the website of the Company.

The Internal Standards of Conduct were approved, which establish the rules to be followed in order to protect confidentiality of classified or privileged information of the Company, determining responsibilities and internal procedures for preparing and communicating Important Facts to the Securities Exchange Superintendency (SMV) and Lima Stock Exchange (BVL), when appropriate.

Likewise, in a session of the Board Committee the Policy of Classification, Management and Dissemination of Information was approved, establishing the guidelines and provisions for the proper classification and management of information of the Company, in order to protect its confidentiality and to ensure its proper dissemination to the general public, in a truthful, transparent, equitable, and timely way, in accordance with the applicable law. This policy includes provisions to reply the information requests from shareholders, who are entitled to

request any kind of information related to the Company, excepting what is considered confidential or privileged information. Information requests can be made by these means:

- By telephone: (511) 441-4420, extension 1051.
- E-mail of the responsible of Investor Relations: ozuniga@exalmar.com.pe
- "Service to the Investor" Department in the website: www.exalmar.com.pe
- In person or by simple letter. Address: Av. Víctor Andrés Belaunde 214. San Isidro. Lima, Perú.

On the other hand, a timely update of the section named "Investor Relations" in the corporate website (www.exalmar.com.pe) was kept, providing relevant information of the Company, such as Financial Statements, Quarterly Reports, several Presentations, Press Releases, Annual Reports, Internal Standards and Policies, information from the Shareholder's Meeting, and so on.

In 2014, 35 Significant Events and 32 Press Releases were sent, 639 e-mails and 75 telephone inquiries from investors were answered, as well as other related actions, making a total of 1,019, to contact investors.



ANNUAL REPORT ON GOOD
CORPORATE GOVERNANCE

The above-mentioned activities are developed seeking to comply with the good practices of Corporate Governance, such as information transparency, trust, equity, social responsibility, fluidity and integrity.

Pesquera Exalmar is committed to adopt such practices, protecting the rights of investors and other stakeholders. For this reason, we have internal standards, processes and practices aimed to guarantee the Corporate Governance, standing out the Dividend Policy, the Code of Ethics and Conduct, the Regulations of the Board of Directors, the Regulations of the Shareholders’ Meeting, and so on.

One of the most important challenges is the internalization of this philosophy at all levels of the organization, especially Senior Management and the Board of Directors. In this sense, the Company has a Board of Directors composed by six independent members and one dependent member (Chairman), with a total of seven directors. The development of the ses-

sions of Board Committees, and the participation of independent directors in them, is crucial to achieve the organization objectives, providing a permanent monitoring of certain significant tasks, and becoming a fundamental tool for the Board of Directors. The Board Committees are the following:

- Corporate Governance Committee.
- Audit Committee.
- Remunerations Committee.
- Committee of Risks.
- Finance Committee.

As a part of this serious commitment, we expect to strengthen the relationship with our stakeholders, for which we are working with an external expert consultancy for a diagnosis and implementation of a plan to improve these areas.



AUDITED ANNUAL
FINANCIAL STATEMENTS



DICTAMEN DE LOS AUDITORES INDEPENDIENTES

A los señores Accionistas y a los miembros del Directorio
Pesquera Exalmar S.A.A.

16 de marzo de 2015

Hemos auditado los estados financieros adjuntos de **Pesquera Exalmar S.A.A.** (una subsidiaria de Caleta de Oro Holding S.A., empresa domiciliada en Panamá), que comprenden los estados de situación financiera al 31 de diciembre de 2014 y de 2013, y los estados de resultados integrales, de cambios en el patrimonio y de flujos de efectivo por los años terminados en esas fechas, y el resumen de políticas contables significativas y otras notas explicativas adjuntas de la 1 a la 29.

Responsabilidad de la Gerencia sobre los estados financieros

La Gerencia es responsable de la preparación y presentación razonable de estos estados financieros de acuerdo con Normas Internacionales de Información Financiera, y por el control interno que la Gerencia concluye que es necesario para permitir la preparación de estados financieros que estén libres de errores importantes, ya sea por fraude o error.

Responsabilidad del Auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros sobre la base de nuestras auditorías. Nuestras auditorías fueron realizadas de acuerdo con Normas Internacionales de Auditoría aprobadas para su aplicación en Perú por la Junta de Decanos de Colegios de Contadores Públicos del Perú. Tales normas requieren que cumplamos con requerimientos éticos y planifiquemos y realicemos las auditorías para obtener seguridad razonable de que los estados financieros estén libres de errores importantes.

Una auditoría implica realizar procedimientos para obtener evidencia de auditoría sobre los saldos y las divulgaciones en los estados financieros. Los procedimientos que se seleccionan dependen del juicio del auditor, los que incluyen la evaluación del riesgo de que los estados financieros contengan errores importantes, ya sea por fraude o error. Al efectuar esta evaluación de riesgo, el auditor considera el control interno de la entidad relevante para la preparación y presentación razonable de los estados financieros con el propósito de definir procedimientos de auditoría apropiados a las circunstancias, pero no con el propósito de expresar una opinión sobre la efectividad del control interno de la entidad. Una auditoría también comprende la evaluación de si las políticas contables aplicadas son apropiadas y si las estimaciones contables de la Gerencia son razonables, así como la evaluación de la presentación general de los estados financieros.

Gavoglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada.
Av. Santo Toribio 143, Piso 7, San Isidro, Lima, Perú, T: +51 (1) 211 6500 F: +51 (1) 211 6550
www.pwc.com/pe

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16 de marzo de 2015
Pesquera Exalmar S.A.A.

Consideramos que la evidencia de auditoría que hemos obtenido es apropiada y suficiente en ofrecer fundamento para nuestra opinión de auditoría.

Opinión

En nuestra opinión, los estados financieros adjuntos presentan razonablemente, en todos sus aspectos significativos, la situación financiera de **Pesquera Exalmar S.A.A.** al 31 de diciembre de 2014 y de 2013, su desempeño financiero y sus flujos de efectivo por los años terminados en esas fechas, de acuerdo con Normas Internacionales de Información Financiera.

Gavoglio Aparicio y Asociados

Refrendado por

 (socio)
Félix U. Horna
Contador Público Colegiado Certificado
Matrícula No.01-13774



STATEMENT OF FINANCIAL POSITION

ASSETS			
		As at Decembre 31	
		2013	2014
	Notes	US\$000	US\$000
CURRENT ASSETS			
Cash and cash equivalent	6	29,215	6,920
Trade accounts receivable	7	13,426	17,159
Inventories	8	23,669	55,294
Accounts receivable from related parties	9	3,930	3,347
Other accounts receivable	10	40,726	48,979
Total current assets		110,966	131,699
NON-CURRENT ASSETS			
Property, machinery & equipment	11	204,900	206,670
Intangible assets	12	106,714	100,794
Goodwill	13	88,719	88,719
Total non-current assets		400,333	396,183
TOTAL ASSETS		511,299	527,882

EQUITY AND LIABILITIES			
		As at December 31	
		2014	2013
	Notes	US\$000	US\$000
CURRENT LIABILITIES			
Financial liabilities	14	51,555	63,656
Trade accounts payable	15	16,153	22,691
Accounts payable to related parties	9	24	168
Other accounts payable	15	4,439	11,278
Total current liabilities		72,171	97,793
NON-CURRENT LIABILITIES			
Financial liabilities	14	201,388	198,630
Other accounts payable	15	4,054	5,304
Deferred tax liability	16	6,838	3,602
Total non-current liabilities		212,280	207,536
Total liabilities		284,451	305,329
EQUITY			
	17		
Issued capital		89,772	90,336
Treasury shares		-	(1,771)
Share premium		69,721	69,721
Other capital reserves		3,609	3,609
Retained earnings		63,746	60,658
Total equity		226,848	222,553
TOTAL EQUITY AND LIABILITIES			
		511,299	527,882



STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended December 31	
		2014	2013
		US\$000	US\$000
Income from ordinary activities	18	220,944	168,890
Cost of sale	19	(136,505)	(100,944)
Closed season expenses	20	(28,170)	(27,024)
GROSS PROFIT		56,269	40,922
Sales expenses	21	(11,608)	(9,537)
Administrative expenses	22	(7,300)	(7,853)
Other incomes	23	8,344	4,294
Other expenses	23	(8,242)	(9,810)
		(18,806)	(22,906)
OPERATING PROFIT		37,463	18,016
Financial income	24	217	203
Financial expenses	24	(17,695)	(26,969)
Exchange difference, net	3.1-a-i	(1,864)	944
		(19,342)	(25,822)
Profit (loss) before income tax		18,121	(7,806)
(Expenses) income for income tax	25	(3,826)	6,336
PROFIT (LOSS) FOR THE YEAR		14,295	(1,470)
Other comprehensive incomes		-	-
Comprehensive incomes for the year		14,295	(1,470)
Basic and diluted earning (loss) per share (in U.S. dollars)	26	0.048	(0.005)

STATEMENT OF CHANGES IN EQUITY

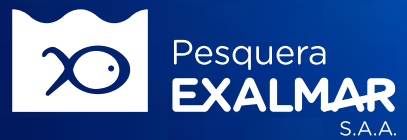
	Notes	Issued equity	Treasury shares	Share premium	Other capital reserves	Retained earnings	Total
		US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Balance as at January 1, 2013		90,336	(1,771)	69,721	3,609	72,014	233,909
Comprehensive incomes for the year		-	-	-	-	(1,470)	(1,470)
Distribution of dividends	17-e	-	-	-	-	(9,886)	(9,886)
Balance as at December 31, 2013		90,336	(1,771)	69,721	3,609	60,658	222,553
Balance as at January 1, 2014		90,336	(1,771)	69,721	3,609	60,658	222,553
Comprehensive incomes for the year		-	-	-	-	14,295	14,295
Reduction of Treasury shares	17-a,b	(564)	1,771			(1,207)	-
Distribution of dividends	17-e	-	-	-	-	(10,000)	(10,000)
Balance as at December 31, 2014		89,772	-	69,721	3,609	63,746	226,848

CASH FLOW STATEMENT

	For the year ended December 31	
	2014	2013
	US\$000	US\$000
OPERATING ACTIVITIES		
Accounts receivable from customers	224,678	156,311
Other cash collections related to the activity	5,600	3,838
Payment to suppliers	(113,863)	(135,593)
Salary payments	(25,685)	(26,361)
Tax payments	(3,760)	(3,360)
Interest payments	(16,144)	(21,709)
Other cash payments related to the activity	(2,289)	(10,024)
Cash from (to) operating activities	68,537	(36,898)
INVESTING ACTIVITIES		
Collections from		
Sales of property, machinery & equipment	1,267	456
Payments to:		
Purchase of property, machinery & equipment	(19,739)	(38,442)
Purchase of intangible assets	(1,312)	(3,144)
Other cash payment (collection) related to the activity	(1,267)	3,479
Cash applied to investment activities	(21,051)	(37,651)
FINANCING ACTIVITIES		
Decrease of financial liabilities	198,166	358,596
Payment of financial liabilities	(213,246)	(282,077)
Payment of dividends	(10,000)	(9,886)
Cash (to) from financing activities	(25,080)	66,633

Net increase (decrease) of cash and cash equivalent	22,406	(7,916)
Cash and cash equivalent balance at the begining of the year	6,920	14,956
Difference in cash exchange and cash equivalents	(111)	(120)
Cash and cash equivalent balance at the end of the year	29,215	6,920
RECONCILIATION OF NET PROFIT WITH CASH FROM (APPLIED TO) OPERATING ACTIVITIES		
Profit (loss)of the year	14,295	(1,470)
Adjustment to net profits not affecting cash flows from operating activities:		
Depreciation	19,429	18,001
Amortization	216	82
Estimate for inventory devaluation	1,655	217
Withdrawal of properties, machinery & equipment	2,993	3,498
Expenses (income) for deferred income tax	3,236	(7,970)
Difference in cash and cash equivlent exchange	111	120
Net variations in working capital:		
Trade accounts receivable	3,733	(12,579)
Accounts receivable from related entities	(583)	363
Inventories	29,970	(29,396)
Other accounts receivable	8,253	(6,343)
Trade accounts payable	(6,538)	(2,079)
Accounts payable to related entities	(144)	137
Other accounts payable	(8,089)	521
Net cash applied for operating activities	68,537	(36,898)
Transactions not affecting cash flow:		
Leasing of properties, machinery & equipment	913	2,387
Leasing of intangible assets - fishing license	4,824	-





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