October, 2013

Pesquera Exalmar

2013 Second Quarter Results

Highlights

Pesquera Exalmar s.a.a.

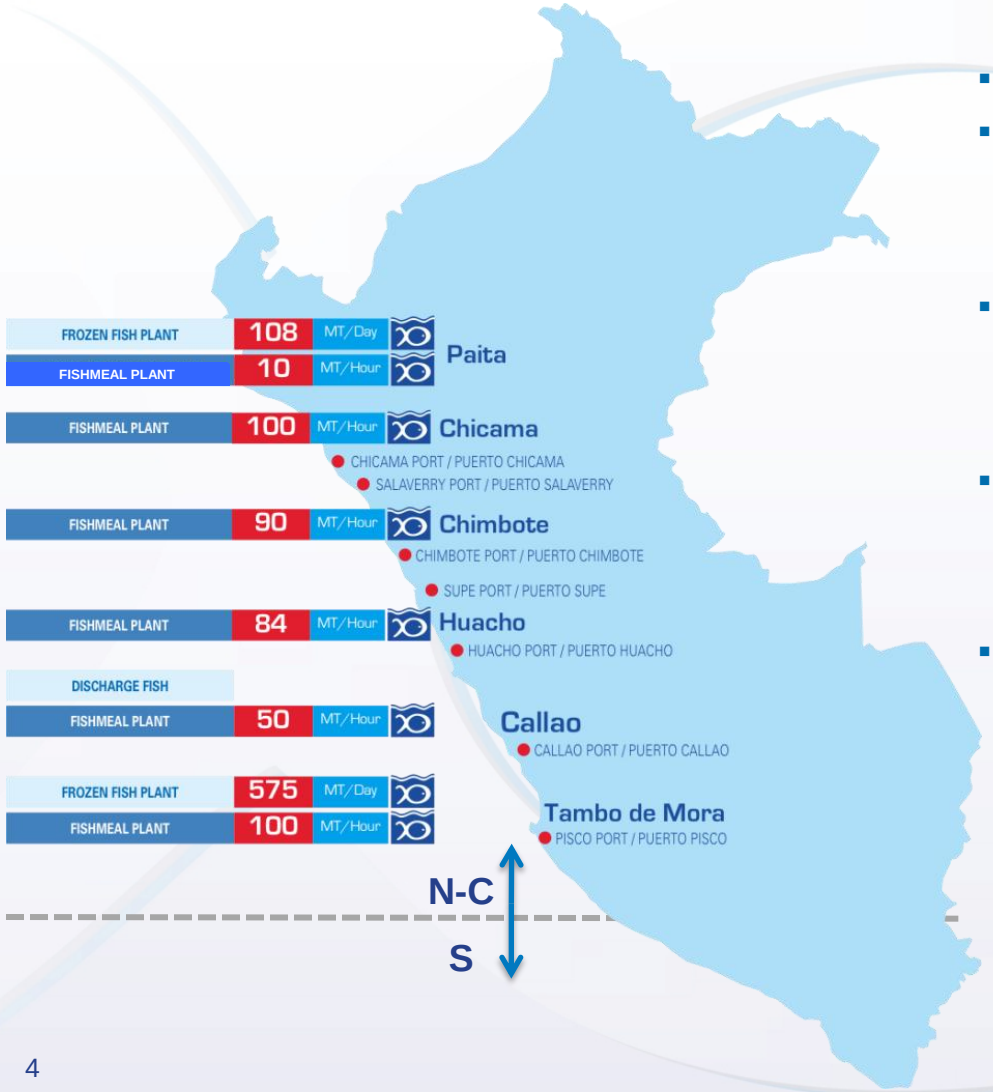
- Pesquera Exalmar S.A.A.
- Indirect Human Consumption
- Direct Human Consumption
- Financial Performance
- Corporate Governance

Pesquera Exalmar S.A.A.

Pesquera Exalmar

Pesquera Exalmar S.A.A.

Leading competitive position with significant diversification potential.



- More than 30 years in the industry.
- Diversification in Direct Human Consumption (DHC): Mackerel, Jack Mackerel, Giant Squid and Mahi-Mahi.
- Plants strategically located throughout the Peruvian coast, with 6 processing plants, 2 frozen plants and 1 unloading line.
- 22 vessels in operation with 7,730 m3 storage capacity and 6 with Refrigerated Sea Water ("RSW") (2,570m3) also used for DHC.
- Certifications include GMP B2, IFFO, BASC and OHSAS 18001. For 2013-2014: ISO 14001 and BRC.

Pesquera Exalmar S.A.A.

Exalmar is the 3rd largest producer of fishmeal and fish oil in Peru in terms of volume, supplementing its quota via third-party catch from independent fishermen.

North-Center Quota

	Company	1st season 2013
1	TASA	14.10%
2	COPEINCA	10.76%
3		8.50%
4	AUSTRAL	6.86%
5	HAYDUK	6.51%
6	Pesquera Exalmar	**6.45%**
7	CHINA FISHERY	6.21%
8	Others	40.61%

% of Total Processed

	Company	1st season 2013
1	TASA	22.71%
2	COPEINCA	15.24%
3	**Pesquera Exalmar**	**10.83%**
4	HAYDUK	10.55%
5		10.24%
6	AUSTRAL	9.72%
7	CHINA FISHERY	7.57%
8	Others	13.11%

- Anchovy individual fishing quota: 6.45% in North- Centre and 4.34% in the South.
- Independent fisherman typically sell their assigned quota to larger companies.
- Exalmar's ability to buy third party catch allows it to increase its share of national production. Strong business relationship with independent vessel owners:
  - Providing financial and operational advisory.
  - Offering onshore and offshore fishing logistical support.
  - Structuring tailor-made anchovy purchase agreements.

History of growth

1992- 1999	2000 - 2008	2009	2010	2011- 2013
Investments in Plants and vessels	Sound financial strategy	ITQ system adjustment	IPO and additional quota acquisition	Higher ITQ and Direct Human Consumption
▪ Acquisition of processing plants : ▪ 1992 Casma ▪ 1995 Tambo de Mora ▪ 1997 Huacho ▪ 1999 Chicama. ▪ Building of new vessels	▪ 2004: issuance of short term notes in Peru ▪ 2007: Private Equity takes 22.7% stake in the company. ▪ 2008: Syndicated loan (USD 80MM).	▪ Fix cost reduction: only 14 vessels operate the first year of ITQ. ▪ Investments in Direct Human Consumption.	▪ Listing on Lima Stock Exchange with capital injection of US$ 100MM. ▪ Acquisition of additional quotas reaching 6.45% of north center area and 4.34% in the south area. ▪ Strengthen Direct Human consumption (DHC). ▪ RSW system to 6 vessels	▪ 2011: Syndicated loan US$ 140 MM ▪ 2012: New DHC Plant in Paita. 2013: ▪ New DHC Plant in Tambo de Mora. ▪ All fishmeal plants with Steam dried system. ▪ Bonds issuance of US$ 200 MM (January 2013)
Revenues 1998: USD 19.5 mm	Revenues 2008: USD 117 mm	Revenues 2009: USD 128 mm	Revenues 2010: USD 183 mm	Revenues 2012: USD 217 mm

Indirect Human Consumption

Pesquera Exalmar

Indirect Human Consumption

Continuous improvement and solid presence in the IHC segment. Close relationship with independent vessel owners.

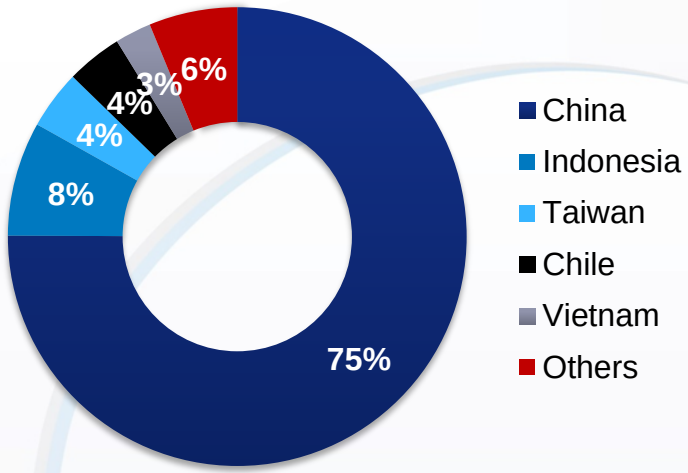
- 6 plants with 434 MT/hour of total installed capacity, strategically located along Peruvian coast.
- All plants operate with Steam Dried System.
- Overall improvement of fishmeal quality.

- 22 operating vessels with an assigned quota of 6.45% in the North-Center region and 4.34% in the South region.
- The Company exports substantially all of the produced fishmeal to investment grade countries.

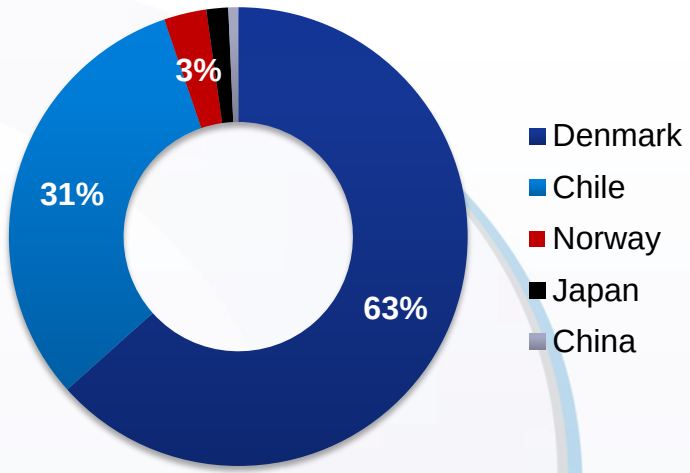
- Exalmar's ability to buy third party catch allows the Company to:
  - Increase its share of production beyond assigned quota.
  - Make better use of facilities.
  - Generate a higher total EBITDA.
  - Reduce fixed costs.

Indirect Human Consumption

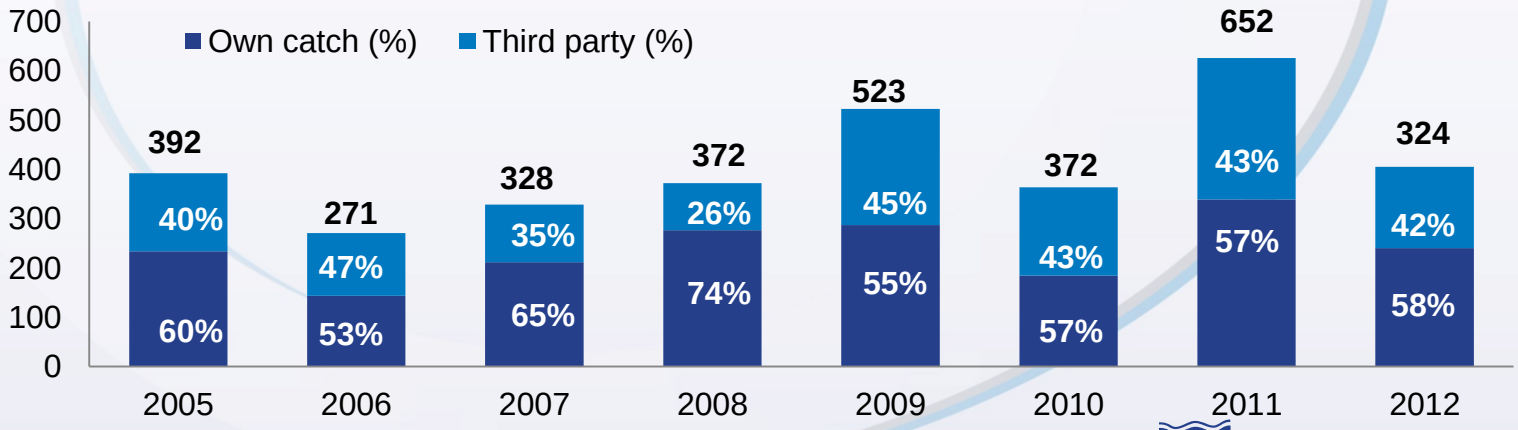
Fishmeal exports (*)



Fish oil exports (*)



Historical processing C-N (MT)

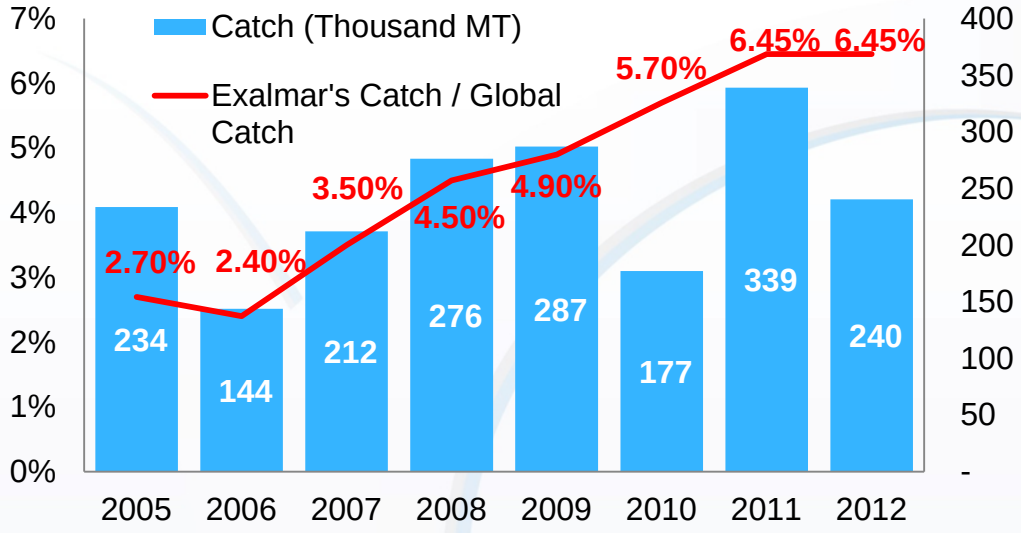


(*) Data as of September 2013.

Pesquera Exalmar

Operations

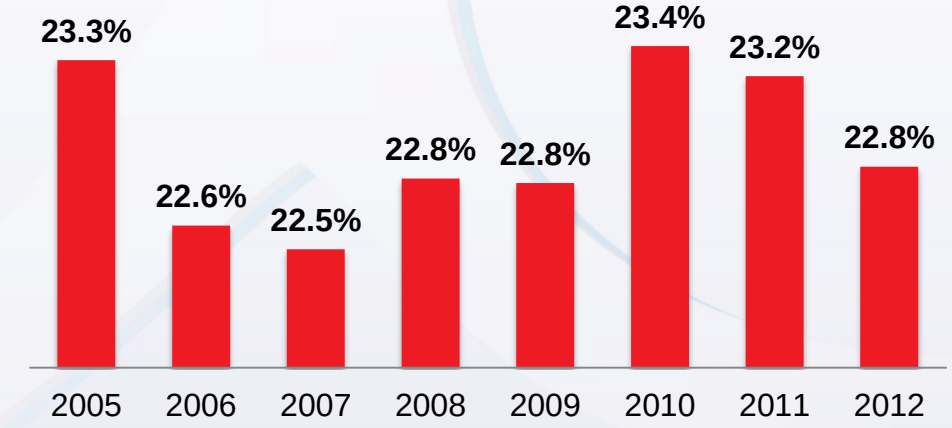
Own catch (C-N)



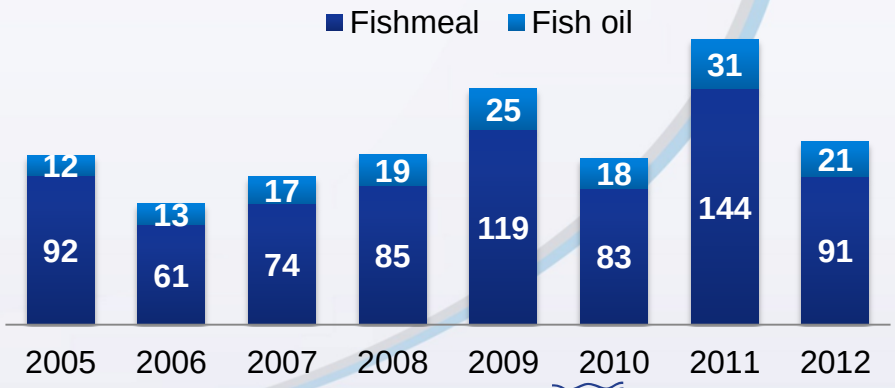
Plants capacity (MT/hr)

Name	Capacity
Paita	10
Chicama	100
Chimbote	90
Huacho	84
Callao	50
Tambo de Mora	100
Total	**434**

Conversion factor for fishmeal



Production (Thousand MT)



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Direct Human Consumption

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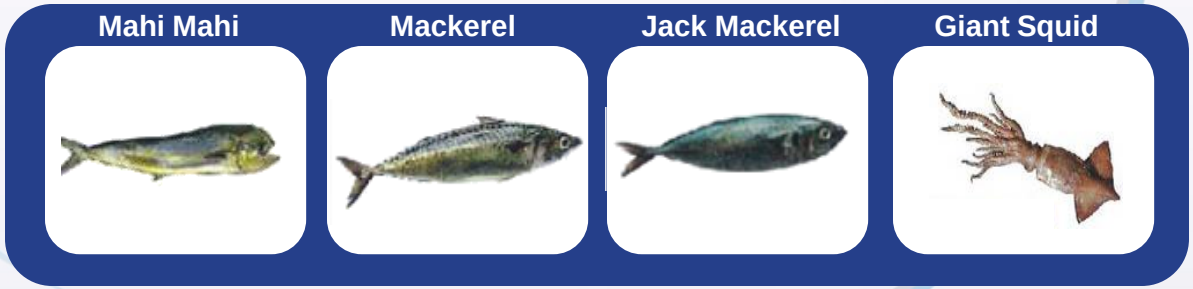
Direct Human Consumption

Consolidating its presence in DHC segment.

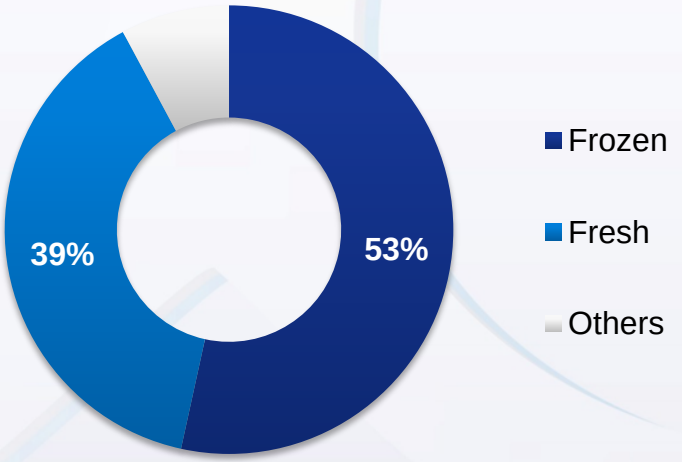
- Development of new products lines: fresh and frozen fish.
- Constant monitoring of the world market trends to diversify offer and generate products with increased added value.
- Extension of relationship with independent fishermen.
- Development of social responsibility projects to promote the adequate use of marine resources.
- Public bidding for tuna quota: Exalmar awarded part of lot 1, corresponding to 739.94 m3.



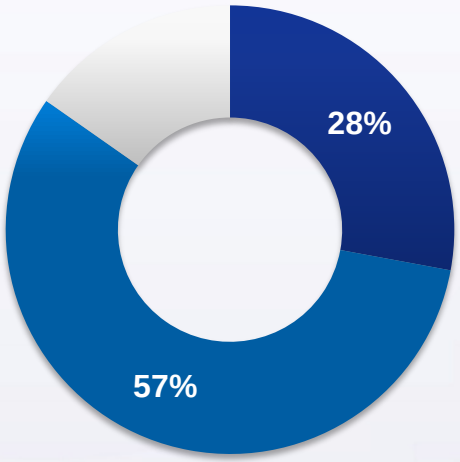
DHC- Mackerel and Jack Mackerel

Mackerel and Jack Mackarel	2011	2012	2013 (*)
Global quota C-N	240,000	120,000	117,000
Effective catch	233,660	112,310	60,329
Exalmar's catch	9,270	6,777	3,857
Exalmar's catch participation	**3.97%**	**6.03%**	**6.39%**

Production 2012



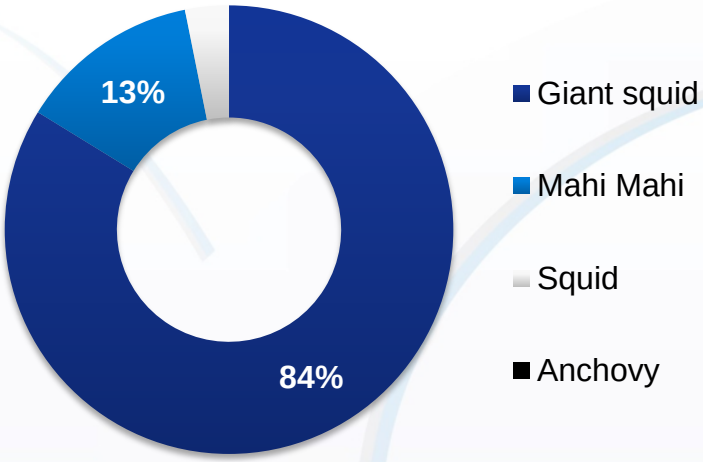
Production 2013 (*)



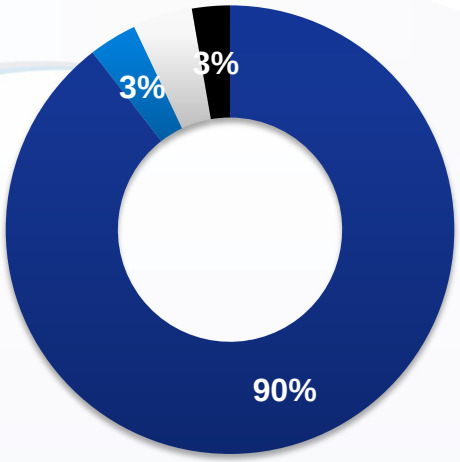
(*) Data as of July 2013

DHC- Paita Plant (other species)

Production 2012 (*)



Production 2013 (*)



Production DHC Paita Plant

2012: 3,425 MT
Acum. 2013: 4,832 MT

(*) Data as of July 2013

Financial Performance

Pesquera Exalmar

Global Quota North Center (N-C)

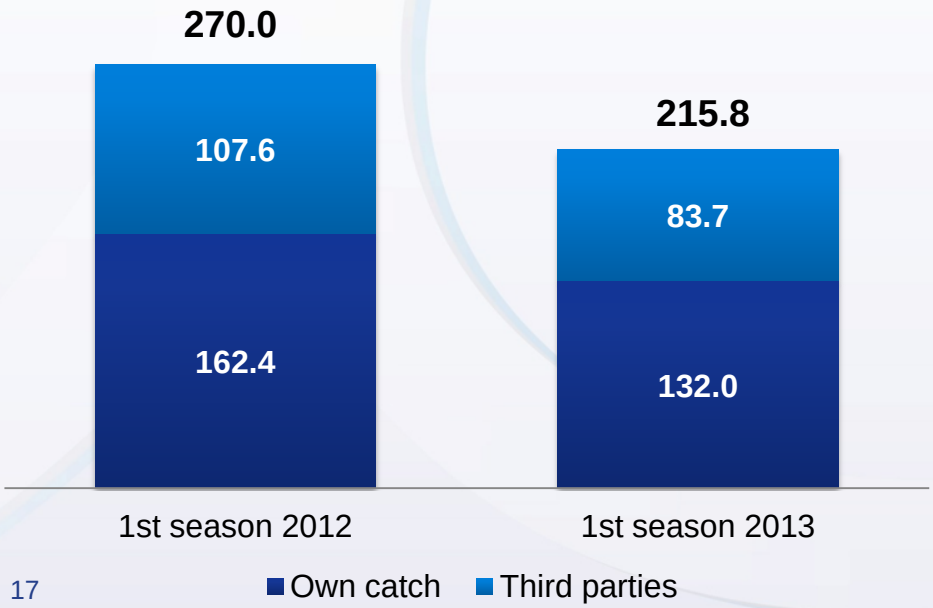
	As of june 2013			As of june 2012		
	2nd season 2012	1st season 2013	Total	2nd season 2011	1st season 2012	Total
Global quota C-N	810	2,050	2,860	2,500	2,700	5,200
Effective catch	732	1,822	2,554	2,448	2,031	4,479
Effective catch/ quota (%)	90.4%	88.9%	89.3%	96.6%	75.2%	86.1%
Season	Nov 22- Jan 31	May 17- Jul 31		Nov 23- Jan 31	May 02- Jul 31	

- Global quota for 2nd season 2012 was divided in: 410 thousand MT for December 2012 and 400 thousand MT for January 2013.
- Effective catch was 2,554 thousand MT (89.3%) as of June 2013.
- Higher own catch in 1st season increased vessels efficiency of capture to 66% (44% in Q2 2012).

Global Quota N-C (1st season 2013)

	As of july 2013			As of july 2012		
	2nd season 2012	1st season 2013	Total	2nd season 2011	1st season 2012	Total
Global quota C-N	810	2,050	2,860	2,500	2,700	5,200
Effective catch	732	1,992	2,724	2,448	2,607	5,055
Effective catch/ quota (%)	90.4%	97.2%	95.2%	97.9%	96.6%	97.2%
Season	Nov 22- Jan 31	May 17- Jul 31		Nov 23- Jan 31	May 02- Jul 31	

Exalmar's own catch and third party catch (Thousand MT)



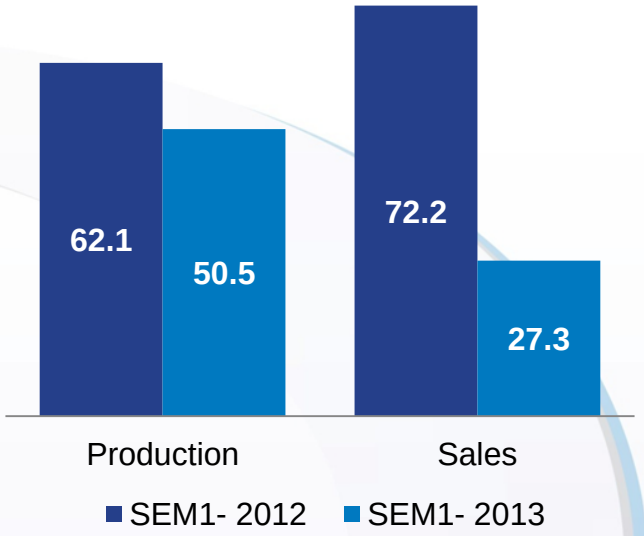
- 1st season 2013 effective catch: 24% lower than effective catch of the same period in 2012.
- Total processed (1st season 2013): 10.83%
  - (i) Own catch: 6.63%
  - (ii) Third parties: 4.21%
- Total processed (1st season 2012): 10.30%

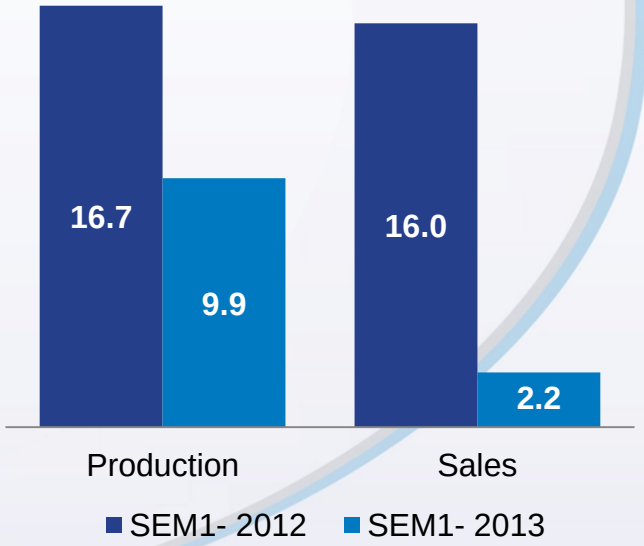
Pesquera Exalmar

Fishmeal & Fish Oil Stocks and Sales

Fishmeal			
Thousands MT	SEM1-2012	SEM1-2013	Var. (%)
Begininng stock	40.6	11.1	-73%
Production	62.1	50.5	-19%
Sales	72.2	27.3	-62%
Reprocessing	1.8	0.9	-50%
Ending stock	32.3	35.1	9%

Fish oil			
Thousands MT	SEM1-2012	SEM1-2013	Var. (%)
Begininng stock	8.2	1.0	-88%
Production	16.7	9.9	-41%
Sales	16.0	2.2	-86%
Reprocessing	0.6	-0.1	-117%
Ending stock	9.5	8.6	-10%





Pesquera Exalmar

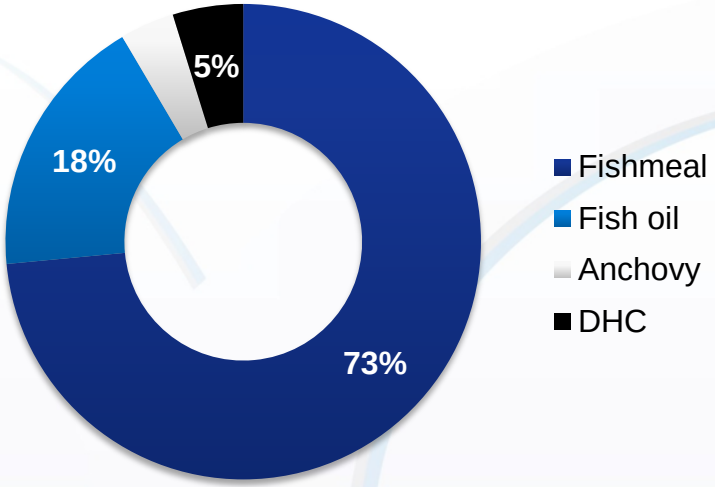
P&L Composition

Millions of US$	SEM1-12	SEM1-13	Var	LTM
Revenues	$119.9	$63.0	-47.5%	$160.1
Gross Profit	$34.4	$11.0	-68.0%	$35.2
Operating Income	$25.5	$2.6	-89.9%	$11.9
Pre-Tax Income	$20.6	($8.7)	-142.0%	($1.9)
Net Income	$14.6	($2.0)	-114.0%	$4.6
EBITDA	$36.3	$12.1	-66.8%	$36.3
% of revenues				
Gross Margin	29%	17%		22%
Operating Margin	21%	4%		7%
Net Income Margin	12%	-3%		3%
EBITDA Margin	30%	19%		23%

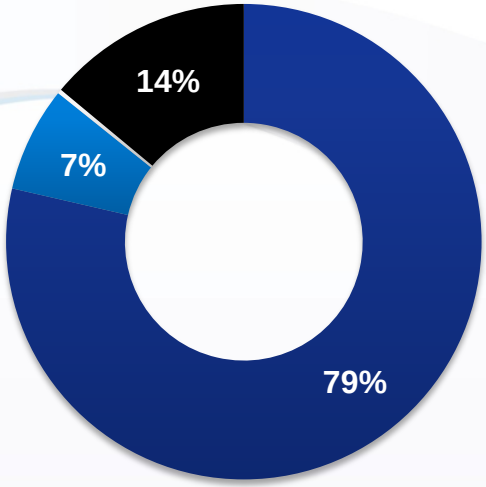
- Revenues were affected by lower beginning stocks and lower production.
- Gross margin was affected by higher ban costs.
- Net income affected by lower gross profit and higher interest expense associated with the issuance of bonds earlier this year.

Revenues Composition

SEM2- 2012



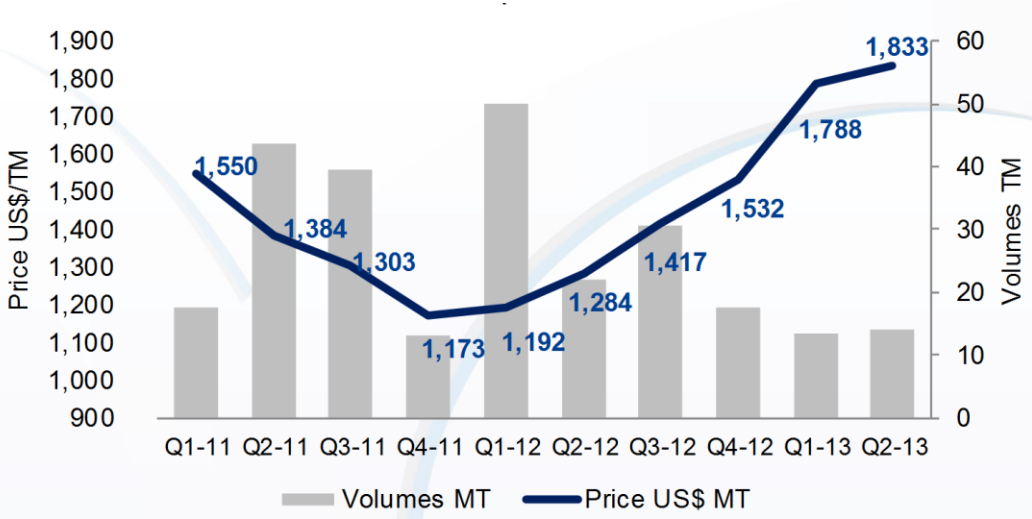
SEM2- 2013



- Total revenues: US$ 63.0 million (-47%), explained by 86% IHC and 14% from DHC.
- Fishmeal revenues: US$ 49.5 million (-44%), due to lower sales in volume which was partially offset by the better average price.
- Fish Oil revenues: US$ 4.5 million (-79%), mainly due to reduced volumes available for sale, lower fish oil production and beginning stocks.
- DHC: increase by 53%, explained by higher frozen revenues in Paita Plant.

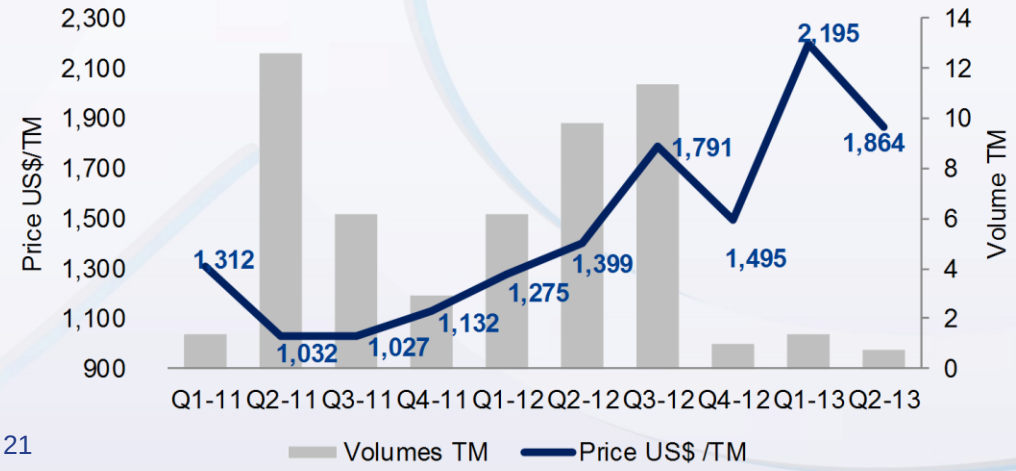
IHC Revenues: Fishmeal & Fish Oil

Exalmar Fishmeal average sales price (US$/ MT)



Fishmeal Revenues		
Thousands MT	SEM1-2012	SEM1-2013
MT	72,229	27,340
US$/ MT	1,220	1,811
Fishmeal Revenues (US$)	88,120	49,512
% of revenues	74%	79%

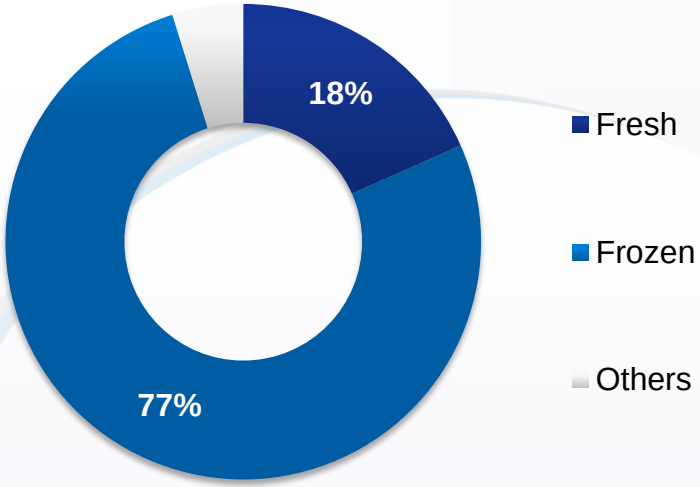
Exalmar Fish Oil average sales price (US$/ MT)



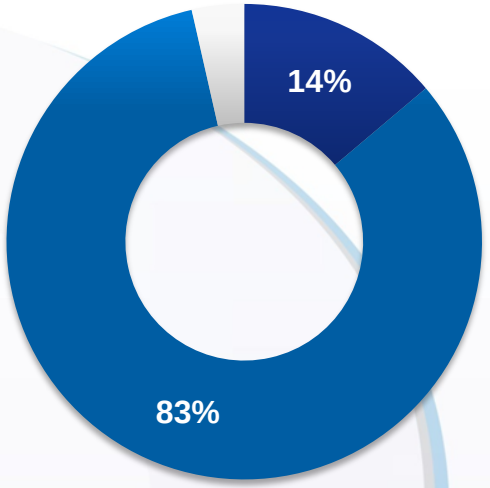
Fish Oil Revenues		
Thousands MT	SEM1-2012	SEM1-2013
MT	15,978	2,166
US$/ MT	1,351	2,078
Fishmeal Revenues (US$)	21,587	4,500
% of revenues	18%	7%

DHC Revenues

SEM1- 2012



SEM1- 2013



Millions US$

- Increase in revenues by 53%, explained by :
  - i. Higher frozen revenues in Paita Plant.
  - ii. Volume Sold (thousand MT).
  - iii. Ending stocks (thousand MT).

Pesquera Exalmar

Cost of Production

	Q2-12	Q2-13	SEM 1- 2012	SEM 1- 2013	Var
Ban days	31	46	91	105	15%
Total Processed*	201	187	274	223	-19%
Own Catch*	96	114	148	136	-8%
Third Party*	105	74	126	87	-31%
Third part buying price**	277	325	188	338	80%
Catch Cost**	100	99	85	109	28%
Cash Catch Cost**	88	90	75	97	29%
Processing Cost ***	186	183	188	190	1%
Cash Processing Cost ***	171	168	171	172	0%
Ban Expenses (US$MM)	4	6	12	13	12%

Ban & Processed Volume

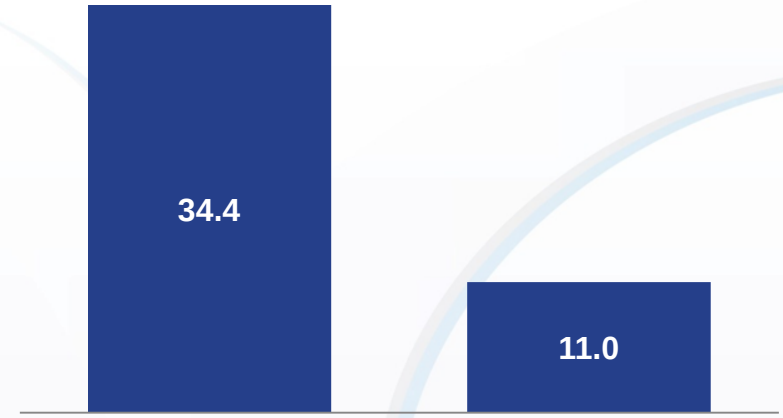
Costs

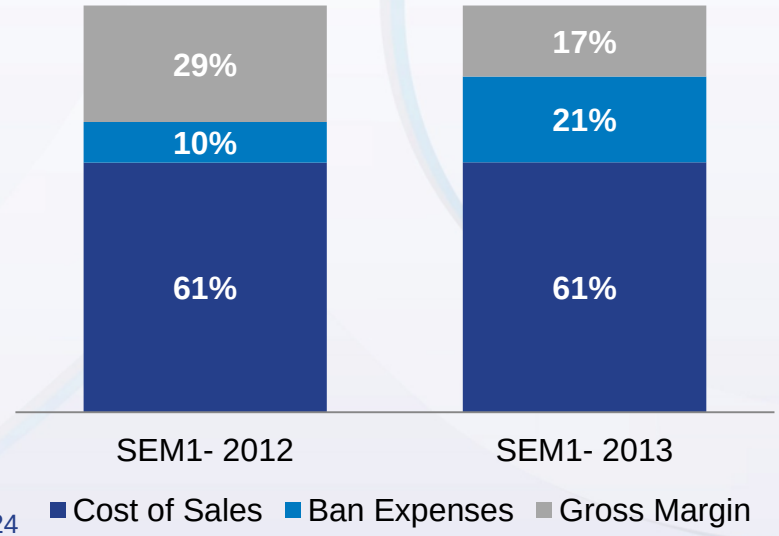
- 1st semester 2013 recorded 105 days of ban, which reflected in higher ban expenses.
- Lower volumes led to higher catch cost (+28%).
- The lower volume of third parties purchase and higher purchase price affected the average cost of production.

*Thousand MT / **US$/MT of anchovy / ***US$/MT Fishmeal & Fish Oil

Gross Profit

Millions US$

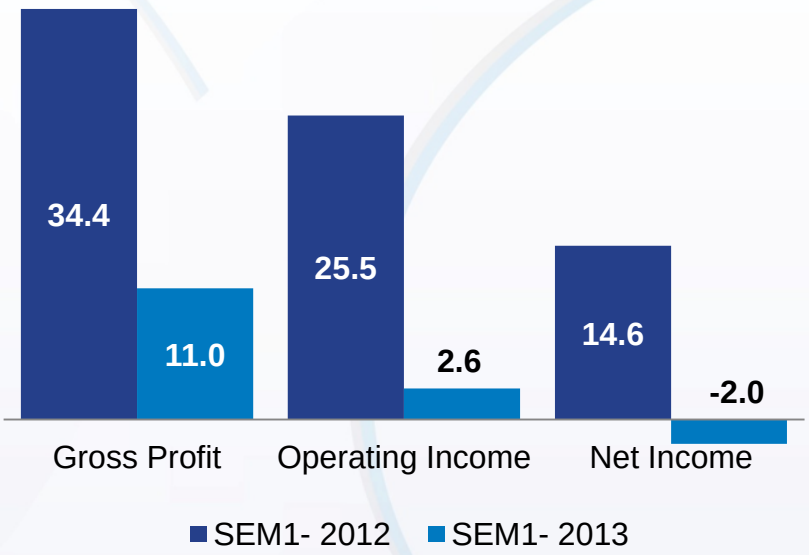




- Gross profit was affected by:
  i. Lower sales (-47%).
  ii. Less cost of sales (-47%).
  i. Higher ban expenses (+113%).

Operating Income and Net Income

Gross profit, operating income and net income (Million US$)



- Higher costs affected by:
  i. Lower selling expenses: lower volume sold.
  ii. Higher administrative expenses: non-recurrent personal costs, sundry expenses & rental charges.
  iii. Higher other net expenses: expenditure on M&E (from disposal of plant assets after the 2012 closing inventory)

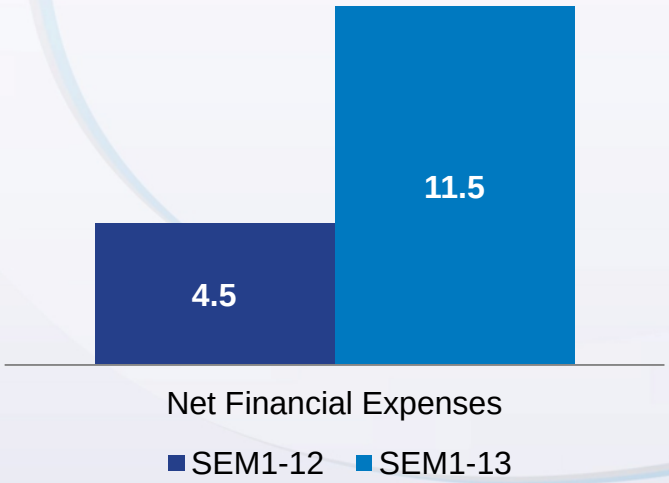
- Net Income affected by:
  i. Lower gross profit and a lesser extent by net operating expenses and other expenses.
  ii. Higher interest expense due to the increased debt by bonds issuance in January 2013
- Net income LTM US$ 4.6 million (3% as percentage of revenues).

Company debt

Debt (Million US$)	
Total short term debt	50
Bonds	198
Leasing (*)	5
Total debt	**253**
Cash	18
Net debt	**236**

(*) Current portion: Million US$ 1.9 .

Millions US$



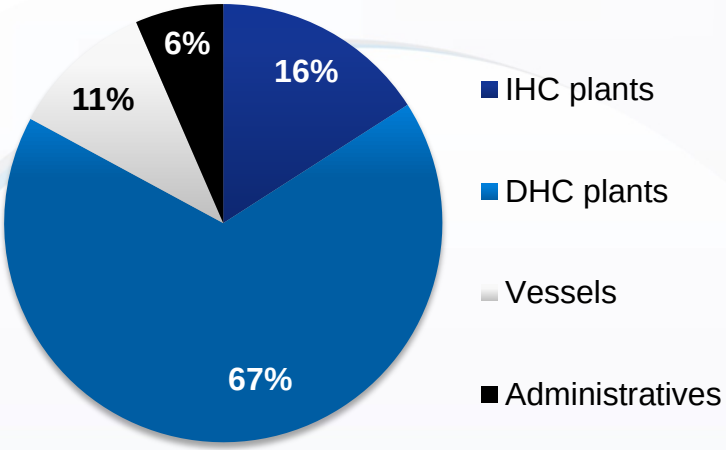
Bonds

- January 2013: Exalmar issued a bond in the international capital market for US$ 200 MM.
- Bullet maturing in 2020 with an interest rate of 7.375%.
- Use of proceedings were used to cancel Syndicated loan for US$ 140 MM while balance will be used for several company investments.
- Active Leasing operations funding for Frozen Plant Direct Human Consumption.

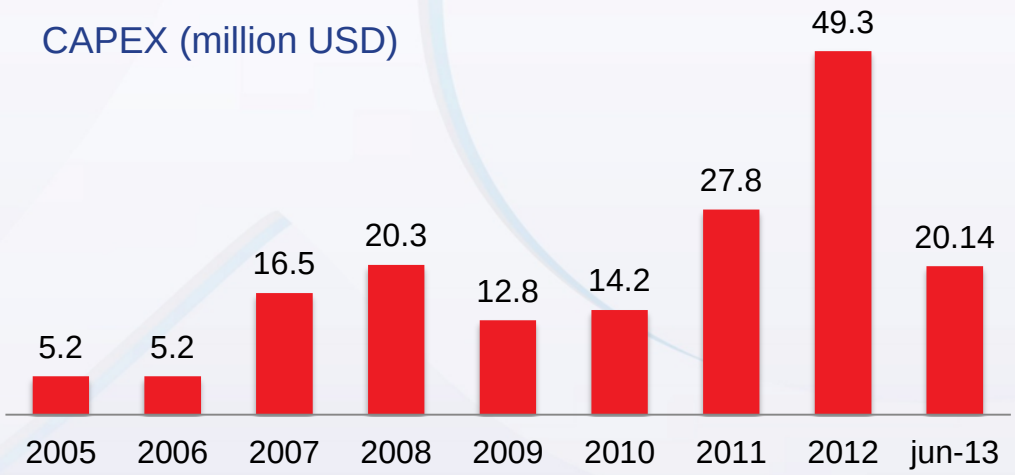
CAPEX

- IHC Investments:
  - Maintenance work on fishing nets.
  - Environmental requirements.
  - Fishmeal plants.
- DHC Investments:
  - Tambo de Mora Plant.
  - Paita Plant.
  - RSW Vessels for DHC.

CAPEX composition

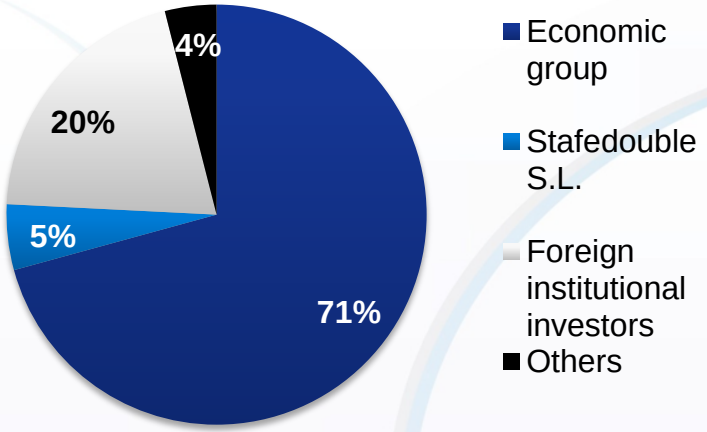


CAPEX (million USD)



Shareholders structure and stock performance

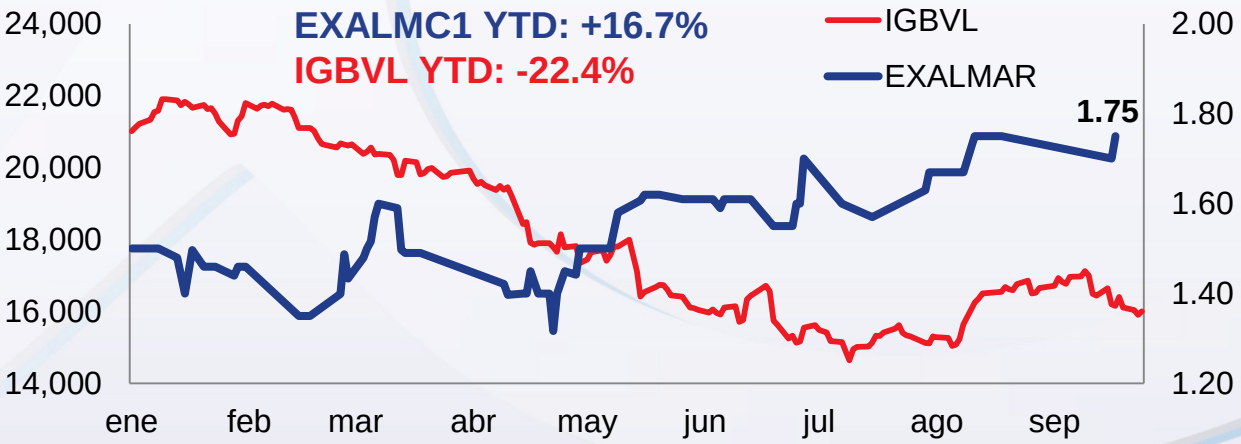
Shareholder structure (as of june 2013)



Analysts coverage Target price (*):

- Inteligo:S/. 2.39 (Upside: +36.6%)
- Santander: under revision.

Stock performance 2013 (*)



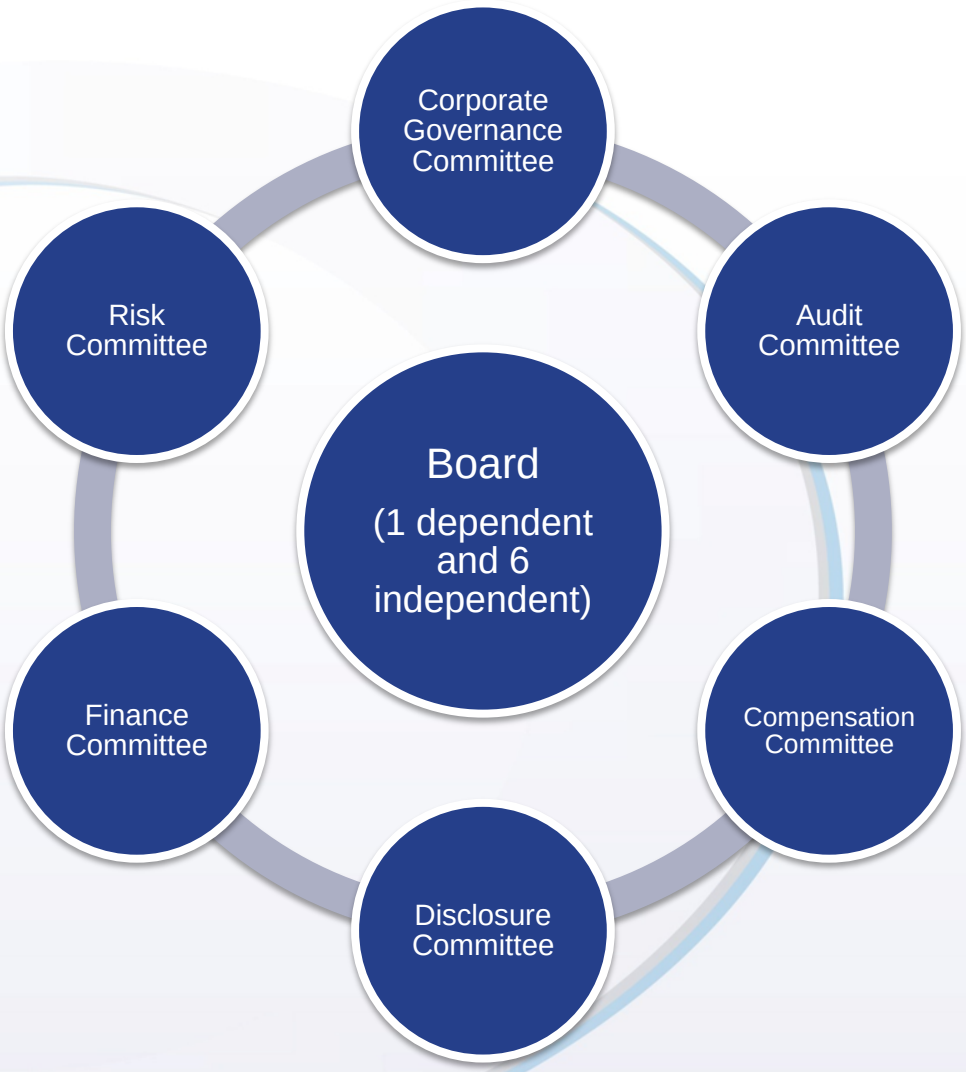
Data as of 25.09.13

Corporate Governance

Pesquera Exalmar

Corporate Governance

- By- laws and Policies:
  - Dividend Policy: non less than 30% and no more than 50% of net profits
  - Code of Business Conduct and Ethics.
  - General Shareholder's Meeting guidelines.
  - Rules of the Board of Directors.
- Independent directors.
- Investor Relations section at website.
- One to one meetings, call conferences, Road-Shows, Investor Day, etc.



October, 2013

Pesquera Exalmar

2013 Second Quarter Results