PESQUERA EXALMAR S.A.A.

SEPARATE FINANCIAL STATEMENTS
AS AT MARCH 31ST 2016 AND MARCH 31ST 2015

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US$ = Dólar estadounidense
S/ = Sol

PESQUERA EXALMAR S.A.A.

FINANCIAL SITUATION STATEMENTS
AS AT MARCH 31, 2016 AND MARCH 31, 2015
(Expressed in thousands of dollars (US$000))

ASSETS

		As at March 31	
		2016	2015
	Note	US$000	US$000
CURRENT ASSETS			
Cash and Cash Equivalents	6	5,397	1,693
Trade Account Receivable (Net)	7	24,746	2,224
Inventories (Net)	8	34,463	50,599
Account Receivable form Related Entities	9	3,179	2,902
Other Assetsd (Net)	10	39,030	24,041
Total Current Assets		**106,815**	**81,459**
NON CURRENT ASSETS			
Other Account Receivables	10	12,219	16,448
Properties, Plant and Equipment (Net)	11	225,008	222,667
Intngible Assets (Net)	12	112,042	112,080
Goodwill	13	88,719	88,719
Total Non-Current Assets		**437,988**	**439,914**
TOTAL ASSETS		544,803	521,373

LIABILITIES AND EQUITY

		As at March 31	
		2016	2015
	Note	US$000	US$000
CURRENT LIABILITIES			
Short-Term Borrowings	14	56,602	37,253
Trade Account Payables	15	29,509	24,620
Account Payables from Related Entities	9	23	20
Other Liabilities	15	7,957	6,997
Total Current Liabilities		94,091	68,890
NON-CURRENT LIABILITIES			
Long-Term Borrowings	14	196,803	200,312
Deferred Tax	15	2,168	2,168
Provisions	16	9,097	7,097
Total Non-Current Liabilities		208,068	209,577
Total Liabilities		302,159	278,467
EQUITY	17		
Capital emitido		89,772	89,772
Share Premium		69,721	69,721
Revaluation surplus		24,783	24,783
Other Capital Reserve		3,609	3,609
Retained Earnings		54,759	55,021
Total Equity		242,644	242,906
TOTAL EQUITY AND LIABILITIES		544,803	521,373

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

FINANCIAL SITUATION STATEMENTS
AS AT MARCH 31, 2016 AND MARCH 31, 2015
(Expressed in thousands of dollars (US$000))

		As at March 31	
	Note	**2015**	**2014**
		US$000	**US$000**
Net Revenues	18	44,973	18,983
Cost of Sales	19	(29,834)	(9,291)
Ban Expenses	20	(3,932)	(10,056)
GROSS PROFIT		11,207	(364)
Sales Expenses	21	(2,122)	(1,664)
Administration Expenses	22	(2,001)	(1,732)
Other Income	23	744	334
Other Expenses	23	(1,632)	(600)
		(5,011)	(3,662)
OPERATING INCOME		6,196	(4,026)
Financial Income	24	1	29
Financial Expenses	24	(4,081)	(4,017)
Net Exchange Difference	3.1-a-i	(377)	(65)
		(4,457)	(4,053)
PROFIT BEFORE TAX		1,739	(8,079)
Income Tax Expense	25	(2,001)	3,640
NET PROFIT		(262)	(4,439)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(262)	(4,439)
Basic and diluted earning per Share (In U.S. Dollars)	26	(0.001)	(0.015)

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PESQUERA EXALMAR S.A.A.

FINANCIAL SITUATION STATEMENTS
AS AT MARCH 31, 2016 AND MARCH 31, 2015
(Expressed in thousands of dollars (US$000))

	Note	Share Capital US$000	Shares in custody US$000	Share Premium US$000	Other Reserves US$000	Retained Earnings US$000	Total Equity US$000
Balance as at Jannuary 1, 2015		89,772	-	69,721	3,609	63,746	226,848
Comprehensive Income		-	-	-	-	1,275	1,275
Revaluation surplus	17	-	-	-	24,783	-	24,783
Cash Dividends Declared	17	-	-	-	-	(10,000)	(10,000)
Balance as at December 31, 2015		89,772	-	69,721	28,392	55,021	242,906
Balance as at Jannuary 1, 2016		89,772	-	69,721	28,392	55,021	242,906
Comprehensive Income		-	-	-	-	(262)	(262)
Balance as at March 31, 2015		89,772	-	69,721	28,392	54,759	242,644

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

STATEMENTS OF CASH FLOWS
AS AT MARCH 31, 2016 AND MARCH 31, 2015
(Expressed in thousands of dollars (US$000))

	As at March 31	
	2016	**2015**
	US$000	**US$000**
OPERATING ACTIVITIES		
Cash generates form Operations	22,451	25,897
Other Cash Inflow from Operations	830	1,182
Suppliers payments	(15,947)	(15,477)
Remunerations payments	(4,722)	(4,461)
Income Tax Paid	(421)	(848)
Interst payment	(4,081)	(4,017)
Other Cash Outflow from Operations	(1,939)	(548)
Net Cash generated from Operating Activities	**(3,829)**	**1,728**
INVESTING ACTIVITIES		
Payments To:		
Purchase of Property, Plant and Equipment	(6,168)	(1,225)
Purchase of intangible assets	(35)	(75)
Other Cash Outflow from Investing Activities	(963)	58
Net Cash used in investing Activities	(7,166)	(1,242)
FINANCING ACTIVITIES		
Long-Term Borrowings Received	50,613	14,492
Long-Term Borrowings Paid	(35,914)	(25,763)
Dividends payments	-	-
Net Cash (Used in) generated form financing activities	14,699	(11,271)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	3,704	(10,785)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	1,693	29,215
CAHS AND CASH EQUIVALENTS AT END OF THE YEAR	5,397	18,430
RECONCILIATION OF NET INCOME TO CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Profit(loss) of the year	(262)	(4,439)
Adjustments to net income that do not affect cash flows from		
Operating Activities:		
Depreciation	4,882	5,077
Amortization	73	54
Disposals of property, plant and equipment	86	-
Expense (income) for deferred income tax	2,000	(133)
Net changes in working capital:		
Trade accounts receivable	(22,522)	6,914
Accounts receivable from related entities	(277)	221
Inventories	16,136	(298)
Other accounts receivable	(8,664)	(7,097)
Trade accounts payable	3,756	1,132
Accounts payable to related entities	3	2
Other accounts payable	960	295
Net Cash used by operating activities	(3,829)	1,728
Transactions not affecting cash flows:		
Finance leases of property, plant and equipment	1,141	-

The attaches notes are part of the Financial Staments

PESQUERA EXALMAR S.A.A.

NOTE TO FINANCIAL STATEMENTS
AS AT MARCH31ST, 2016 AND MARCH 31ST, 2015

1 GENERAL INFORMATION

a) Constitution and Economic Activity -

Pesquera Exalmar S.A.A. (hereinafter “The Company”), is a subsidiary from Caleta de Oro Holding S.A., company domiciled in Panama, which owns 60.62% to the social capital shares. The Company was constituted in Peru on November 25, 1997. The Company’s legal domicile, where its administrative offices are, is Av. Victor Andres Belaunde 214, San Isidro - Lima, Peru.

The Company are mainly dedicated to the extraction, transformation, marketing and export of hydro-biological products for direct human consumption (DHC) and indirect human consumption (IHC), as well as the import of raw material for the activities of its line of business, wholesale purchase/sale of said products, their representation and other related activities, such as the production of fishmeal and fish oil.

The Company operates 6 plants of fishmeal and fish oil production located along the Peruvian coastline (in the cities of Tambo de Mora, Chimbote, Chicama, Callao, Huacho and Paita in the regions of Ica, Ancash, La Libertad, Lima and Piura) and 2 frozen plants, dedicated to process hydro-biological products related to direct human consumption (DHC), located in the cities of Paita and Tambo de Mora.

IHC Plants produces, through indirect drying systems (Steam Dried – SD), fishmeal from a variety of qualities, such as “Prime”, “Super Prime”, “Taiwan”, “Thai” and “Standard” and fish oil; while the DHC Plants produces frozen products.

As at March 31st the Company owns 43 fishing vessels with storage capacity of 11,927 m3, with a fishing quota of 6.61% in the North- Center area and 4.46% in the South area (43 owns fishing vessels with a storage capacity of 11,927 m3, with a fishing quota of 6.61% in the North-Center area and 4.46% in the South area, in 2015). During the 2015 the Company got rid of 15 vessels (10 wood vessels and 5 steel vessels) and its quota was move to other operating vessels.

The Company currently operates an average of 21 vessels with storage capacity of 6,220 m3 (21 vessels with storage capacity of 6,220 m3 in 2015), During 2015 the Company had a sinister with a vessels named “Costa de Oro”, which the Company was indemnified by the insurance (Note 11)

b) Operating Regulation -

The industrial activities of the Company are mainly regulated by Decree Law Nº 25977 – General Fishing Law dated November 7, 1992 and its Regulation, Supreme Decree Nº 012-2001-PE dated March 13, 2001, Law Nº 28611 – General Law on Environment dated June 23, 2005 and Legislative Decree Nº 1084 – Law on Maximum Limits of Catch by Vessel dated June 28, 2008 and its Regulation, Supreme Decree Nº 021-2008-PRODUCE dated December 12, 2008, which set the rules for the fishing activity with the purpose of promoting its sustainable development as a source of nourishment, employment and income and ensuring a responsible exploitation of the hydro-biological resources, optimizing the economic benefits, in harmony with the preservation of the environment and the conservation of biodiversity. Likewise, it establishes the exigency to supervise the protection and preservation of the environment, demanding that the necessary measures be adopted to prevent and reduce the damages and contamination risks in the marine, land and atmospheric environment.

The administration and control of the fishing activity nationwide corresponds to the Ministry of Production, which sets forth during the year, based on the information provided by IMARPE, the biological bans of the fishing resources to preserve some marine species such as anchovy, white anchovy and hake. These bans are established during the reproductive stages of the corresponding species or when the annual extraction quota assigned is reached. The ban periods affect the operations of the Company since they limit the catch of marine species used in the production of fishmeal and fish oil.

The General Fishing Law establishes that the fishing permits (fishing licenses) are those specific rights that the Ministry of Production grants to engage in fishing activities. The fishing permits are granted in relation to each specific fishing vessel and, in accordance with the current legislation, have no defined term.

The above-mentioned legislation additionally establishes that in case the vessel suffers an accident the causes its total loss or scrapping, the owner of the vessel has the right to obtain an authorization from the Ministry of Production for the construction of another vessel of identical hold capacity. The legislation does not establish limitations for the exercise of this right regarding the construction characteristics of the new vessel and the deadlines for the construction.

Consequently, Management deems that fishing licenses are intangible assets of an undetermined useful life.

On June 28 and December 12, 2008, the Law and Regulations on Maximum Catch Limits per Vessel (LMCE due to its initials in Spanish), were approved, respectively, which are in effect as of the first fishing season of 2009. The allocation of the LMCE was done based on the greater participation percentage in the annual national fishing and the authorized capacity in the fishing permit in a proportion of 60% and 40%, respectively, for the industrial fleet and only based on the best fishing year for the wooden vessels. The years considered for the determination of the greater percentage of each vessel were 2004 to 2007 inclusive. This rule establishes the possibility that the holders of fishing permits can execute Permanence Guarantee Covenants of the LMCE Regime with the Ministry of Production to guarantee the in-effect period of the regime up to 10 renewable years.

The Company limited the extractive activities of the fishing resource in each fishing season to the amount on the LMCE that have been allocated to it, being able to use one or more vessels with valid fishing permits at the time of publication of the Law for the extraction of the fishing resource.

c) Operations -

i) Fishmeal and Fish Oil -

As at March 31st, 2016, the Company has had 31 days of production and 60 days of ban period in the year (90 of ban period respectively, as at March31st, 2015). Also, as at March 31st, 2015, the ban periods generated operating costs for the Company of US$ 3,932 thousand (US$ 10,056 thousand as at March 31st, 2015).

As at March 31st, 2016, The Company processed 44,094 MT of raw material (No fishin for the suspension of the 2nd season 2014) which 22,366 MT was catched with our own vessels and 20,728 MT were purchasing from third parties.

As at March 31st, 2016, the production of the Company reached 10,114 MT of fishmeal SD and 1,844 MT of fish oil

As at March 31st, 2016, the local sales represents the 12% (10% in 2015) and the export sales represents 88% (90% in 2014) of the total of frozen products.

ii) Direct Human Consumption –

As at March 31st, 2016, regard to production for direct human consumption have not been captured of Jack mackerel and Mackerel (133 MT in 2015), Also, the Company has purchased the following raw material: 2,860 MT of Giant squid, 463 MT of mahi mahi, 9 MT of scallops, 71 MT of Bonito and 0.16 TM of shrimp (12,403 MT and 237 MT of Giant squid and mahi mahi respectively, in 2015), which it has obtained a production of 1,211 MT of giant squid, 239 MT of mahi mahi, 8 MT of Scallops, 169 MT of Bonito and 0.10 MT of shrimp (6,635MT and 209 MT of giant squid and mahi mahi respectively, in 2015)

As at March 31st, 2016, the local sales represents the 36% (13% in 2015) and the export sales represents 64% (87% in 2015) of the total of frozen products.

d) Environmental Regulation -

The General Fishing Law requires that an Environmental Impact Study be made before initiating any fishing activity.

According to Decree Law N° 25977 – General Fishing Law, Article 6 and its Regulation as per Supreme Decree N° 01-94-PE, for the protection and preservation of the environment, it is required and necessary measures be adopted to prevent and reduce pollution damages and risks to the land, sea and atmospheric environments.

The Company's operations are carried out protecting public health and the environment and they comply with all the applicable regulations.

As at March 31st, 2016, the Company has executed works in its several locations, related to the environmental protection for US$ 1,612 thousand (US$ 10,425 thousand in 2014) such as the construction of solid-residues collection centers, acquisitions of boilers, pumps and stern dryers. There are no liabilities for environmental obligations as of at December, 2015.

As at March 31st, 2016, the Company has executed works in its several locations, related to the environmental protection for US$ 261 thousand (US$ 1,612 thousand in 2015) such as the construction of solid-residues collection centers, acquisitions of boilers, pumps and stern dryers. There are no liabilities for environmental obligations as of at March, 2016.

e) Approval of the Financial Statements-

The separate Financial Statements for the year ended as at March 31st, 2016, have been authorized for issuance by the Company's Management. The separate Financial Statements as of December 31st 2015 were approved by the Annual Mandatory Shareholders Meeting held on April 13rd, 2016

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by the Company in the preparation and presentation of the financial statements are the following:

2.1 Basis of preparation-

The separate Financial Statements have been prepared according to the International Financial Reporting Standards (hereinafter "IFRS"), issued by the International Accounting Standards Board (IASB) in force as of June 30th, 2015. Also, the Company has prepared these financial statements to comply with Regulation of Financial Reporting of the Superintendence of Securities (SMV) and corresponds to its financial statements in which its investments in the company under joint control Corporación del Mar S.A. are showed under equity method (Note 2.12).

The information contained in these financial statements is the responsibility of de Company's Management, who expressly confirm that in its preparation have been applied all the principles and criteria is in accordance with the IFRS issued by the IASB.

The financial statements arising from the accounting records of the company and have been prepared on the historic costs basis as modified for financial assets available for sales and derivate financial instruments are recognized at fair value. The financial statements are presented in thousands of U.S. Dollars (U.S. $000) except when a different monetary expression was indicated.

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

2.2 Changes on Accounting Polices and Disclosures-

New norms and modification of norms adopted for the Company –

As at September 30th, certain IFRS and IFRIC came into effect, however, are not applicable to the activities of the Company or have not had a significant impact on the financial statements.

New standards, amendments and interpretations applicable for financial statements for annual periods beginning on or after January 1st 2015 and have not been early adopted.

IFRS 9, "Financial Instruments".

IFRS 9 deals under classification; IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. The full version of IFRS 9 was issued in July 2014 and retains but simplifies the mixed measurement model for financial instruments in IAS 39 and establishes three categories for measuring financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis for the classification depends on the business model of the entity and the contractual cash flow characteristics of the financial assets. The guidelines of IAS 39 for impairment of financial assets and hedging contracts continue to apply. For financial liabilities were no changes regarding the classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, in the case of liabilities at fair value through profit and loss. IFRS 9 simplifies the requirements for determining the effectiveness of the hedge. IFRS 9 requires an economic relationship between the hedged item and the hedging instrument and the hedge ratio is the same as the entity uses to manage risk. The updated documentation is still required but is distinct from requiring that had been under IAS 39. The standard is effective for annual periods beginning on January 1, 2018. Earlier adoption is permitted.

IFRS 15, "Revenue from contracts with customers."

It establishes principles for recognizing revenue and to reveal useful information to users of financial statements with respect to the nature, amount, timing and uncertainties associated with revenue and cash flows arising from contracts with customers.

Revenue is recognized when a customer obtains control of a good or service and therefore has the ability to direct the use and benefit from such goods and services. This standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and interpretations. The IFRS 15 is effective for annual periods beginning on or after January 1, 2017 and early adoption is permitted.

The Company is in the process of evaluating the impact of these standards on the preparation of its financial statements. It is not expected that other IFRS or IFRIC interpretations that are not yet in force could have a significant impact on the financial statements of the Company.

2.3 Segment Information –

Operating segment information is presented in a manner consistent with the internal reporters provided to the change of making operational decisions. Responsible for making operational decisions, this is responsible for allocating resources and assessing performance of the operating segments, has been identified as the General Manager, responsible for strategic decision making.

Management considers the business from a perspective of fishing activity type: Indirect Human Consumption 85% (the same in 2014) and Direct Human Consumption 15% (the same in 2014). IHC is the main segment to level revenues and profits of the Company, the other segment (DHC) not represent a segment reportable.

In these sense, the management has determined an only reportable operating segment. The management

En este sentido, la Gerencia ha determinado un solo segmento operativo reportable. The Management manages the resources of the business from the point of view of production. The Management assesses the performance of fishmeal and fish oil on a consolidated basis. These products are sold in markets around the world. Other products sold by the Company include other minor species for direct human consumption.

General Manager evaluates the performance of segment operating on the basis of the measuring indicator adjusted EBITDA financial determined by management that considers the earnings before interest, tax, depreciation and amortization. This basis of measurement not governed by accounting rules excludes the effects of the other income and expenses to be departures non-recurring operating segment, revenues and financial expenses and difference instead.

A reconciliation of adjusted EBITDA determined by management with the (income) loss before income tax includes:

	2016	2015
	US$000	US$000
EBITDA adjusted	12,039	1,371
Depreciation (Note 11)	(4,882)	(5,077)
Amortization (Note 12)	(73)	(54)
Others Incomes and expenses, net (Note 23)	(888)	-266
Incomes and Financial expenses, net (Note 24)	(4,080)	(3,988)
Net Exchange Difference, net (Note 3.1-a-i)	(377)	(65)
Profit (Loss) Before Tax	1,739	(8,079)

2.4 Foreign Currency Translation –

Functional currency and presentation currency -

Accounts included in the financial statements of the Company are in US Dollars which is the currency of the primary economic environment the entity operates (functional currency). The financial statements are presented in US Dollars which is the functional currency and the presentation currency of the Company.

Transactions and balances -

Transactions in foreign currency are translates into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are remeasured. The exchange rates used are those published by the Superintendencia de Banca, Seguros y AFP (Note 3.1-a)

Gains and losses from exchange differences resulting from the collection and / or payment of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at the exchange rate of the closing of the year recognized in the statement of comprehensive income in under “Exchange Difference, net”.

2.5 Financial Assets -

Classification -

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial assets held to maturity, loans and receivables and financial assets available for sales. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the date of initial recognition. As of March 31st, 2016 and December 31st 2015, the Company only has loans and receivables and financial assets available for sale, the characteristics and treatment are discussed below.

Loans and Receivables –

Loans and receivables are non-derivate financial assets that entitle fixed or determinable that are not quoted in an active market. They are included in current assets; except for maturities greater than 12 months from the date of statement financial position.

These are classified as non-current assets. Loans and receivables comprise the Company “Cash and cash equivalents”, “Trade accounts receivable” and “Other receivables” in the statement of financial position (Notes 2.9 and 2.10). Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost by the effective interest method less impairment estimation (Note 2.7).

The trade receivables are amounts due for the sale of products to clients in the ordinary course of business. The trade receivables have an average recovery of about 45 days. Non-significant amounts of sales that depart from the usual credit conditions, why has not identified any financial component in product sales.

2.6 Compensation of Financial Instruments-

Financial assets and liabilities are compensated and the net amount is reported in the statement of financial position when legally required right to compensate the recognized amounts exits and if there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right should not be contingent on future events and should be required in the ordinary course of business and in any event of default or insolvency of the Company or the counterparty.

2.7 Impairment of financial assets -

Assets carried at amortized cost –

The Company evaluates at the end of each period whether there is objective evidence of impairment of a financial asset or group of financial assets. If there is impairment of a financial asset or group of financial assets, an impairment loss is recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has a impact on the estimated of future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing financial difficulties, failure or delay in the payment of interest or principal on its debts, the probability of falling into bankruptcy or other financial reorganization and when objectively observable data indicating that there has been a measurable decrease in the estimated of future cash flows, such as changes in arrears or economic conditions that are correlated with defaults cash.

For the category of loans and receivables, the amount of the impairment loss is measured as the difference between the carrying value of assets and the present value of the estimated of future cash flows (excluding future credit losses that have not incurred and considering the guarantees received from customers if applicable) discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement

If, in a subsequent period, the amount of the impairment loss decreases and the decrease is related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit rating), the reversion of the previously recognized impairment loss is recognized in the statement.

2.8 Cash and cash equivalents -

In the statement of cash flows, prepared under the indirect method, cash and cash equivalents include cash on hand, time deposits and demand deposits in banks with original maturities of three months or less.

2.9 Accounts Receivables -

The trade receivables are amounts due from customers for the sale of fishmeal and fish oil and frozen products in the normal course of business. If receivables are expected in one year or less are classified as current assets. Otherwise, are presented as non-current assets. The trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment (Note 2.7).

2.10 Inventories -

Inventories are recorded at cost or net realizable value, whichever is lower. Cost is determined using the weighted average cost method, except in the case of inventories to be received which is determined using the specific identification method. The cost of finished goods and products includes the costs of raw materials, direct labor, other direct costs (based on normal operating capacity), including also those incurred in bringing the inventories to their present location and condition current. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to put in stocks and condition of sale to the market. By reductions in the book value of inventories to their net realizable value, an estimate is made for impairment of inventories charged to earnings of the year.

The estimate for obsolescence of materials and spare parts in stock is determined based on the slow-rotation accounts.

2.11 Joint Ventures -

The Company applies IFRS 11 sets to all agreements and after analyzing the nature of those has determined which are businesses under common control (joint venture).

The Company has a participation of 50% of Corporacion del Mar S.A., it is an entity under common control through an agreement signed with The Company Austral Group S.A.A. The accounting policies of the business under common control, if necessary, have been modified to ensure consistency with the policies adopted by the Company.

The investment value of the Company's businesses under common control is recognized by the equity method in the financial statements of economic interest and is recognized as cost in the separate financial statements as required by IFRS 11 and IAS 27 respectively. As of March 31st, 2016 and December 31st, 2015, the value of the investment recognized by equity method is zero, and its acquisition cost of US $ 320 thousand.

Dividends are recognized in income when the right to receive payment is established.

2.13 Property, plants and equipment –

Property, fishing boats, fleet equipment and machinery and equipment are stated at historical cost less accumulated depreciation and impairment in its carrying amount. The historical cost of an item of property, plant and equipment comprises its purchase price and includes expenditure directly attributable to the acquisition or construction required to bring the asset to the location and condition necessary to be able to operate as expected by the Management.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that is expected to generate future economic benefits to the Company and the cost of these assets can be reasonably measured. Expenditure incurred to replace a component of an item or item of property, plant and equipment are capitalized separately, punishing the carrying amount of the component being replaced. Other disbursements for maintenance and repairs are charged to the income statement during the financial period in which they are incurred.
Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful life as follows:

	Years
Buildings and other constructions	33
Vessels	2 - 29
Machinery and Equipment	2 - 35
Transport units	5
Furniture and Fixtures	10
Various Equipment and Computers	10

The residual values and useful lives of assets are reviewed and adjusted, if necessary, to the date of each statement of financial position. Any changes in these estimates are adjusted prospectively.

Carrying value of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount (Note 2.16).

Gains and losses arising from the sale or retirement of an item of property, plant and equipment correspond to the difference between the sale value and its carrying amount and are recognized under "Other income" and "Other Expenses" statement of comprehensive income.

2.13 Intangible Assets -

Computer programs –

Costs associated with maintaining computer programs (software) are recognized as expenses when incurred. Development costs that are directly attributable to the design and testing of computer programs, unique and identifiable, under control of the Company are recognized as intangible assets when they meet the following criteria:

- it is technically feasible to complete the software product so that it can be used;
- Management intends to complete the software product and use or sell it;
- it has the ability to use or sell the software product;
- it can be demonstrated that the computer program is likely to generate future economic benefits;
- it has the technical, financial and other necessary resources to complete the development of the computer program that allows its use or sale; and
- The expenditure attributable to the software product during its development can be measured reliably.

Costs directly attributable to the cost include: computer software development, employee costs and a portion of relevant costs. Other development costs that do not meet these criteria are recognized in income as incurred. Development costs previously recognized in profit or loss is not recognized as an asset in subsequent periods.

The acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to set in use conditions the specific software. These costs are amortized during their estimated useful lives that not exceeding the 10 years.

Fishing License –

The cost of fishing licenses for anchovy to January 1, 2010, date of transition to IFRS of the Company, is primarily determined using the estimated fair value calculated by independent appraisers (‘deemed cost’). Fishing licenses acquired through business combination are shown in their fair value at the acquisition date determined by independent appraisers. Fishing licenses are intangible assets with indefinite useful life; accordingly they are not amortized and are recorded at cost. The carrying of fishing licenses is reviewed at each balance sheet date. If the fair value of the licenses is estimated to be less than its carrying value corresponding punish their fair value.

2.14 Goodwill -

Goodwill represents the excess of cost of acquisition over the fair value of the participation of the Company in the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. The carrying amount of goodwill is tested annually for impairment and is shown at cost less accumulated impairment losses. The gain or loss on sale of subsidiaries includes the carrying amount of goodwill relating to it.

For purposes of impairments testing, goodwill are allocated to cash-generating units (hereinafter CGU). The distribution is made to those CGUs or group of CGUs that are expected to benefit from the business combination in which the goodwill arose identified according to operating segments.

Goodwill impairment reviews are conducted annually or more frequently when occur to events or changes in circumstances that indicate a potential deterioration in value. The carrying amount of the CGUs containing goodwill, compared to its recoverable value, which is the largest among its value in use and its fair value less costs for sale. Any impairment is recognized as an expense and its subsequent reversal is not possible.

2.15 Impairment of non-financial assets -

Assets that have an indefinite useful life, such as goodwill and fishing licenses are not subject to amortization and are tested annually for impairment. Assets subject to depreciation or amortization are tested for impairment whenever occur events or circumstances indicate that their carrying amount may not be recoverable. Impairment losses correspond to the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of assets is the greater value between the net amounts that would arise from its sale or its value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which generate identifiable cash flows (Cash Generating Units). The carrying amounts of non-financial assets other than goodwill that have been reduced due to impairment are reviewed at each reporting date to see if there have been reversals of impairment at the reporting date.

If the carrying amount of an asset or Cash Generating Unit exceeds its recoverable value, a provision is recognized in results to adjust the asset to its recoverable amount. An impairment loss is reversed if there has been any change in the estimates used to determine the recoverable amount.

2.16 Financial Liabilities -

The Company classifies its financial liabilities in the following categories: "financial liabilities at fair value through profit or loss" and "other financial liabilities". The classification depends on the purpose for which is assumed the liabilities and how they are managed. Management determines the classification of its financial assets at the date of initial recognition liabilities. As of March 31st, 2016 and December 31st, 2015, the liabilities of the category of "other financial liabilities" substantially correspond to bank liabilities and trade payables whose characteristics and treatment are discussed below:

Financial Obligations –

Financial liabilities are initially recognized at fair value, net of transaction costs incurred. These liabilities are subsequently carried at amortized cost; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

The fees you incurred for obtaining credits are recognized as transaction costs to the extent that it is probable that some or the entire loan will be received. In this case the fee is deferred until the loan is received. To the extent that there is no evidence that it is probable that some or the entire loan is received, commissions are capitalized as payments for liquidity services and amortized over the period of the loan to which it relates. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the date of the statement of financial position.

Trade accounts payable –

The trade accounts payable are obligations to pay for goods or services received from suppliers in the normal course of business. Accounts payable are classified as current liabilities if payment is due within one year or less, otherwise they are presented as non-current liabilities.

Accounts payable are recognized initially at fair value and subsequently, to the extent that the effect of the discount to present value is important, are remeasured at amortized cost using the effective interest method; otherwise they are shown at its nominal value.

2.17 Provisions -

Provisions are recognized when: i) the Company has a present obligation, legal or assumed, resulting from past events; ii) is likely to require an outflow of resources to settle the obligation; and iii) the amount can be estimated reliably. No provisions for future operating losses are recognized.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using an interest rate before tax that reflects current market conditions on the value of money and the risks specific to the obligation.

2.18 Leases –

Leases in which a significant portion of the risks and benefits relating to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement based on the straight-line method over the period of the lease.

Leases of items of property, plant and equipment where the Company assumes substantially all the risks and benefits of ownership are classified as finance leases. Finance leases are capitalized at the beginning of the lease at the lower value by comparing the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The obligations for corresponding lease payments, net of lease finance charges, are included in other long-term payable accounts.

The interest element of the finance cost is charged to the income statement in the period of the lease so that a constant periodic rate of interest on the remaining balance of the liability for each period is obtained. Property, plant and equipment acquired under finance leases are depreciated according to a systematic basis over the period of expected use consistent with the depreciation policy the lessee adopts for depreciable assets that others have. If there is reasonable assurance that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise depreciate the asset will depreciate in the shortest period resulting from comparing the asset’s useful life and the lease term.

2.19 Current Income Tax and deferred Tax -

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

The charge for current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the date of statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations tax position in which applicable tax regulation is subject to interpretation. The Company will, where appropriate, makes provisions on the amounts expected to be paid to the tax authorities.

The deferred income tax is recognized in full, using the liability method, recognizing the effect of temporary differences arising between the tax bases of assets and liabilities and the balances shown in the financial statements. However, the passive deferred tax income arising from the initial recognition of goodwill; or if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting or taxable profit nor loss, is not accounted for. Deferred tax is determined using tax rates (and laws) in force or substantially in force at the date of the statement of financial position and are expected to apply when the deferred tax asset is realized or the income tax liability rent is paid.

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

The balances of deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities with when the deferred income taxes assets and liabilities relate to the same taxation authority on either same collateral or different taxable entities where there is intention and ability to settle the balances on a net basis entity.

2.20 Employee Benefits -

Holiday –

Annual holiday and other staff absences compensated absences are recognized on an accrual basis. The provision for the estimated liability for annual holiday of staff, which is calculated on the basis of remuneration for every twelve months of services rendered by employees, it is recognized on the date of the statement of financial position.

The Company does not provide post-employment benefits and also operates an equity compensation plan based on shares.

Compensation for time served –

Compensation for time served of staff of the Company relate to their indemnities rights calculated in accordance with the applicable legislation, which is to be deposited in bank accounts designated by the workers in the months of May and November each year. Compensation for length of service of staff is equivalent to average monthly salary in effect on the date of its deposit. The Company has no further payment obligations once made annual fund deposits to which the worker is entitled.

Gratuities –

The Company recognizes a liability and an expense for bonuses to employees based on the laws in force in Peru. Gratuities are two annual remunerations paid in July and December each year.

Participation in earnings –

The Company recognizes a liability and an expense for employee participation in the profits of the Company on the basis of existing legislation. The participation of employees in profits equivalent to 10% of the taxable income determined in accordance with legislation enacted income tax.

2.21 Share Capital -

Common shares are classified as equity when there is no obligation to transfer cash or other asset class. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the amount received, net of taxes.

The own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of equity instruments of the Company. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received shall be recognized directly in equity.

2.22 Liabilities and Contingent Assets -

Contingent liabilities are not recognized in the financial statements only disclosed in the notes to the financial statements, unless the possibility of the use of resources is remote. Contingent assets are not recognized in the financial statements and are disclosed only when it is probable that an inflow of resources occurs.

2.23 Revenue Recognition-

Revenue is recognized at the fair value of the consideration received or receivable for the sale of goods and services made in the normal course of operations of the Company. Revenue is shown net of sales tax, returns, rebates and discounts.

The Company recognizes revenue when these can be measured reliably, it is probable that future economic benefits will flow to the entity and when transactions meet specific criteria for each of the Company’s activities as described below lines.

Sale of fish meal and oil and other products -

The sale of products derived from fishing and other products is recognized when all the following conditions are met:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company doesn´t retains neither continuing managerial involvement in the goods sold, the degree usually associated with ownership nor effective control over them;
- The amount of revenue can be measured reliably; It is likely that the Company receives the economic benefits associated with the transaction; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For each export of fishmeal and fish oil, the Company enters into a forward sale contract at market prices.
Deliveries of the products are determined case by case.

Interests –

Interests Income is recognized on the basis of the proportion of elapsed time, using the effective interest method. When interest income on loans or investments are impaired, the Company reduces fair value at its recoverable value, it is the same estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as reversing interest income. Interest income from loans and impaired loans is recognized using the original effective interest rate of the instrument.

2.24 Recognition of cost and expenses-

Cost of sales of products is recognized in income on the date the products are delivered simultaneously with the recognition of revenue from its sale. The other costs and expenses are recognized on an accrual basis regardless of when they are paid and, if applicable, in the same period in which the income to which they relate are recognized.

2.25 Distribution of dividends -

Dividend distribution to the Company’s shareholders is recognized as liability in the financial statements in the period in which the dividends are approved by the General Meeting of Shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors -

Company’s activities expose it to a variety of financial risks: market risk (including the exchange rate risk, fair value interest rate risk, interest rate on cash flows and price risk) , credit risk and liquidity risk. The overall risk management program of the Company mainly focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Financial Management is responsible for the overall management of risks in specific areas such as the exchange rate risk, fair value interest rate risk, credit risk and liquidity risk areas. The Financial Management identifies, evaluates and hedges financial risks in close cooperation with the operating units of the Company. The principal financial risks to which the Company is exposed are presented:

a) Market risks -

i) Exchange rate Risk -

The Company is exposed to the risk of fluctuation in the exchange rate in those items that are maintained in currencies other than the U.S. dollar, primarily the Nuevo Sol (Peruvian currency). Domestic and foreign sales of the Company are denominated and settled mainly in U.S. dollars. The exchange rate risk arising from transactions with suppliers and borrowings that are agreed in that currency

Management minimizes this risk partially through: i) maintaining debit balances in foreign currency, ii) maintaining export volumes and profitability and iii) signing contracts currency forwards (forwards). The Company does not have a specific policy regarding the contracts of foreign currency forwards to hedge the exposure to foreign currency. The balances in foreign currency as at March 31st, 2016 and March 31st, 2015 were the following:

	2016 S/.000	2015 S/.000
Assets:		
Cash and Cash Equivalents	2,050	1,702
Trade Accounts Recivables (Net)	3,750	513
Account Receivable from Related Entities	6,599	5,915
Other Account Receivables (Net)	39,560	40,474
	51,959	48,604
Liabilities:		
Financial Obligations	1,548	2,322
Trade Account Payables	43,133	37,952
Account Payable to Related Entities	77	70
Other Account Payables	20,223	22,774
	64,981	63,118
Equity Net	(13,022)	(14,514)

As at March 31st, 2016, the exchange rates used for the Company for translating foreign currency balances have been US$ 0.297 per S/. 1 for assets and liabilities (US$ 0.293 per S/. 1 for assets and liabilities as of March 31st, 2015).

As at March 31st, 2016, the Company recorded net foreign exchange losses of US$ 377 thousand (foreign exchange losses for US$ 65 thousand in 2015); the net amount is included in the category of difference, net in the income statement. The difference is mainly generated instead of finance leases obligations, trade account payables, other liabilities in Soles

i) Price Risk -

The Company is not exposed to the risk of fluctuations in the prices of products sold; international prices of fishmeal and fish oil are subject to change

ii) Interest rate risk on fair value and cash flows -

The interest rate risk on cash flows of the Company is carefully managed. As of March 31st, 2016, the indebtedness of the Company accrues a fixed rate and is referred to in U.S. dollars.

The Company analyzes its exposure to interest rate dynamically. Several scenarios taking into consideration refinancing, renewal of existing positions and alternative financing are simulated. Based on these scenarios, management estimated the impact on the results of a curve defined interest. These settings apply only to the obligations, including bonds, which represent the major interest-generating positions.

b) Credit Risk -

Financial institutions as well as credit exposure to customers, including outstanding accounts receivable balances. With respect to banks and financial institutions, only institutions whose ratings accepts independent risk is at least 'A'. With respect to trade receivables, the risk is controlled considering that the company sells for cash only on the basis of export letters of credit. If there are no independent risk ratings, the credit and collections area evaluates the credit quality of the customer, taking into account their financial position, past experience and other factors. The Company places its excess cash in reputable financial institutions, provides conservative credit policies and continuously assesses conditions in the market in which it operates. Under these circumstances, management believes that the Company is exposed to limited credit risk.

c) Liquidiy Risk -

Finance Area oversees cash flow projections made on the liquidity requirements of the Company to ensure that sufficient cash to meet operational needs while maintaining sufficient bank credit lines (US$ 190 million). These projections take into account the debt financing plans and compliance with the objectives of financial ratios of the statement of financial position.

Excess cash balances and above that required for working capital management are invested primarily in time deposits.

The following table shows an analysis of non-derivative financial liabilities of the Company, which have been classified into maturity groups, based on the period between the date of the statement of financial position and the dates of their contractual maturities. The amounts in the table reflect cash flows including interest accrued over the remaining contractual period and in case of liabilities with variable interest rates, flows were estimated by applying the rate of interest existing at the date the statement of financial position.

	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 3 years US$000	Between 3 and 5 years US$000	Total US$000
As at March 31, 2016					
Financial Obligations	49,997	1,302	2,847	259,000	313,146
Trade Account Payables	29,509	-	-	-	29,509
Account Payable to Related Entities	23	-	-	-	23
Other Account Payables	7,957	-	-	-	7,957
Total	87,486	1,302	2,847	259,000	350,635
As at March 31, 2015					
Financial Obligations	30,958	1,395	2,383	266,375	301,111
Trade Account Payables	24,620	-	-	-	24,620
Account Payable to Related Entities	20	-	-	-	20
Other Account Payables	6,997	-	-	-	6,997
Total	62,595	1,395	2,383	266,375	332,748

Management manages the risk associated with the amounts included in each of the above categories, which include maintaining good relations with local banks in order to ensure sufficient credit at all times, as well as solve their working capital with cash flows from operating activities.

3.2 Risk management of the capital structure -

The objectives of the Company at managing capital are to safeguard its ability to continue as a going concern in order to generate returns for shareholders, benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

Finance Management considers the cost of capital and the risk associated with each class of capital are adequate to March 31st, 2016 and March 31st, 2015 were as follows:

	2016	2015
	US$000	US$000
Financial Obligations (Note 15)	253,405	237,565
Less: Cash and Cash Equivalents (Note 6)	(5,397)	(1,693)
Net Debt (A)	248,008	235,872
Total Equity	242,644	242,906
Total Debt+Equity (B)	490,652	478,778
Leverage Ratio (%) : (A) / (B)	0.51	0.49

3.3 Estimated fair value financial instruments –

The carrying value less estimated impairment of accounts receivable and accounts payable are not significantly different from their fair values. The fair value of financial liabilities for purposes of exposure is made estimating the future contractual cash flows discounted at the interest rates prevailing in the market and available for similar financial instruments of the Company.

The fair value of financial assets and liabilities is determined by reference to quoted market price at the date of the statement of financial position for identical assets or liabilities (level 1). When there is no active market, the Company used as reference prices other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices) (level 2) and using the data for assets and liabilities that are not based on observable market data (ie unobservable data) (level 3).

4 CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Used estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting policies and estimates -

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition will seldom equal the related actual results. Management of the Company does not expect the changes, if any, have a significant effect on the financial statements.

The estimates and assumptions that have a significant risk of causing a material adjustment in balances of assets and liabilities within the next year are presented below.

a) Estimated impairment of goodwill -

The Company tests annually whether goodwill has suffered any impairment in accordance with the accounting policy described in Note 2.15 and 2.16. The recoverable amounts of cash generating units have been determined based on fair value, less estimated costs that would be required for its sale. These calculations require the use of estimates (Note 13).

If the estimated rate of discount, before tax, applied to the discounted cash flows of the cash generating unit, CGU, is each plant and fishing vessel had been 1% higher than the estimates of Management (eg 8.57% instead of 7.57%), the Company would not have to recognize any additional adjustment against goodwill. To recognize an additional impairment, the discount rate should have been bigger than 11.25%.

b) Useful life and impairment of property, plant and equipment -

Depreciation of fixed assets is calculated using the straight-line method to allocate their cost to their residual values over the estimated useful life. This results in depreciation charges and / or wears proportional to the estimated amortization of assets measured in number of years. The useful life of assets is assessed on the basis of: i) the physical limitations of the asset, and ii) the evaluation of the demand. These calculations require to makes estimates and assumptions about the total demand for the production of the Company and capital expenditures that will be required in the future.

c) Carrying value of fishing licenses -

The Company evaluates the carrying value of licenses each year based on the discounted cash flows determined using the methodology of value in use.

d) Carrying value of property, plant and equipment -

The Company evaluates the carrying value of property, plant and equipment each year on the basis of discounted cash flows to determine fair value less costs that would be required to sell and its value in use. If the asset is not operating, the impairment is determined using fair value to be determined by independent appraisers.

e) Income Tax -

The determination of tax obligations and expenditures requires interpretations of tax legislation applicable in Peru. The Company seeks professional tax advice before making any decisions on tax matters. Although management believes that its estimates on tax matters relating to the calculation of income tax are cautious and conservative, they may cause discrepancies with the tax authorities in the interpretation of rules requiring tax adjustments in the future. The Company recognizes liabilities for situations observed on tax revisions based on estimates of whether the payment of additional taxes. Where the final tax outcome of these situations is different from the amounts that were initially recorded, the differences will impact the current income tax and deferred tax assets and liabilities in the period in which this fact is determined.

The calculation of tax on current income as determined by the Company resulting from the application of existing tax rules and does not include estimated provisions that create differences in the future regarding the tax revisions. In this sense no need to make a disclosure of sensitivity to simulate variations in the calculation being that, if a difference occurs, it would not be material regarding the results of the financial statements.

4.2 Critical judgments in applying accounting policies –

a) Functional currency and presentation currency -

The functional currency of the Company is determined by the currency of the primary economic environment in which it conducts its operations. To determine the functional currency, management uses its judgment to assess the nature of operations of the Company taking into account certain primary indicators in IAS 21 including the currency that influences in sales prices and cost of services and the currency of the country whose competitive forces and regulations mainly determine their selling prices. Additionally, management has used its judgment to determine the functional currency, considering some of the secondary factors referred to in IAS 21 and concluded that the U.S. Dollar is the currency that faithfully represents the economic substance of their business and transactions.

b) Expense allocation to bans and stocks -

Management believes that the production period of the Company corresponds to the calendar year, regardless of periods of ban imposed by the Peruvian fishing authorities. In this regard, management believes that annual production costs of the Company comprise all costs incurred in the calendar year. Consequently, ban costs incurred during the year are allocated to the cost of inventories recognized or charged to income for the year they are incurred on the basis of the actual normal operating capacity of each year; which includes the respective quota allocated to the Company by the regulator in Peru. As at March 31st, 2016, ban costs of US$ 3,932 are expensed in the period in the statement of comprehensive income (US$ 10,056 in 2015). (Note 20)

5 FINANCIAL INSTRUMENTS BY CATEGORY

The classification of financial instruments by category is as follows:

	2016 US$000	2015 US$000
Financial Assets:		
Cash and Cash Equivalents	5,397	1,693
Trade Accounts Receivables (Net)	24,746	2,224
Account Receivables from Related Entities	35,194	34,549
Other Account Receivables (Net)	3,179	2,902
Total	68,516	41,368
Financial Liabilities:		
Financial Obligations	253,405	237,565
Trade Account Payables	29,509	24,620
Other Account Payables	7,957	6,997
Account Payable to Related Entities	23	20
Total	290,894	269,202

The credit quality of financial assets that have not expired and have not been impaired is evaluated with historical information on defaults of their counterparts. During the period of March 2016 and March 2015, the accounts receivable from existing customers and new customer were not deteriorated.

6 CASH AND CASH EQUIVALENTS

This item comprises:

	2016 US$000	2015 US$000
Cash and Checkig Accounts(a)	3,597	1,693
Time Deposits (b)	1,800	-
Total	5,397	1,693

As at March 31st, 2016, the current accounts denominated in soles and U.S. dollars by S/. 2,406 thousand and US$ 4,680 thousands, respectively (S/. 1,702 thousand and US$ 1,194 thousand respectively in 2015). These amounts are held in local banks and their availability is immediate.

As at March 31st, 2016, the time deposit are in U.S Dollars by US$ 1,800 thousand and corresponds to funds held in two local banks, which deferred interests at an effective rate of 0.5% with maturity on May 2016

7 TRADE ACCOUNTS RECEIVABLES

This item comprises:

	2016 US$000	2015 US$000
Trade Receivables	24,764	2,242
Allowance for doubtful debts	(18)	(18)
Total	24,746	2,224

The carrying amounts of these trade receivables are similar to their fair values due to their short-term maturities. The trade receivables are substantially denominated in U.S. dollars, have current maturities and do not accrue interest.

As at March 31st, 2016, approximately 92% of trade accounts receivable from foreign customers are guaranteed mostly letters payable at sight and 8% is subject to bank collections in the form of cash against export documents (“Cash Against Documents”) (approximately 80% and 20% in 2015).

The Company assesses the credit limits of their new customers through an internal analysis of your credit history and assigns credit limits by customer. These credit limits are reviewed twice a year. 82% (86% in 2015) of trade accounts receivable corresponds to customers with balances due and for which no impairment losses are estimated given the credit experience with them. 82% of trade accounts receivable is concentrated in 14 major customers (8 in 2015). No other representing clients individually or in the aggregate, more than 18% of the total balance of trade receivables.

The credit quality of the receivables that are neither past due nor impaired has been assessed on historical information reflecting compliance rates:

	2016 US$000	2015 US$000
Whitin maturity periods	24,461	1,195
Overdue up to 60 days	50	720
Overdue from 61 days to 180 days	217	291
Overdue over 361 days	18	18
Total	24,746	2,224

8 INVENTORIES

This item comprises:

	2016 US$000	2015 US$000
Fishmeal and Fish Oil (IHC)		
- Fishmeal	16,487	34,650
- Fish Oil	5,586	5,269
Supplies (IHC)	5,632	3,905
Finished Products (HDC)	6,085	5,983
Packages and Packaging	1,263	1,382
	35,053	51,189
Allowance for obsolescence of inventories	(590)	(590)
Total	34,463	50,599

As at March 31st, 2016 stocks of fishmeal and fish oil amounted to 16,105 MT and 2,714 MT, respectively (32,144 MT and 2,136 MT, respectively, as at December 31st, 2015

As at March 31st, 2016 the Company keeps fishmeal or fish oil pledged as collateral for bank loans for US$ 2,000

	2016 US$000	2015 US$000
Initial	590	1,006
Aditions (Note 23)	-	302
Penalty	-	(718)
Ending balance	590	590

The allowance for impairment of inventories has been determined according to the assessment made by the operational areas of the Company, identifying those supplies and materials that are obsolete. Accordingly, the Management of the Company believes that no additional estimate for impairment of inventories as at March 31st, 2016 and 2015 provisions are required.

9 RELATED COMPANIES

a) Balances receivable from and payable to related parties as at March 31st, 2016, and as at December 31st 2015 are as follows:

	2016 US$000	2015 US$000
Receivables:		
Corporación Exalmar S.A.	5,060	5,044
Corporación del Mar S.A.	1,665	1,655
Compañía Hotelera El Sausal S.A.	710	701
Complejo Agroindustrial Beta S.A.	425	335
Comercializadora Global	240	86
Inmobiliaria Seville S.A.	31	31
Other Related Entities	23	25
	8,154	7,877
Less: Estimated doubtful accounts	(4,975)	(4,975)
	3,179	2,902

	2016 US$000	2015 US$000
Payables		
Complejo Agroindustrial Beta S.A.	16	16
C.M.V. Servicios Ejecutivos S.A.	4	2
Others minor	3	2
	23	20

Management estimates that it will recover the receivable balances to its parts related as at March 31st, 2016, so the date of the financial statements has not recognized additional allowance. The assessment of the collectability of these accounts is held at the end of each period, which includes examining the financial position of the companies involved.

The carrying values of these receivables and payables are similar to their fair values due to their short-term maturities. These accounts bear interest at an annual interest rate of 13.74% and have no specific guarantees.

As at March 31st, 2016 and December 31st, 2015, the Company has provided guarantees to financial institutions on behalf of related entities by S/. 6 millions
a entidades financieras locales por cuenta de las entidades relacionadas por S/6,000 miles.

a) The main transactions with related parties, which are held at market value, which become balances receivable and payable comprise:

	2016 US$000	2015 US$000
Loans	157	55
Invoicing of network services and other	80	358
Expenses for Office rental and others	(2)	(10)

b) Remuneration of key managements

As at March 31st, 2016, the wages and other benefits to management manager, considered key personnel, ascended to US$ 502 thousand (US$ 395 thousand in 2015). Also, the remuneration to the board ascends to US$ 42 thousand (US$ 38 thousand in 2015).

10 OTRAS CUENTAS POR COBRAR

This item comprises:

	2016 US$000	2015 US$000
Advances to shipowners (a)	26,299	26,507
Tax Credits - VAT (b)	6,078	3,599
Balance in favor of the Income Tax (Note 25-c)	2,075	2,075
Personnel and Shareholders (c)	6,828	5,955
Prepaid Expenses	7,902	266
Claims to third parties	509	499
Others	1,705	1,734
	51,396	40,635
Allowance for impaired receivables	(147)	(146)
Total	51,249	40,489
Non-current portion	(12,219)	(16,448)
Current portion	39,030	24,041

Other accounts receivable of the Company have current maturity:

(a) The accounts receivable are mainly owners fishing funds provided by the Company to perform these maintenance and repair of their boats and grants to meet its working capital needs. These receivables accrue interest monthly at rates between 8% and 10% and no specific guarantees. The Company gets these compensating amounts with the amounts billed shipowners from raw material that they delivered to our production plants during the fishing periods.

(b) Corresponds to the balance in favor of the VAT paid on the acquisition of goods and services tax deductible as applicable to sales of goods and services in the future make the Company and who are taxed on that tax, in the short term and by requesting repayment of the balance in favor of exporting material benefit. As at March 31st, 2016, the Company has recovered US$ 3,127 thousand by this concept (US$ 12,617 as of December 31st 2015).

(c) On July 23, 2012, the Company entered into a loan agreement to shareholders in the amount of US$ 7,500 thousand. The loan matures in 2014 and bears interest at the annual rate of 8%. On December 28th, 2012, the shareholder made the partial repayment of the loan in the amount of US$ 5,000 thousand. As at December 31st, 2015, the shareholder absorbed the account payable from Inmobiliaria Seville S.A. for US$1,043 thousand.

11 INMUEBLES, MAQUINARIA Y EQUIPO

a) Composition of balance:

The movement of the item of property, plant and equipment and related accumulated depreciation for the periods ended March 31st, 2016 and December 31st 2015, has been as follows:

	Land	Buildings and Other Constructions	Vessels	Machienary and Equipment	Transport Units	Furniture and Fixtures	Miscellaneous Equipment	Work in Progress
	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Year 2015:								
Initial net carrying value	9,329	25,091	58,726	101,743	348	488	1,679	7,496
Additions	-	-	-	-	-	-	-	7,344
Disposals	34,421	-	-	-	-	-	-	-
Transfers and Others	-	-	(17,173)	(754)	(69)	(16)	(19)	-
Depreciation Charge	-	906	4,041	6,207	39	33	370	(11,596)
Impairment Charge	-	(1,173)	(7,469)	(10,837)	(115)	(64)	(439)	-
Payment to Depreciation	-		13,626	407	68	16	13	
Final net carrying value	43,750	24,824	51,751	96,766	271	457	1,604	3,244
Balance as at March 31, 2015:								
Cost	43,750	25,091	41,553	100,989	279	472	1,660	14,840
Depreciation Acumulated	-	(267)	10,198	(4,223)	(8)	(15)	(56)	(11,596)
Net Book Value	43,750	24,824	51,751	96,766	271	457	1,604	3,244
Year 2016:								
Initial net carrying value	43,750	24,824	51,751	96,766	271	457	1,604	3,244
Additions	-	-	-	-	-	-	-	7,309
Disposals	-	-	-	-	-	-	-	-
Transfers and Others	-	-	(1,187)	-	-	-	-	-
Depreciation Charge	-	-	-	-	-	-	-	-
Impairment Charge	-	(298)	(1,811)	(2,622)	(23)	(16)	(112)	-
Payment to Depreciation	-		1,101	-	-	-	-	
Final net carrying value	43,750	24,526	49,854	94,144	248	441	1,492	10,553
Balance as at March 31, 2016:								
Cost	43,750	25,091	40,366	100,989	279	472	1,660	22,149
Depreciation Acumulated	-	(565)	9,488	(6,845)	(31)	(31)	(168)	(11,596)
Net Book Value	43,750	24,526	49,854	94,144	248	441	1,492	10,553

b) Financial leases -

Property, vessels, plant and equipment includes assets acquired under finance leases as follows:

	2016 US$000	2015 US$000
Buildings	2,472	2,472
Machinary and Equipment	30,602	29,252
Vessels	21,231	21,231
Others	880	880
	55,185	53,835
Less - Accumulated depreciacition	(34,604)	(33,974)
Total	20,581	19,861

c) At December 31, 2015, land revaluation shows a balance of US$34,421 thousand in the movement of fixed assets, which once the deferred income tax of US$9,638 thousand is discounted, (Note 16) the final balance in equity is US$24,783 thousand.

d) Impairment tests of property, plant and equipment –

i) Operating -

Management has reviewed forecasts of results expected for the years remaining of useful lives of fixed assets as part of the CGUs identified and considers that it is not necessary to establish for a provision for impairment losses for operative assets at the date of the financial statements. (Note 4.1-a).

ii) Non-operational assets -

At March 31st, 2016 and 2015, the Company has non-operational fixed assets which net carrying amount isUS$1,648 thousand (Note 1-a).

The recoverable amount of these non-operational assets is its fair value less costs of sale, determined by independent experts at March 31, 2016. Management considers that it is not necessary to establish for a provision for impairment losses additional to those accounted for US$1,390 thousand (US$1,390 thousand at December 31, 2015).

Impairment as at March 31st is as follows:

	2016 US$000	2015 US$000
Initial	1,390	3,038
Aditions	-	-
Penalty	-	(1,648)
Ending balance	1,390	1,390

d) Others -

- Additions of work in progress as at March 31st, 2016 mainly comprises investments in processing plants for indirect human consumption for US$ 1,427 thousand (US$ 3,882 thousand in 2015), improvements in fishing vessels for US$4,623 (US$ 3,664 thousand in 2015), implement them in processing plants for direct human consumption for US$1,238 (US$498 thousand in 2015) and for implementation for administrative purposes for US$56 thousand (US$680 thousand in 2015).

- The Company maintains insurance policies to safeguard its major fixed assets against fires and any other risks as well as possible claims that may arise due to its activities. Management considers that its insurance policies are consistent with international practices applicable to the industry and the eventual risk of losses from claims related to the insurance policy.

12 INTANGIBLES ASSETS

The movement for the category of intangible assets and related accumulated amortization for the years ended March 31st, 2016 and December 31st, 2015, was as follows:

	SAP Software US$000	License US$000	Total US$000
Year 2015:			
Initial net carrying value	2,479	104,235	106,714
Additions	580	5,003	5,583
Amortitation charge	(217)	-	(217)
Final net carrying value	2,842	109,238	112,080
As at December 31, 2015			
Cost	4,461	109,238	113,699
Accumulated depreciation	(1,619)	-	(1,619)
Net Carrying Value	2,842	109,238	112,080
Year 2016:			
Initial net carrying value	2,842	109,238	112,080
Additions	35	-	35
Amortitation charge	(73)	-	(73)
Final net carrying value	2,804	109,238	112,042
As at March 31, 2016			
Cost	4,496	109,238	113,734
Accumulated depreciation	(1,692)	-	(1,692)
Net Carrying Value	2,804	109,238	112,042

Fishing licenses are related to vessels and fishmeal and fish oil processing plants acquired for purchases and business combinations.

Under current regulations, fishing licenses are granted by the Peruvian Ministry of Production to a specific fishing vessel for a defined period of time. The period granted starts upon the issue by the Ministry of Production of the resolution underlying the fishing license and lapses (other than when the vessel is retired or scrapped) if the holder does not comply with filing certain required documentation at the beginning of each calendar year (Note 1-b). Provided that the Company complies with the documentation filing requirement the related fishing licenses will continue to be effective indefinitely.

In addition, it is forbidden to transfer to third parties fishing licenses by any means separately from the related vessels to which they are granted. Each vessel, together with its license, is regarded as a cash generating unit.

Management considers that the recoverable amount of intangible assets exceeds its carrying amount; therefore, it is not necessary to establish a provision for impairment for such assets at the date of the financial statements (Nota 4.1-a).

13 GOODWILL

As at March 31st, 2016 and 2015, goodwill amounts to US$88,719 thousand. Goodwill is allocated to each cash-generating unit (CGU) (Vessels and Human Indirect Consumption) as follows:

	2016 US$000	2015 US$000
Vessels	70,682	70,682
Plants	18,037	18,037
Total	88,719	88,719

At March 31, 2016 and 2014 Management considers that the recoverable amount calculation is supported with future cash flow forecasts that are supported by budgets approved by Management and that covers a 10 year horizon.

Therefore, it is not necessary to establish for a provision for impairment of goodwill at the date of the statement of financial position (Note 4.1-a).

14 BORROWINGS

This item comprises:

	2016 US$000	2015 US$000
Bonds	199,259	203,070
Short-Terms Bank Loans	47,846	28,590
Financial Lease Liabilities	6,300	5,905
Total	253,405	237,565

	2016 US$000	2015 US$000
Less current portion of financial obligations:		
Bonds (Provision of Interests)	(6,595)	(6,595)
Short-Terms Bank Loans	(47,846)	(28,399)
Financial Lease Liabilities	(2,161)	(2,259)
Bank Overdrafts	-	-
	(56,602)	(37,253)
Total Long-Term financial obligations:		
Bonds	192,664	196,475
Short-Terms Bank Loans	-	191
Financial Lease Liabilities	4,139	3,646
Total	196,803	200,312

a) Bonos -

In January 2013, the Company issued international Corporate Bonds under the 144A REGS rules for US$200 million for a period of 7 years and with annual fixed interest rate of 7.375%. The payment period of interest is bi-annual, and bonds reach maturity on January 31, 2020. Cash obtained was used to pre-pay the syndicated loan that the Company maintains with Portigon AG, New York branch for US$140 million and the balance for other investments. At March 31st, 2016, the principal of bonds is presented net of directly related costs for US$3,200 thousand and interests accrued amount to US$2,458 thousand (US$2,499 thousand in 2015).

During the effective period of the agreement in which (i) Bonds have Investment Grades from two well known risk-rating agencies and (ii) no default of payment on Default events have occurred that have not been corrected (occurrence of events described in clauses (i) and (ii) called “Covenant Suspension Event”), the Company will not be subject to the following provisions (together “Suspended Covenants”) of the agreement:

- Limitations on indebtedness and Unqualified Shares;
- Limitations on restricted payments;
- Limitations on Dividend Restrictions and Other Payments Affecting Restricted Subsidiaries;
- Limitations on Transactions with Affiliates;
- Limitations on Sales of Assets;
- Limitations on Business Activities; and
- Limitations on Consolidation, Merger and Sale of Assets.

As of March 31, 2016 and 2015, the Company has not breached any covenant and expects to comply with such requirements in the following 12 months.

b) Promissory notes -

At December 31, 2015, this item comprises promissory notes in US dollars provided to cover the Company’s working capital needs; they bear interests at annual effective rates ranging from 0.80% to 4.11% (0.74% to 3.57% in 2015). These promissory notes are secured with warrants in the case of pre-shipping and are not secured when provided for working capital purposes and their periods of maturity do not exceed one year.

c) Finance lease obligations

Finance lease obligations are denominated in new Peruvian soles and US dollars and are maintained in local financial institutions (Banco de Crédito del Perú, BBVA Continental, Interbank and Banco Santander) and are provided in order to finance fixed asset acquisitions; bear interests at effective annual rates from 3.60% to 7.16%, secured with such fixed assets, and provide the Company with the call option for such assets at the end of the lease period, that do not exceed 6 years.

As at December 31, 2016 and 2015 the minimum lease payments and the present value of liabilities from finance lease contracts are as follows:

	2016 US$000	2015 US$000
Up to one year	2,409	2,501
More than one year	4,472	3,949
	6,881	6,450
Future finance charges on finance leases	(581)	(545)
Present value of finance leases	6,300	5,905

d) Bank overdrafts -

At March 31, 2016, the Company has no bank overdrafts.

e) Maturity of borrowings is detailed as follows:

Year	2016 US$000	2015 US$000
2015	50,007	30,658
From 2016 to 2020	203,398	206,907
Total	253,405	237,565

f) Carrying amount and fair value of borrowings is as follows:

	Valor en libros		Valor razonable	
	2016 US$000	2015 US$000	2016 US$000	2015 US$000
Bonds	199,259	203,070	122,200	122,200
Short- term bank loans	47,846	28,590	47,190	28,198
Financial Lease Liabilities	6,300	5,905	6,272	5,879
Total	253,405	237,565	175,662	156,277

The carrying amounts of short-term borrowings are similar to their fair values. Fair values of bonds, bank promissory notes and leases have been determined using a rate of 21.21%, 3.17% and 4.06%, respectively (19.11% on bonds, 3.17% for promissory notes and 4.06% on leases, respectively in 2015).

15 TRADE PAYABLES AND PROVISIONS

This item comprises:

	2016 US$000	2015 US$000
Trade Accounts payable (a):		
Bills payable	26,905	22,349
Provision of bills receivable	2,604	2,271
	29,509	24,620

	US$000	US$000
Other Payables:		
Taxes	115	287
Remuneration payable	316	160
Vacations payable	1,434	1,180
Social security and pension arrears	93	314
Participation of workers	-	538
Compensation for time served	445	333
Accrued expenses (b)	3,845	2,727
Provisions (c)	2,168	2,168
Advances from customers	150	140
Others	1,559	1,318
	10,125	9,165
Non-current portion	(2,168)	(2,168)
Current portion	7,957	6,997

(a) Trade payables mainly arise from the purchase of goods and services related to fishing activities. These payables are denominated in new Peruvian soles and US dollars, they are of current maturity, are not interest-bearing and no guarantees have been provided. The carrying amount of trade payables is similar to their fair values.

(b) Expenses accrued mainly comprise services provided in year and prior years, the invoices of which were not received at the closing date. These expenses are mainly related to surveillance insurance, customs duty expenses, certificates and electric power.

(c) Provisions mainly include US$2,168 thousand (US$2,168 thousand in 2015) comprise legal actions in process.

16 DEFERRED INCOME TAX LIABILITIES

This item comprises:

	2016 US$000	2015 US$000
Initial Balance	7,097	6,838
Payment to the comprehensve income state	2,000	(9,379)
Adjustments	-	9,638
Final Balance	9,097	7,097

The movement of deferred tax assets and liabilities for the year, taking into consideration the off set of balances, is as follows:

	Opening Balances US$000	… Additions(deductions)… Income/Loss for the period US$000	Other Changes US$000	Closing Balances US$000
As at March 31, 2016				
Assets:				
Provision for vacation payable	368	11		379
Tax Loss	5,228	(2,246)	-	2,982
Underwritting costs	620	(38)	-	582
Other provisions	819	(143)	-	676
	7,035	(2,416)	-	4,619
Liabilities:				
Future repairs	(8,466)	411	-	(8,055)
Impairment of supplies	(4,089)	5	-	(4,084)
Deduction on fix assets	(1,577)	-	-	(1,577)
	(14,132)	416	-	(13,716)
Deferred Liabilities (Net)	(7,097)	(2,000)	-	(9,097)
Assets:				
Provision for vacation payable	312	56		368
Ban period expenses	249	(249)	-	-
Tax Loss	194	5,034	-	5,228
Underwritting costs	944	(324)	-	620
Other provisions	1,850	(1,031)	-	819
	3,549	3,486	-	7,035
Liabilities:				
Future repairs	(4,621)	5,793	(9,638)	(8,466)
Impairment of supplies	(4,108)	19	-	(4,089)
Impairment of fixed assets	(81)	81	-	-
Deductions of fixed assets for exchange differences	(1,577)	-	-	(1,577)
	(10,387)	5,893	(9,638)	(14,132)
Deferred Liabilities (Net)	(6,838)	9,379	(9,638)	(7,097)

17 EQUITY

a) Share capital -

At March 31st, 2016, the authorized, subscribed and paid-in capital comprises 295,536,144 common shares of S/1 par value each (295,536,144 in 2014).

As March 31st, 2016 and December 31st, 2015, the shareholder structure (thousand shares) is as follows:

Shareholders	2015 Shares	Percentage	2014 Shares	Percentage
Caleta de Oro Holding S.A.	180,048	60.92%	180,048	60.92%
Caleta de Oro Holding del Perú S.A.C.	25,000	8.46%	25,000	8.46%
Bancard International Investment Inc.	26,289	8.90%	-	0.00%
Stafedouble S.L. Sociedad Unipersonal	-	0.00%	15,000	5.08%
Others	64,199	21.72%	75,488	25.54%
	295,536	100.00%	**295,536**	100.00%

b) Share Premium -

At the General Shareholders' Meeting dated October 4, 2010, it was approved to increase the Company's capital through a local and international offer of up to 57,500,000 class "A" shares at par value S/1 each. The placement in the national and international market is S/57,500,000 new shares which are included in the Company's equity at a market value of S/4.75 each, which represents an increase in share capital by US$20,584 and the recognition of premium for US$69,721 thousand, net of costs related to issuance of shares for US$7,467 thousand.

c) Other capital reserves -

Legal reserve -

In accordance with the Peruvian Corporate Law, the legal reserve is formed by the transfer of non-less than 10% of the annual profit, up to a maximum of 20% of the paid-in capital. In the event no undistributed profits are available, this legal reserve could be applied to offset losses but it has to be replenished in subsequent years. This reserve can also be capitalized but its subsequent replenishment is equally mandatory. As at March, 2015, the Company has not established a legal reserve with profits from prior periods for US$7,604 thousand.

Other reserves -

Including the revaluation of land at amounts that has been determined by technical valuations performed by independent appraisers. The revaluation surplus, recorded net of its deferred income tax effect, is transferred to retained earnings when the underlying assets are retired or disposed off.

d) Dividend distribution -

Dividends in favor of shareholders other than domiciled legal entities are subject to 6.8%, for the distributions that are adopted or made available in cash or in kind during the years 2015 and 2016; to 8.8% during the years 2017 and 2018, and to 9.3%, from the year 2019 onwards.

At the General Shareholders' Meeting held on April 13, 2015 the decisión was made to delegate the Board the decisión to approve dividend distribution after verification of the actual fish catch under the LMCE by the fishing vessels owned by the Company (the "Quota") for the first fishing season of 2015.

Since the first fishing season was completed on July 31, 2015 and after verification of the actual final fish catch under the LMCE, the Board approved dividend distributions for US$10,000 thousand.

Dividends were distributed at S/0.0947 (equivalent to US$0.0338) per common share and were paid out in September 2015.

On Shareholders' Meeting which was held on April 13th, 2016, it was approved not to distribute dividends.

18 SALES

Sales by type of product for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Fishmeal	40,198	15,241
Fish Oil	2,963	39
Fish for direct human consumption (frozen)	1,638	3,639
Others	174	64
	44,973	18,983

Sales by destination for the years ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Exports		
Asia	31,954	4,843
Europe	5,541	1,207
America	1,512	10,902
	39,007	16,952
Local Sales and Others	5,966	2,031
Total	44,973	18,983

The amounts shipped and sold (Metric Tonnes) at March 31st are detailed as follows:

Fishmeal	26,358	6,914
Fish Oil	1,201	60
Fish for direct human consumption (frozen)	961	2,804
	28,520	9,778

19 COST OF SALES

Cost of sales for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Beginning inventory of finished products (Note 8)	43,823	16,145
Costo de producción:		
Raw Materials, inputs and supplies	10,212	8,280
Personnel cots	1,587	512
Manufacturing Expenses	893	408
Depreciation (Note 11)	1,024	585
Less ending inventory of finished products (Note 8)	(27,705)	(16,639)
Total	29,834	9,291

20 CLOSED SEASON EXPENSES

Closed season expenses for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Personnel Charges	817	2,682
Comsumption of sundry supplies	233	289
Services from third parties	1,246	2,050
Various chrges of managment	219	603
Taxes	91	66
Depreciation (Note 11)	1,326	4,367
Total	3,932	10,056

21 SELLING EXPENSES

Selling expenses for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Personnel Charges	260	247
Transport of finished products	355	179
Commissions on sale of finished products	77	35
Rental expense	-	12
Safety and security	129	69
Inspection and analysis	209	79
Stowage and packaging	68	9
Services export expenses	708	356
Storage of finished products	14	289
Depreciation (Note 11)	65	65
Others	237	324
Total	2,122	1,664

22 ADMINISTRATIVE EXPENSES

Administrative expenses for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Personnel Charges	995	927
Communications	48	56
Fees	309	143
Maintenance and repairs	43	25
Rental expenses	156	161
Taxes	0	4
Insurance	7	11
Depreciation (Note 11)	137	114
Others	305	291
Total	2,001	1,732

24 OTHER INCOME AND EXPENSES

Other income and expenses for the period ended March 31st, 2016, comprises:

	2015 US$000	2014 US$000
Other Income:		
Indemnity insurance	524	-
Reversal of provisions	35	50
Income for selling fuels amd materials	91	6
Income for drawback	-	157
Other minors	94	121
Total	744	334

(a) Corresponde al cobro de la póliza de seguro con Pacifico Peruano Suiza por la embarcación siniestrada “Don Alfredo” en el mes de febrero de 2016.

	2015 US$000	2014 US$000
Other Expenses:		
Fiscal and taxes penalties assumed	919	120
Indemnization under Legislative Decree N° 1084	86	-
Other minors	627	480
Total	1,632	600

25 FINANCIAL INCOME AND EXPENSES

Financial income and expenses for the period ended December 31, comprises:

	2015 US$000	2014 US$000
Financial Income		
Interest on short-term deposits	1	29
Total	1	29
Financial Expenses		
Interest on bond, bank loans and averdrafts	3,674	3,796
Interest on obligations under finance leases	85	74
Other interests	322	147
Total	4,081	4,017

26 INCOME TAX

a) The income tax expense (profit) shown in the statement of comprehensive income comprises:

	2015 US$000	2014 US$000
Income Tax:		
Current Income Tax	1	(3,507)
Income Tax Deferred (Note 16)	2,000	(133)
Total	2,001	(3,640)

b) Company Management considers that it has determined the taxable income, under the general regime of the income tax as established by regulations currently in force in Peru, which requires adding to and deducting from the result shown in its financial statements, those items considered as taxable and non-taxable, respectively. Income tax determined and payable by the Company is filed and settled in new Peruvian soles. At March 31, 2016, the annual income tax rate is 28% (30% up to 2015).

Income tax on the Company's (loss) profit before income tax differs from the theoretical amount that would arise from applying the tax rate on the Company's profit as follows:

	2015 US$000	%	2014 US$000	%
(Loss) Income before income tax	1,739	100.00	(8,079)	100.00
Tax calculated at the rate 28%	487	28.00	(2,262)	28.00
Tax efect on additions (deductions):				
Parmanent differences	443	25.47	(1,378)	17.06
Applied tax loss	(2,290)	(131.68)	-	-
Other adjustments	(641)	(36.86)	-	-
Total	(2,001)	(115.07)	(3,640)	45.06

c) Al 31 de marzo de 2016, la Compañía mantiene saldos deudores con la Administración Tributaria relacionados con el impuesto a la renta por US$2,075 (US$2,075 en 2015).

d) At March 31, 2016, the Company maintains balances in debt with Peruvian tax authorities related to income tax for US$2,075 (US$2,075 in 2015).

e) Peruvian tax authorities have the right to review and, if applicable, amend the income tax determined by the Company in the last four years as from January 1 of the following year the tax returns have been filed (years subject to examination). At March 31, 2016, the tax authorities examined the Company's income tax returns for 2010, 2011 and a partial review for fiscal 2014, and no significant observations arose from such examination. Fiscals 2012 to 2015 are subject to examinacion. Management considers that no significant liabilities will arise as a result of such reviews.

Since discrepancies may arise on the interpretation of the tax laws applicable to the Company by the tax authorities, it is not possible to presently anticipate if any additional liabilities will arise as a result of eventual examinations. Any additional tax, penalties and interest, if any, will be recognized in the results of the period in which such differences are resolved. Management considers that no significant liabilities will arise as a result of these tax examinations.

f) As established under current legislation, for purposes of determining income tax and general sales tax, transfer pricing between related parties and/or tax havens must have adequate supporting documentation as well as information supporting the methods and valuation criteria used. Peruvian tax authorities are entitled to request such information from the taxpayer.

g) Regulatory framework - Amendments to Peruvian Income Tax Law -

By means of Law No.30296 enacted on December 31, 2014 amendments to Income Tax Law have been made, which are effective starting in fiscal year 2015 onwards.

Among these amendments, it should be noted the progressive reduction on the Peruvian third-category income earners from 30% to 28% for fiscal years 2015 and 2016; then a reduction to 27% for fiscal years 2017 and 2018; and a final reduction to 26% from fiscal year 2019 onwards.

Tax on dividends and other forms of profit distribution, agreed on by any legal entities to non-domiciled individuals and legal persons has also been increased and legal persons, has progressively increased from 4.1% to 6.8% for distributions that are agreed on or made available in cash or in kind during fiscal years 2015 and 2016; then an increase to 8.8% for fiscal years 2017 and 2018 and a final increase to 9.3% from fiscal year 2019 onwards. The distribution of retained earnings until December 31, 2014 will continue to be subject to a 4.1% tax even when the distribution is to be made in the subsequent years.

h) Temporary tax on net assets -

Temporary tax on net assets affects those corporate income-earners subject to the Peruvian income tax general regime. Effective fiscal 2009, the applicable rate is 0.4% applicable to the amount of the assets exceeding S/1 million.

The amount effectively paid can be used as fiscal credit against Income Tax on-account payments or against regularization payments of income tax for the related taxable year.

27 BASIC AND DILUTED EARNINGS PER SHARE

a) Basic -

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted-average number of ordinary shares outstanding and to be issued during the year (Note17-a).

	2015	2014
Profit (loss) attributable to shareholders (Expressed in US$000)	(262)	(4,439)
Weighted average of common shares outstanding (expresseid in US$000)	295,536	295,536
Basic and diluted earnings per ordinary share	(0.001)	(0.015)

b) Diluted -

Diluted earnings per share are equivalent to basic earnings per share. In 2015 and 2014, no diluted profit per common share has been calculated because there are no potentially dilutive shares; therefore, there are no financial instruments or other contracts that give rise to obtaining common shares.

28 NON-CASH TRANSACTIONS AND CASH FLOW STATEMENT

Investing and financing activities that do not generate cash and cash equivalent outflows and that affect assets and liabilities for the years ending March 31st, 2016 and 2015 are summarized as follows:

	2015 US$000	2014 US$000
Acquisition of property, plant and equipment through financial leases	1,141	-

29 COMMITMENTS AND CONTINGENCIES

a) Guarantees granted-

At March 31st, 2016, the Company maintains the following guarantees:

- Performance bonds issued by Interbank del Perú:
  - Por S/168 thousand corresponding to fiscal procedures.
  - Por US$241 thousand given to Gas Natural de Lima y Callao S.A., for gas natural agreement

- Performance bonds issued by Banco de Crédito del Perú:
  - For S/6,155 thousand, on behalf of Comercializadora Global given to SUNAT to secure a tax claim.
  - For S/9,000 thousand given to SUNAT to secure the refund of the exporter's drawback for February 2016.
  - For S/1,000 thousand given to SUNAT to secure the refund of the exporter's drawaback for January 2016.

b) Contingencies -

At March 31st, 2016, civil and labor court actions have been filed against the Company for US$14,104 thousand (US$14,104 thousand in 2015), the related defense arguments have been presented. Management and its legal counsel consider that there are sufficient grounds to obtain favorable outcomes from these proceedings and no significant liabilities may arise on the Company's financial statements. (Note 15-d).

30 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No events after March 31st, 2016 have arisen that should be reported.