ANNUAL REPORT
2013

Pesquera
EXALMAR
S.A.A.

Table of content

Annexs

Non-official translation

STATEMENT OF LIABILITY

The present document contains accurate and sufficient information about the business development of Pesquera Exalmar S.A.A. (hereinafter Pesquera Exalmar) during 2013. Without prejudice to the liability of the issuer, the undersigned are liable for its contents in accordance with applicable laws.

Raúl Briceño Valdivia
Manager of Administration and Finance

Rossana Ortiz Rodríguez
General Manager

2013 was a very challenging year for the Indirect Human Consumption (IHC) and Direct Human Consumption (DHC) operations of Pesquera Exalmar, and we can say with satisfaction that we achieved an EBITDA of US$ 41.6 million despite this conjuncture. Undoubtedly, the experience of previous crises that Pesquera Exalmar has overcame, allowed us to implement the most appropriate actions to address the problems that occurred in the Peruvian fishing industry over the past year. This added to the staff that gave us their best to achieve the cost savings and efficiency improvements that the situation demanded.

Quota established by the Ministry of Production for catching anchovy aimed at IHC (fishmeal and fish oil) in the second season of 2012 was 0.81 million tons, while in the first season of 2013 was 2.05 million MT in 2013, having a total quota of 2.72 million MT in 2013, unusually low for the industry, that affected the financial results of the year. In that context, the company implemented measures to control costs and find efficiencies in the different stages of the production process. The results were as expected and Pesquera Exalmar achieved positive EBITDA.

The measures adopted and the good relationship established with the independent vessel owners allowed us to increase participation in the purchase of anchovy from third party from 4.4% in the first season of 2013 to 5.4 % in the second season, reaching a participation of 11.8% of total processing. On the other hand, although the conversion factor remained practically the same, we achieved a significant increase in the quality of our produced fishmeal. Thus, due to investments made in previous years, 80% of our production of fishmeal had Prime and Super Prime quality levels. The investments made in cold systems in our multispecies vessels let us to improve the quality of anchovy landed, which contributed a higher quality production, while allowed us to recover those investments. This improvement in quality also had a positive impact on the EBITDA of this activity.

Regarding the business of DHC, the company launched an aggressive trade policy that allowed us to open markets mainly for frozen products of Jack mackerel and mackerel processed in the plant of Paita. As part of these efforts, the sales force attended various fairs in Boston, Brussels and China. This allowed us to very successful contracts as the achieved with the British supermarket chain Tesco to supply its stores in Asia. It should also be noted that these actions took advantage of the platform implemented by Interbank´s trading office in China, which allowed us to save the costs of implementing our own trading office in this market.

An important milestone in the business development of DHC that Exalmar has undertaken was the adjudication of a quota to catch tuna in Peruvian waters, corresponding to 739.94 m^3. This will allow us to diversify business risks because it is a new fishery that we are going to develop. It should be noted that this species would be processed either in the plant of Paita or in Tambo de Mora, without making new specific investments for this purpose in the above plants.

Another important aspect was obtaining the license to operate the frozen plant of Tambo de Mora (Ica) in February 2014, this plant would be oriented to activities of processing hydrobiological resources for DHC. This event is an important milestone for the company as it creates the right conditions to develop the DHC business in the future. As you remember, the frozen plant of Tambo de Mora, with an installed capacity of 575.28 MT per day, will allow us to process the offer of Jack mackerel and mackerel caught with own fleet as well as to process other fisheries resources that only exist in the south of Peru.

Also, in February 2014 the fleet for DHC was increased by obtaining three new fishing permits, in that sense, we incorporate three fishing boats to catch Jack mackerel and mackerel. In addition to the operation of the vessels Carmencita, Rhodes and Crete for catching Jack mackerel and mackerel; the fully equipped with cooling systems boats Don Alfredo, Ancash 2 and Cuzco 4 were incorporated, reaching a total storage capacity for extraction of Jack mackerel and mackerel resources from this season of about 2,600 m^3.

A very important aspect to the viability and sustainability of the business of DHC is the supply of the raw material. It should be noted that this has been a challenge for Pesquera Exalmar due it demands a different way to get raw materials from third parties, compared with current practices in the IHC business. To meet these new requirements, we focus on implementing a supply chain in the north of the country to ensure the supply of raw material from third parties for the Paita plant. In this regard, Pesquera Exalmar has been supporting small scale artisan fishermen in the area, which has allowed us to close the entire logistics chain and ensure the supply of raw material for the plant. For plant Tambo de Mora, we are in the process of making the production chain in the area, which added to the own supply of Jack mackerel and mackerel, we would process a very interesting volumen of fishing in that area.

In February 2013, Pesquera Exalmar went again to the international capital markets through a bond issue for US$ 200 million taking advantage of favorable conditions of international capital market. The bond issue was made at a fixed rate for a term of seven years with a bullet fee at the end of period. The bond issue was used to prepay an existing syndicated loan of US$ 140 million and primarily to finish the investments required to complete DHC business, further enabling us to improve our financial structure in order to deal properly to events of the fisheries business as the low fishing quota fixed last year. This new participation into the international capital market showed the investors that they can confidently invest in debt instruments in a sector that was considered risky in the past.

Amid a difficult year for the Peruvian fishing industry because of the low total quota that year, Pesquera Exalmar obtained a positive EBITDA that allowed us to comply with our financial commitments generated by the bond issue and demonstrated that the company is able to respond to critical situations.

Another important milestone in the development of Pesquera Exalmar was the change of our corporate logo in 2013. This change refreshed the image of the company, also reflecting a new and better way of working that is more environmentally friendly and more closely with all our stakeholders. Also lets us look to the future with greater confidence, because we have all conditions to face and overcome the crisis as in the past.

In order to professionalize the company and advance in good corporate governance, Pesquera Exalmar established Committees of Directors in 2013. These have allowed a more active participation of managers in different functions of the company. Thus we created committees composed of independent directors who are in session in accordance with the established: Committee of Corporate Governance; Finance; Risk; Audit and Remuneration.

On the other hand, care of the environment is a crucial issue for Pesquera Exalmar. In this regard, about 70% of our investments were linked to the Environmental Adjustment Program (PAMA, for its acronym in Spanish), mainly oriented to water treatment. In 2014 we will continue to invest in this field as well as in the treatment of sludge so returning totally clean water to the community. Equally important was to get maximum allowable emissions and effluents as established by the Ministry of Production. With respect to the adequacy of Pesquera Exalmar to changes in labor regulations that took effect in 2013, note that the company had already advanced plans for health and safety at work, so the entry into force of the Act allowed us to close some pending things.

Finally, I would note that as Pesquera Exalmar overcame a difficult year for the Peruvian fishing industry, the company expects to continue on the path of growth and expansion in 2014. Although natural conditions determine the performance of the sector and fishing companies, we are confident that the experience of the firm and the quality of its staff will implement the necessary measures for expansion or crisis situations in the sector, as well as to fulfill our financial obligations.

ROSSANA ORTIZ
GENERAL MANAGER PESQUERA EXALMAR

Chapter I

Environment

1. MACROECONOMIC CONTEXT

According to the International Monetary Fund (IMF)[1], the global economy strengthened during the second half of 2013 and reached a global economic growth of 3.0% in that year. This expansion was driven by the growth of emerging market economies (4.7%), as well as progress in advanced economies (1.3%). Rumors regarding the withdrawal of monetary stimulus in the United States affected markets and, after several months of suspense, the U.S. Federal Reserve (Fed) decided in December to gradually reduce stimulus measures during 2014.

It is expected that global economic activity will continue to improve in 2014 and 2015, largely due to the recovery in advanced economies. According with current IMF projections, global growth would be 3.7% in 2014 and would rise to 3.9% in 2015. The largest expansion in advanced economies would be led by the United States (+2.8%), driven by the recovery in private consumption and investment, while in the Euro Zone, Germany (+1.6%) will continue guiding the recovery of the block, although a slow pace due to persistent weaknesses in other countries in the union. Regarding emerging markets, China would maintain a growth of 7.5%, which would provide support to Latin America economies.

However, downside risks would persist. These would depend on the stance of monetary policy and fiscal consolidation in advanced economies. In emerging economies, the increase in external demand from advanced economies would stimulate growth, but internal conflicts would continue to be a source of uncertainty.

According to the National Institute of Statistics and Informatics (INEI)[2], Peru's economic growth was 5.0% in 2013, following the favorable outcome of all economic sectors, achieving 15 years of sustained growth. This expansion was lower than in 2012 (6.3%) due to slowdown in domestic demand and lower export growth. Peruvian exports recovered only in the last months of 2013.

It should be noted that Peru has an internationally recognized macroeconomic strength and a favorable investment climate that has allowed the Peruvian economy to grow so rapidly in the last decade. There are expectations that the country will continue leading the regional growth, allowing the GDP per capita exceeds the world average by 2020, according to information from the Agency for the Promotion of Private Investment-ProInversión[3]. Also, the Peruvian economy has the lowest inflation rates at the regional level, has maintained a stable exchange rate, has a country risk level below the regional average, has a healthy debt level, has accumulated international reserves equivalent to a third of its GDP and has maintained a policy of openness sustained over time, gaining the confidence of investors and the investment grade rating.

1 Update World Economic Outlook, IMF, January 2014.
2 Press Release No. 022, "Peruvian economy grew for 15 consecutive years," INEI, February 15, 2014.
3 Presentation of key macroeconomic and sectoral results opportunities, "Why invest in Peru?" Proinversión, January 2014.

2. THE FISHERIES SECTOR

Peru is the largest exporter of fishmeal and fish oil worldwide. It has unique geographical conditions given the convergence of Humboldt and El Niño marine currents, with extensive fishing coastline (more than 2,000 km) and a biomass highly regarded for its quality and diversity. In Peru, fishmeal and fish oil are produced of the species “anchovy” (Engraulis ringens), which has advantages over other species because it is a non-migratory specie with near-shore presence and with a short reproductive cycle (six months).

Since the entry into force of the individual quota system for anchovy fishing in 2009, the country has an effective regulatory framework that has ordered the industry. In addition, this regulation has oriented the industrytowards quality and efficient use of productive plants and ships, reducing the number of vessels used and obtaining greater production efficiencies. Because of this there has been significant savings in fixed costs and improved production planning. This has enabled a more efficient investment and business diversification into direct human consumption.

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

World exports of fishmeal (MT)

- 43% - Perú
- 10% - Chile
- 6% - Dinamarca
- 5% - USA
- 36% - Others

Source: The Annual Yearbook 2013, IFFO, information to December 2012.

The global supply of fisheries resources is limited by a controlled capture given the necessity to preserve the resource and by constraints of producer countries to protect the marine ecosystem. Meanwhile, global demand has shown significant growth because of aquaculture, especially in Asian countries due to population growth and food diet rich in marine resources, as well as a significant demand for animal feed. It is expected that fish consumption continues to grow, with a bigger demand from emerging markets and global trends regarding healthier eating.

Due to their high protein content and high digestibility, fishmeal and fish oil produced from the processing of anchovy are the main food sources of aquaculture and to a lesser extent for other animal species such as pigs. Additionally, fish oil has been favored in recent years by a new demand from human consumption due to its content of Omega 3. This component has proven benefits for the coronary and neurological system.

Increased demand from Asian countries is accompanied by increased rates of fish consumption per capita in European countries and the great potential of consumption in African and South American countries. Also, consumption patterns in developed countries by higher value added products create a potential demand for marine products for direct human consumption. Then, the restrictions on anchovy catch and the increasing demand for aquaculture have led to a steady rise in price levels of fishmeal and fish oil since several years.

Due to the low presence of aquaculture in Peru, production is oriented to foreign markets, China remains the main export destination for fish meal, followed by Germany, Japan and Chile. In the case of fish oil, the main destination is Denmark, followed by Belgium, Chile and Norway.

At December 31, 2013 and according to the information of the International Fishmeal and Fish Oil Organization (IFFO)[4], it was catched 88.1% of the anchovy quota established by the Ministry of Production (PRODUCE) for the second catch season in the central-north area. This was established in 2,304 thousand MT (810 thousand MT in the same season, 2012) and supported by a report from the Instituto del Mar del Peru (IMARPE). That season began on November 12, 2013 and ended on January 31, 2014, and proved to be a favorable season due to the conditions of biomass found. Addition 100% of the quota was catchedand incidence of juvenile fish was quite small.

At the end of the second season 2013, effectively captures was 98.7% of the established quota. Exalmar participation´s was 11.8% in that period.

Second season 2013

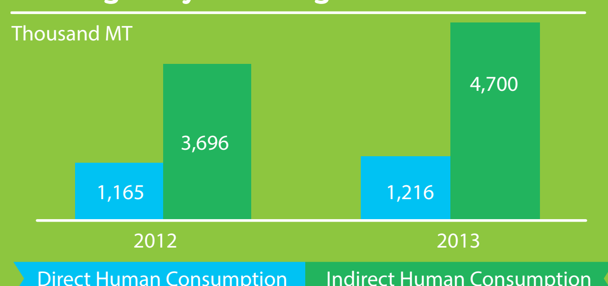
	TASA	COPEINCA	Pesquera EXALMAR S.A.A.	HAYDUK	PESQUERA DIAMANTE	AUSTRAL	CHINA FISHERY GROUP LIMITED	OTHERS
Second season 2013	23.8%	16.2%	**11.8%**	9.9%	8.3%	8.7%	7.4%	14.1%
First season 2013	22.7%	15.2%	**10.8%**	10.6%	10.2%	9.7%	7.6%	13.1%

First season 2013

Regarding the first season for the north central area, the effective capture was 97.2% of the quota set at 2,050 thousand MT (2,700 thousand MT in the same season, 2012). That season began on May 17, 2013 and ended on 31 July of the same year. Pesquera Exalmar explained 10.8% of the total processing that season.

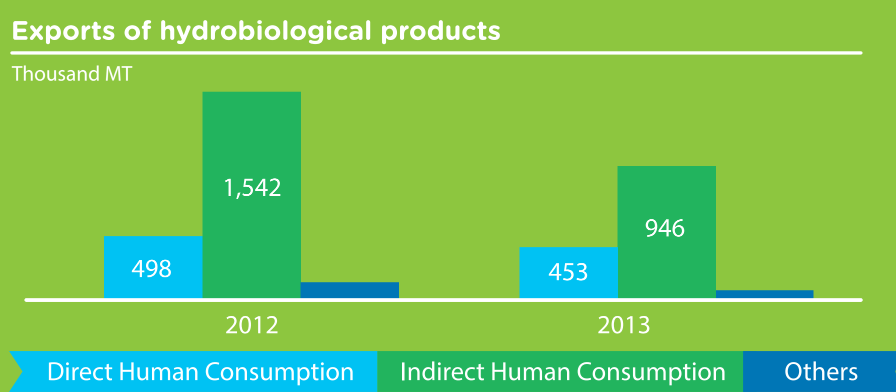
According to information from the Ministry of Production - PRODUCE[5] at December 31, 2013, landing of aquatic resources increased 22% over the previous year, driven by increased catches of species for Indirect Human Consumption (fishmeal and fish oil) in 27%. This growth was due to increased global annual quota for anchovy catch for the north central area from 3,510 thousand MT in 2012 to 4,354 thousand TM in 2013.

Landing of hydrobiological resources



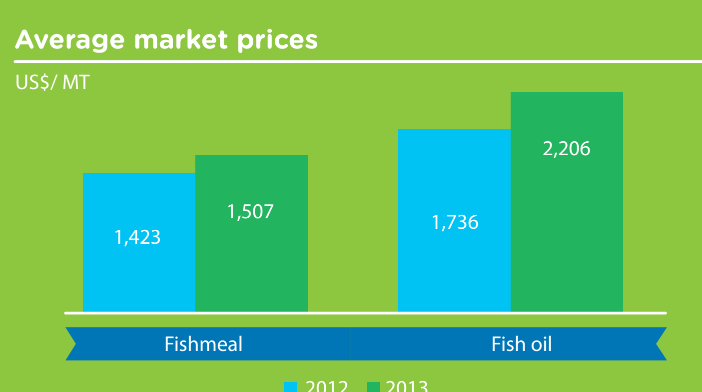
[4] Weekly Report 52/13, IFFO, January 03, 2014
[5] Source: Monthly Statistical Bulletin of Fisheries Sector, PRODUCE, December 2013.

At December 31, 2013, the export of seafood products had a decline of 32.9% respect the previous year. This decrease was mainly due to lower exports of indirect human consumption, because of the lower quota set for the second season of 2012 which reduced sales in the first quarter of next year. To this it has to be added a lower quota for the first season of 2013 which generated lower sales in the third quarter. It should be noted that sales of season of 2013 will be conducted mostly during the first quarter of 2014.



Source: Monthly Statistical Bulletin of Fisheries Sector, PRODUCE, December 2013.

On the other hand, low quota level in the second season 2012 and in early 2013 affected market price levels during the year. The reference average international prices for fishmeal and fish oil, according to information published by IFFO[6], continued their upward trend in the last year. In the case of fishmeal its average price was US$ 1,507 and US$ 2,206 for fish oil, representing an increased of 5.9% and 27.1% compared to 2012, respectively. However, because the quota of the second season of 2013 was set at average levels of previous years, the average market prices during 4Q13 reflected these volumes, showing in the case of fishmeal a variation of -21.0% while this was -12.2% in the case of fish oil.

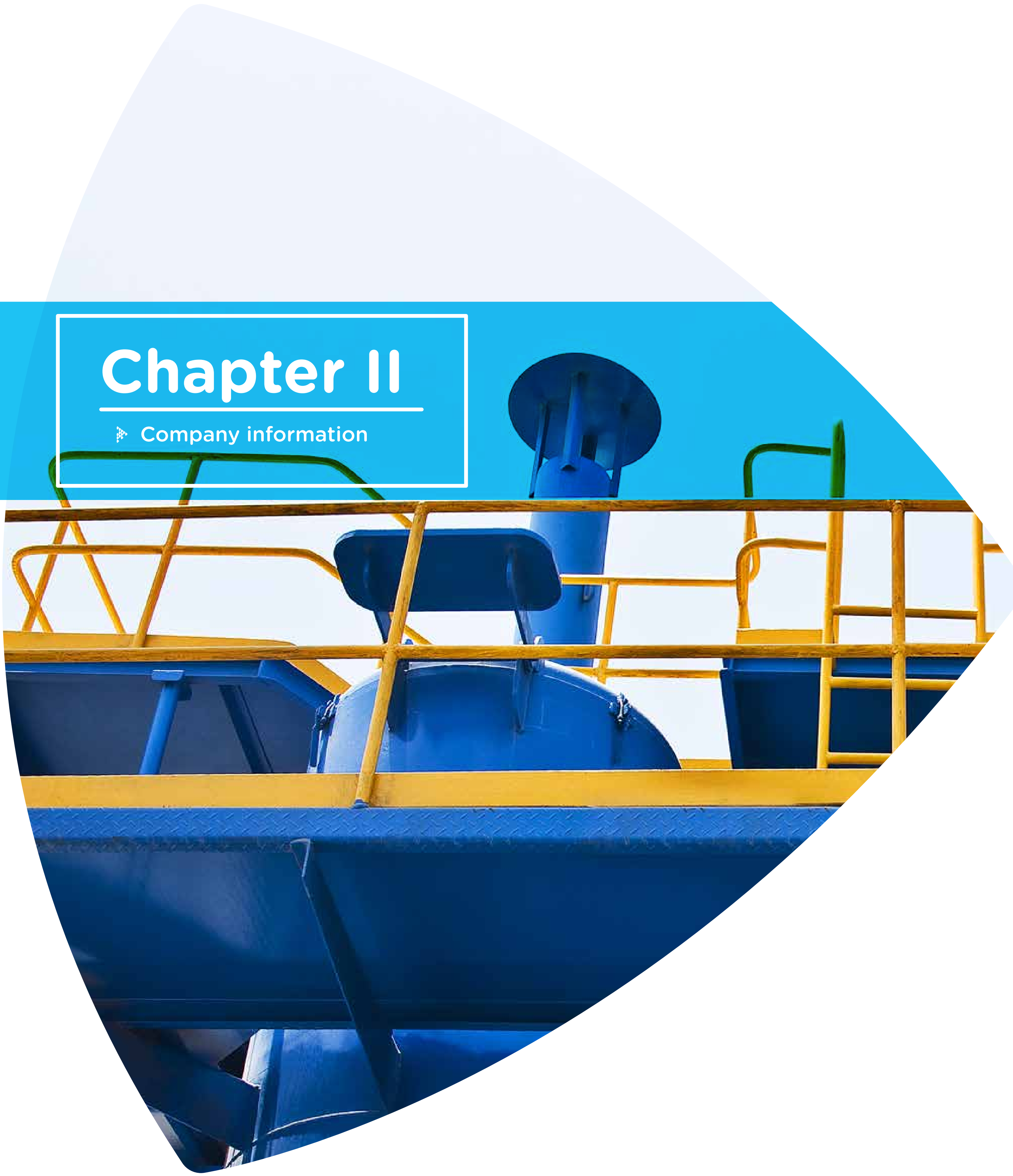


Source: Weekly Report 52/13, IFFO, January 03, 2014.

6 Weekly Report 52/13, IFFO, January 03, 2014.

Chapter II

Company information



Pesquera Exalmar S.A.A. is the third exporter and producer of fishmeal and fish oil in Peru. Founded in 1992, the company has over thirty years experience in the sector, based on knowledge and long history of its majority shareholder and founder Victor Matta Curotto.

The company has overcome various historical vicissitudes that occurred throughout its existence. After the privatization of the sector in the hands of the government in the 1970s, global crises and natural phenomena that bankrupted many companies were given. Despite this scenario, Pesquera Exalmar has achieved significant growth and has established itself in the industry as well as other companies that entered the late 1990s and early 2000s, supported by solid foreign and Peruvians economic groups. Currently, the company participates firmly and competes with foreign groups who see great potential sector, through the consolidation of its unit indirect human consumption and growing segment of direct human consumption.

1. NAME, ADDRESS, FORMATION AND CORPORATE PURPOUSE

Pesquera SA Exalmar was incorporated as an equity company by Public Deed dated November 25, 1997, under the name of Corporación Matta. The deed was issued by the public notary Dr. Walter Lima Ramon Pinedo Orrillo and registered within Entry A 001 in the Electronic Record No. 11006351 of the Register of Legal Entities of Lima.

By an agreement of the General Shareholders Meeting held on November 1, 1997, converted into Public Deed on December 5, 1997, Corporation Matta changed its name to Pesquera Exalmar S.A.

Subsequently, through Public Deed of January 5, 1998, filed with a public notary of Lima, Dr. Ricardo Ortiz de Zevallos V., Pesquera Exalmar S.A. merged with Pesca Perú Huacho S.A., Pesquera María del Carmen S.A. and Exalmar S.A.

The company's purpose is to extract, transform, commercialize and export seafood products for direct and indirect human consumption as well as to import supplies for its business activities, to make retail and wholesale purchases of such products, to attend to its representation and other related and similar activities. Furthermore, without excluding related activities, the Company can engage in the production and commercialization of fishmeal and fish oil. The company has and indefinite duration. These activities are classified in the ISIN code 15127. Its economy is governed by the General Fisheries Act, its regulations and amendments.

The administrative offices are located at Av Victor Andres Belaunde 214, San Isidro, Lima, Peru. Its main phone number is 51 1 441 4420 and its fax number is 511 441 4643.

2. Corporate Identity

Mision:

Provide to its customers quality, eco-efficiently prepared products, based on constant innovation and on the working capacity of its staff, ensuring sustainability throughout time and building trust for its shareholders and its stakeholders.

Vision:

To be recognized worldwide as the most efficient supplier of high protein hydro-biological products.

Values:

- Responsibility: We are committed to the decisions we make and to their outcome.
- Respect: We value the efforts of all our employees, our country´s resources and the need to preserve the environment for the benefit of the communities in which we develop and of our future generations.
- Excellence: We promote teamwork and an innovative approach designed to achieve results beyond expectations, contributing to personal development.
- Communication: Our style is transparent and inclusive, facilitating feedback in all our areas of activity.

Corporate logo:

After more than 20 years representing it, Pesquera Exalmar renewed and changed its logo to one that better reflects the link between sea, nature and care of the environment and natural resources, fundamental elements protected by the company in each of its operations.

Blue colour reflects the strength and security of the sea, which refers us to the commitment and drive of the company. The green colour ties represent the union and connection with the sea, the source of its operations, as well as the environment and fellowship among Pesquera Exalmar´s collaborators and its stakeholders.

The logo change reaffirms the permanent commitment of the company to its stakeholders and is part of a strategy to promote innovation, the pursuit of efficiency and involvement of all employees in the continuous improvement process Pesquera Exalmar, which allow it to overcome new challenges and follow growing.

3. Economic Group

Here are the main companies of Grupo Matta which has common shareholders and / or directors:

- Complejo Agroindustrial Beta S.A.: engaged in the production, packing and exportof fresh green asparagus, table grapes, citrus and avocado. The company´s supply is achieved through the cultivation of 3,120 hectares of its own, of which 1,512 are found in Ica, 242 in Pisco, 172 in Chincha, 924 in Chiclayo and 270 in Piura. Of the total area cultivated, 72% correspond to fields of asparagus, 18% to grapes, 6% to citrus and 4% to avocados. The company is in process of implementing 271 hectares of asparagus in Jayanca and near to 400 hectares of grapes in Piura. Once this process will be concluded, cultivated areas would increase to 3,800 hectares by the end of 2013.

  The company has four packing plants. A plant asparagus is located in Jayanca (Chiclayo region in the north of Peru) and the other in Chincha (Ica region, south of Lima). The other two are dedicated to the processing of grapes. One is located in Ica (south of Lima) and the other in Piura (north of Peru). The main destinations for asparagus production are U.S. and Europe, while grapes are exported to England and Asia.

  The sales of Complejo Agroindustrial Beta were $ 102.3 million in 2013, which represented an increase of 16% over the previous year.

- CMV Executive Service S.A. is dedicated to the service of executive transportation. To provide it, the company operates a fleet of seventy vehicles that generated revenues of US$ 4.3 million in 2013, approximately.

- Corporación del Mar S.A. (Cormar): in April 2008, Pesquera Exalmar, through a transaction on the Lima Stock Exchange, acquired 50% ownership of Cormar, for the approximate amount of US$ 68.7 million. Currently, Cormar does not operate, having splitted all of its assets to Exalmar and Austral Group.

4. Capital Stock, Shareholding and Share Evolution

At December 31, 2013, capital stock fully subscribed and paid of the Company amounted to S/. 296'996, 557, divided into 296'996,557 common voting shares at a nominal value of S/.1.00 each. All shares give their holders the same rights and obligations.

The shareholding structure with respect to shareholders with holdings greater than 5% was the following at December 31, 2013:

Shareholders	Stocks	Participation	Origin
Caleta de Oro Holding S.A.	180,048,423	60.6%	Panamá
Caleta de Oro Holding del Perú S.A.C.	25,000,000	8.4%	Perú
Stafedouble S.L. Sociedad Unipersonal	15,000,001	5.1%	España
Others	76,948,133	25.9%	-
Total	**296,996,557**	**100.0%**	-

Next, the distribution of the shares with vote rights according with shareholding tenure percentage:

Tenure	N° shareholders	Participation
Less than 0 .5 %	134	3.9%
Between 0.5% - 1%	7	4.7%
Between 1% - 5%	9	17.3 %
Between 5% - 10%	2	13.5 %
More than 10%	1	60.6 %
Total	**153**	**100.0%**

The company’s shares are listed on the Lima Stock Exchange. At December 31, 2013, the market value of the 296’996,557 shares was S/.1.60 per share, value above the S/.1.50 at December 31, 2012. Below is presented the information on the monthly stock prices during 2013.

ISIN Code	Mnemonic	Year – Month	Quotes 2013				Average Price S/.
			Oppening S/.	Close S/.	Maximun S/.	Minimum S/.	
PEP504001004	EXALMC1	2013-01	1.50	1.46	1.50	1.44	1.49
PEP504001004	EXALMC1	2013-02	1.46	1.43	1.50	1.35	1.40
PEP504001004	EXALMC1	2013-03	1.45	1.49	1.60	1.45	1.51
PEP504001004	EXALMC1	2013-04	1.50	1.50	1.50	1.35	1.40
PEP504001004	EXALMC1	2013-05	1.50	1.61	1.62	1.50	1.59
PEP504001004	EXALMC1	2013-06	1.61	1.70	1.70	1.55	1.59
PEP504001004	EXALMC1	2013-07	1.60	1.67	1.67	1.57	1.59
PEP504001004	EXALMC1	2013-08	1.72	1.75	1.76	1.72	1.75
PEP504001004	EXALMC1	2013-09	1.70	1.75	1.75	1.70	1.70
PEP504001004	EXALMC1	2013-10	1.65	1.65	1.65	1.65	1.65
PEP504001004	EXALMC1	2013-11	1.50	1.56	1.56	1.50	1.52
PEP504001004	EXALMC1	2013-12	1.65	1.60	1.65	1.60	1.60

5. BACKGROUND AND OPERATION DESCRIPTION

Pesquera Exalmar History:

Pesquera Exalmar S.A. began its activities in November 1997. However, its essence dates back to 1976, when its major shareholder, Mr. Victor Matta Curotto, went into the fisheries business as a vessel owner with the acquisition of the Cuzco 4. This is when the history really begins, a journey covering more than thirty years.

In 1992, when the sector was opened to private investment, Pesquera Exalmar built a fishmeal plant in Casma. In the following years up until 1998, it built the Tambo de Mora Plant, located in Chincha (south of Lima), acquired the Huacho Plant, and finally built a plant in Chicama. In parallel, the company acquired and constructed fishing vessels during those years.

During the period 1998-2000, the company faced an extremely strong El Niño Phenomenon as well as different international crises (Russian crisis, Asian crisis, among others), but it overcame them successfully and in addition identified new opportunities for growth.

In 2004, the company entered into the capital market through the issuance of the First Short-Term Instruments Program.

Subsequently, Exalmar continued its expansion process, by acquiring fishing vessels, reaching 8,155 m^3 of storage capacity in 2006. Continuing this growth, Chimbote Plant was acquired that year.

The growth strategy of the company was strengthened when Citigroup Venture Capital International Growth Fund, through its financial vehicle Stafedouble, joined the shareholders body in 2007. This injection of capital allowed the acquisition of new vessels.

In 2008, with the capital injection obtained in 2007, the company increased its borrowing capacity and obtained the First International Syndicated Loan for US$ 80 million. With these resources Exalmar acquired an 50% interest in Cormar, which allowed it to reach a storage capacity of 11,614 m^3, and acquired a plant in Callao, reaching a total processing capacity of 474 MT per hour.

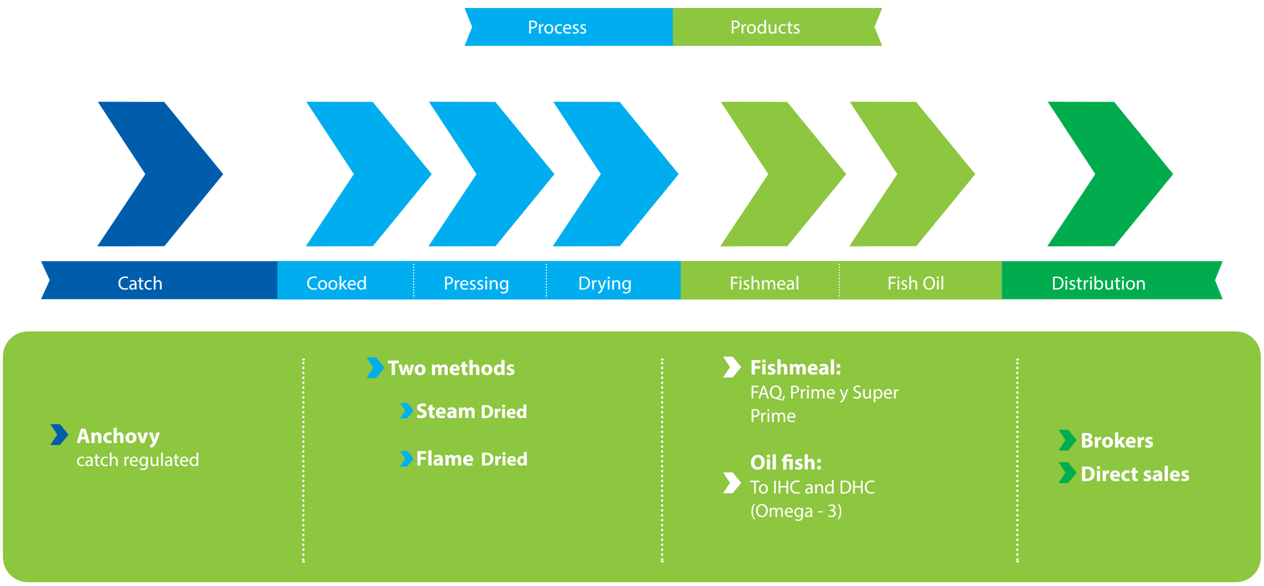
A year later, the company was in a new business environment due to the establishment of the system of individual fishing quotas by the Ministry of Production. Under this new regime, Exalmar obtained a 5.73% quota in the Centre - North and 1.45% of the South one. The company quickly adapted to this new system by resizing its vessels to achieve a more efficient operation. This was achieved by reducing its storage capacity from 11,614 m^3 to 5,950 m^3. Likewise, investments in direct human consumption began and the cooling system RSW (Refrigerated Sea Water) was implemented in six vessels.

As part of its growth process, and within the business strategy, an Initial Public Offering (IPO) for 57.5 milion of shares was realized in November 2010, which was performed with great success in local and foreign market. In this operation, the company added US$ 97.8 million in capital to finance its growth. These resources allowed him to purchase additional quotas, reaching 6.45% in the Central - North area and 4.34% in South area in 2011.

In that year, the company took advantage of its greater economies of scale obtained by its increased quotas and continued to strengthen its relationship with third parties. Exalmar also obtained a Second International Syndicated Loan for US$ 140 million to prepay the previous one, and to invest in plants, fleet and especially in its direct human consumption business.

In 2012, Exalmar continued its investment in the business of direct human consumption with the implementation of a frozen plant in the north (Paita), and, a year after, the first international bond issue was made for US$ 200 million, following a favorable situation in international market for debt issuance. Also, the company implemented other frozen plant in southern Peru (Tambo de Mora), which was completed in that year and began operating in February 2014.

Production process (indirect human consumption):



The fishmeal manufacturing process begins with the catch of anchovy, only species from which fishmeal can be produced in Peru, continues with a phase of cooking, followed by pressing, then drying, and finally grinding of the product. The system of drying includes two variants: one is the drying with direct flame or FD (flame dried), and the other is the drying by steam or SD (steam dried). This system permits the elaboration of a product easy to digest with higher levels of protein.

Regarding fish oil, this is a by-product of the production of fishmeal and it has become relevant in the market because of their unique strengths, by contributing significantly and increasingly in the Omega 3 supply in recent years, an ingredient in food supplements for direct human consumption.

In recent years, Pesquera Exalmar has made modifications in its drying system, by converting all its plants to Steam Dried (SD). These improvements permit significant increases in production efficiency and are in accordance with the requirements and the changes in environmental regulations (PAMA) related to production facilities in the country.

Finally, fishmeal is distributed through brokers or through direct sales to distributors in the sector, in Europe as well as the Asian countries.

Main assets

Fleet

After the changes to adapt to the system of individual fishing quotas, the fleet currently operates 21 vessels of a total of 59 in total, with a storage capacity of approximately 7,181 m^3. This allows to catch efficiently its quota of 6.45% (North - Central).

Of the total fleet in operation, there are six vessels with a storage capacity of 2,600 m^3, fully equipped with RSW cooling systems, and they are also used for direct human consumption fisheries (Jack mackerel and mackerel).

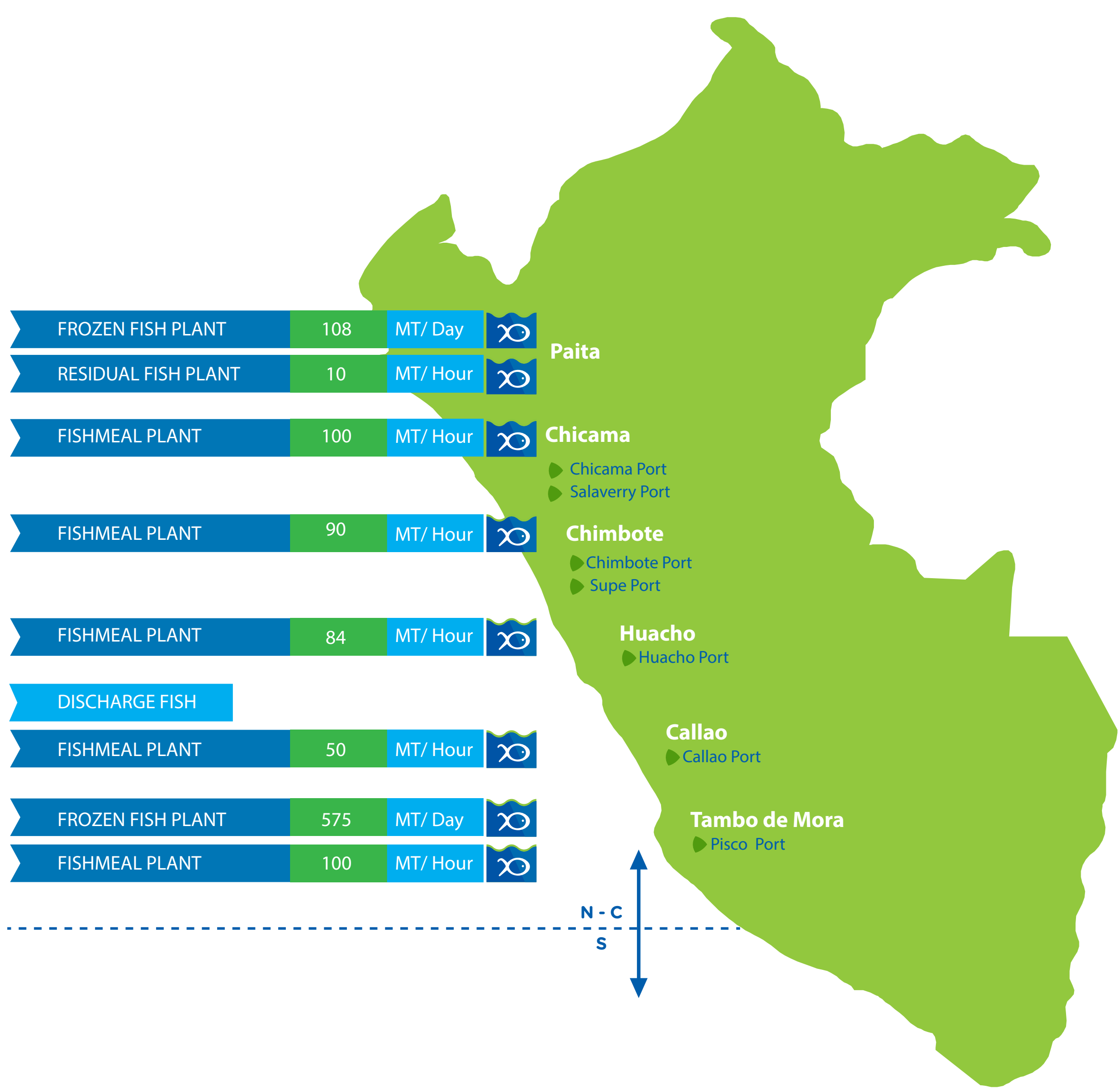
It has to be noted that the vessel "Ipanema" has been given as a guarantee to a bank, related to leasing for equipment installed in the Paita plant.

Processing Plants

The company has six fishmeal and fish oil manufacturing plants located in Tambo de Mora, Huacho, Callao, Chimbote, Chicama and Paita, with a processing capacity of 434 MT per hour.

Its six plants are strategically located along the Peruvian coastline, allowing the company to optimize its production and reception of raw materials, both of its own fleet as well as from third parties. Currently the company is investing in plant improvements to fulfill the requirements of environmental regulations that will translate into higher levels of recovery of solids and fish oils.

On the other hand, the company has two plants for the manufacturing of frozen products (Direct Human Consumption), located in Tambo de Mora (575 MT / day) and Paita (108 MT / day).



Regulatory Framework

The Ministry of Production, via the Fisheries Department, is the lead agency in the fisheries sector. Their functions include managing resources rationally, promote fish production and developing fisheries in general.

According to the existing regulatory framework, there are four ways to access the exploitation of marine resources:

(a) authorizations to develop aquaculture on private premises, to conduct research and to increase fishing fleet and install industrial establishments;
(b) concessions to manage and profit from State fisheries infrastructure, and develop aquaculture on public land and funds, or in marine and inland waters;
(c) licenses to operate fishery products processing plants, and
(d) permits to operate vessels of domestic and foreign flag.

Concessions, licenses and permits are granted for an indefinite period. Owners of fishing vessels and industrial plants can freely transfer these assets, which necessarily leads to the transfer of permits and licenses issued by the State (licenses and permits are inseparable from assets).

The Fisheries Vice-Ministry, in conjunction with the Instituto del Mar del Perú (technical institution), has a number of tools that allow it to regulate access to the extraction and processing of pelagic resources such as application of ban seasons, specification of total volumes allowable to catch, minimum catch sizes and allowable percentage of juveniles in the extraction, identification of protected areas, the establishment of exclusion zones or ban fishing, among others.

Considering the volume and size of existing fisheries infrastructure, this institution has declared to anchovy and sardine species fully exploited. This has led to restrict the entry of new fishing vessels to catch these species and authorizations have been granted only to replace existing fleet.

Closed seasons for anchovy are two every year. These vary according to resource availability and life cycle of anchovy. Usually, they are established from January to March and from August to October. In the past three years, the start of the second season has been delayed to November and concluded in January next year.

Sectorial norms are contained mainly in the General Fisheries Law (Legislative Decree 25977) and its regulations (Supreme Decree 01-94-PE). Both aim to regulate fishing activities in order to promote their sustainable development as a source of food, employment and income and ensure responsible use of aquatic resources. Additionally, they have been issuing and implementing important measures that regulate the development of the fishing sector in order to identify timely and punish companies whose practices violate the law in detriment of the firms that operate legally.

In 2003, it was created the Program of Monitoring and Control of Fishing and Landing. In order to strengthen surveillance and control of aquatic resources at landing sites for fisheries for the production of fishmeal and fish oil, it established the participation of private certifiers to control the correct functioning of electronic equipment and weighing instruments of fishery industrial establishments. Also, surveillance and control activities are made to detect vessels not have fishing licenses, with drastic penalties for infringers.

In 2008, the Legislative Decree 1084 and its regulations were promulgated. By these norms the sector passed from a system of global catch quota to another that combine the establishment of a global catch quota in each season with the allocation of maximum catch per boat (MLEC) or individual fishing quotas. This system of individual transferable fishing quotas or ITQs system was implemented since the first fishing season of 2009 and allowed each authorized vessel to catch anchovy and white anchovy resources until complete their individual quota or a percentage of its total catch allowed.

This new regime seeks to protect anchovy and white anchovy resources, the main input for the production of fishmeal and fish oil, the most important activity of the fisheries sector in terms of foreign exchange earnings and employment. This because before 2009 under the global quota regime, there was an inordinate race between the actors involved in this activity to access a high proportion of the global quota authorized in the shortest time possible. This resulted in excessive pressure over the anchoveta resource, excessive pollution in bays and inadequate treatment of waste by almost uninterrupted operation and in the maximum capacity of the plants. In those years, this situation led the sector to an overinvestment in both fleet and plants, reducing fishing time to fifty days a year.

The benefits of the new system have been very satisfactory, as well as significantly increase the days for fishing -and, as a result, the work for fishing personnel-, the biomass has been protected by reducing considerably the number of veesenls in activity. In the case of Pesquera Exalmar, the company operates with less than 50% of its vessels, with which successfully capture its assigned quota. On the other hand, it was also also able to care for the environment due to the reduced presence of vessels landing at ports and bays. In regards to receiving fishing industrial plants, they have been able to plan their discharge and, thereby, improve conversion rates and increase the quality of their production.

This new system has meant a change not only for the companies but also for the crew because with the reduction of anchovy fishing fleet many of them was going to lose their jobs. Because of this, with the aim of supporting the workers of the anchovy fishing fleet who are in the regime established by Legislative Decree 1084, a program of voluntary benefits was created, financed with the contribution of the fishing companies (owners) for indirect human consumption. These programs include:

- Worker relocation: relocation of workers in dependent activities, training them in technical careers of three years in specialized educational institutions.
- Development of micro and small enterprises: seeks to turn workers into entrepreneurs through training in technical fields related to business management and expert advice.
- Early retirement: para aquellos trabajadores mayores de cincuenta años que deseen acogerse a este régimen.
- Payment of an extraordinary bonus to the workers of 2.25 salaries per year for each year of work (to a maximum of 18 wages) in the cases of worker reallocation and the development of small businesses, with a subsidy during the time that their training last of up to 20% of the monthly salary that they received before making use of these benefits.

During 2012 the Supreme Decree No. 005-2012 and other complementary regulations by which zones of reserve were established for extraction of anchovy for direct human consumption and informal artisans boats were specified as those with a storage of up to 10 m^3 and small scale those that have between 10 m^3 and 32.5 m^3 of storage capacity. It was established that between 0 and 5 miles from the coast the so-called informal fishing boats have been authorized to extract anchovy (this limitation already existed) oriented exclusively for direct human consumption (DHC) and the zone between 5 and 10 miles is assigned to small scale which would be preferentially dedicated to fishing for DHC. Fishing for the industry dedicated to the production of fishmeal and fish oil is to be realized by vessels with a storage capacity of over 32.5 m^3 and would be carried out outside the 10 marine miles.

In 2013, the Chamber of Constitutional Law and Permanent of the Supreme Court of the Republic, in the process of Popular Action, decided to revoke the section 2.2 of Article 2 of Supreme Decree No. 005-2012-PRODUCE. However, the December 13, 2013, the Government issued Supreme Decree 011-2013-PRODUCE, through which it was decided to keep the reserve areas allocated for extraction of anchovy for direct human consumption.

Finally, regarding judicial, administrative or arbitration proceedings commenced or is expected to be initiated against or in favor of Pesquera Exalmar considered that do not have processes that are not part of the normal course of our operations and their results couldn´t have a significant impact on our operations and / or financial position.

Chapter III

Board and Managerial Body

1. DIRECTORS

The Board of the company is integrated by the following persons:

Directors	
Víctor Matta Curotto	Chairman
Jorge Renato Vásquez Costa	Director
María Cecilia Blume Cillóniz	Director
Rodrigo Sarquis Said	Director
Cristian Celis Morgan	Director
Andrés Muñoz Ramírez	Director
Carlos Rojas Perla	Director

A brief review is presented of the directors:

Víctor Matta Curotto: businessman with over 35 years of experience in the fisheries, food processing and services. Founding partner of Pesquera María del Carmen, Pesquera Alfa and Exalmar (companies that merged giving origin to Pesquera Exalmar S.A.), Complejo Agroindustrial Beta and Empacadora Beta (now merged into Complejo Agroindustrial Beta S.A.), Agro Cítricos S.A., Alpine Peru S.A. and Compañía Hotelera El Sausal. He is Chairman of the Board of Pesquera Exalmar S.A., Complejo Agroindustrial Beta SA and Corporación Exalmar S.A

Renato Vásquez Costa: graduate lawyer from Universidad Nacional San Agustin, Arequipa (1963). Expert in negotiating of corporate contracts, he has participated in and led major mergers, acquisitions and international transactions. He is currently advisor and director of several companies and partner in Estudio Echecopar Abogados. He has over twenty five years of experience in the field of insurance, during which he has advised both insurers and corporate policyholders. He also has experience in arbitration and commercial litigation, as well as international transactions.

Cristián Celis Morgan: commercial engineering from the Pontificia Universidad Católica de Chile in 1991. Master´s Degree in Finance from the London Business School in 1996. During his professional career he has held different positions in the Citigroup. He was a member of Citigroup Venture Capital International, which was part of Citi Capital Advisors, a business division of Citigroup. His primary responsibility is to originate, structure and monitore private equity investments of Citigroup in Latin America. As part of its responsibilities in private equity investments, he has served as a director of several companies and industries, such as Salmones Tecmar S.A. (salmon farming), Compañía Minera Las Luces (copper mining), Sociedad Punta de Lobos S.A. (production and extraction of salt), Grupo GTD (telecommunications and fiber optics), Hidroeléctricas del Sur S.A. (power generation) and Dream S.A. (casinos and hotels complex). He previously worked in the area of investment banking at Citigroup.

Cecilia Blume Cillóniz: Lawyer graduated from the Pontificia Universidad Católica del Peru . She studied Political Science at the Universidad de Salamanca and Public Services Regulation, at Harvard´s University John F. Kennedy School of Government. During her career she has served in the Ministry of Energy and Mines, at the Regulatory Agency for Energy Investment (Osinerg) and in the Ministry of Economy and Finance, where she has been legal advisor, director of the Office of Legal Counseling, and twice Chief of Staff of the Minister's Office. She also has served as Chief of Staff of the Presidential of Ministers Council, director of several public companies, member of the Indecopi Market Access Commission, director of Conite and member of the Board of Directors of ProInversión. She is a shareholder of CB Consult S.A.C., a company dedicated legal and economic counseling, and of Ambiental Peruana, engaged in environmental management. She is also director of Fiduciaria del Perú, Renting Perú S.A.C., Leasing Peru S.A., Amrop Hever Perú and Make a Wish Perú. Finally, she was awarded the Prime Minister Fellowship Scholarship by the Government of New Zealand in 2006 and the Bernardo O'Higgins Medal in the Grade of Commander by the Chilean government.

Rodrigo Sarquis Said: Graduated in commercial engineering from the Universidad Adolfo Ibáñez de Chile in 1985. Currently he is the Executive President of Blumar Seafood. Previously he was vice-president of Pesquera Itata S.A., a company specialized in extractive fishing and salmon farming,which merged with Golfo in 2011 giving origin to Blumar Seafood. He is director of the Sociedad Nacional de Industriales Pesqueros ASIPES A.G. VIII Región, director of Sinergía Inmobiliaria .S.A. and director of Agroindustrial Siracusa S.A.. He has been also as director of Sociedad Nacional de Pesca de Chile and advisor of the Consejo Nacional de Pesca (business sector). He has participated in other businesses, such as the olive oil industry in Villa Prat a locality of the Biobío Region of Chile. He is also a member of the group of thirty entrepreneurs of the Business Advisory Council formed by the Universidad del Desarrollo in Chile.

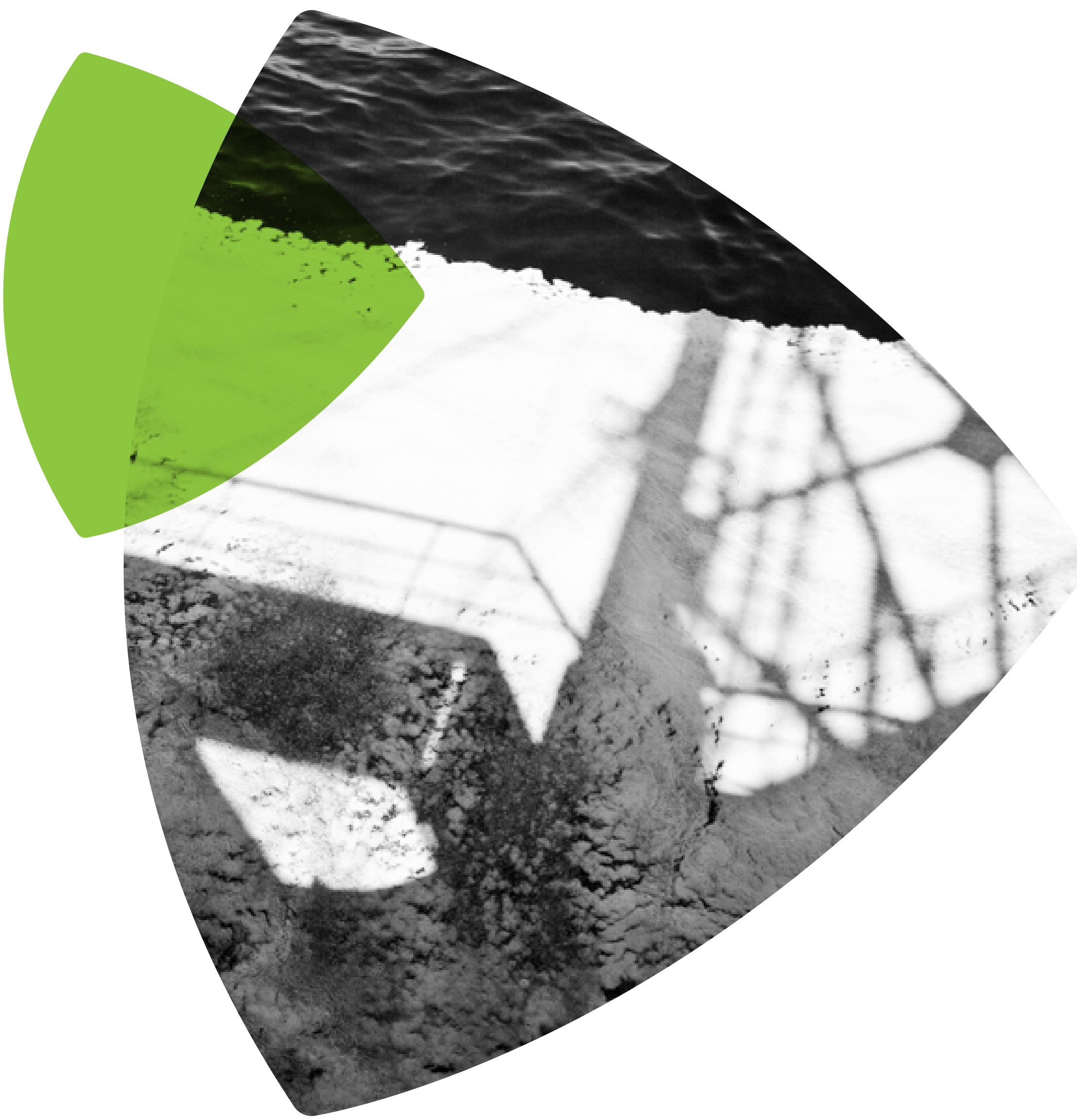
Andrés Muñoz Ramírez: Commercial Engineer in Business Administration from the Universidad de Santiago de Chile, 1986 with a Post Graduate in Business Administration from the Universidad del Desarrollo in Chile in 1995. Actually he is partner in Acres Acres Investment Finance and Chairman of Acres Finance, companies for the development of Capital Markets and Structured Finance. He worked from 1999 to 2011 at Interbank, being Commercial Vice President leading Medium Enterprises Bank, Corporate Banking , Foreign Trade , Products and Services for Banks, developing the business Financial and Operating Leasing and responsible for opening a representative office in China. Developed area of Corporate Finance (Capital Markets and M&A) and was Executive Vice President of Risk having in charge the absorption of Banco Latino and restructuring of the bank's credit portfolio. He has experience in the area of Real Estate Mortgage of Interbank and he has been Director of Urbi (Interbank Group Housing). Previously, he worked at Grupo Santander Peru as Admission Business Risk Manager and was Regional Risk Manager in Southern Chile in Grupo Santander Chile. Has taught several courses and seminars including in Euromoney Training, Citigroup International - Building a Sound SME Business Finance (Miami, Jun. 2003) and has been a speaker at COLAFI - Trust XII Latin American Congress (Oct. 2002) and in 2008 he participated in Kellogg Graduate School of Management, The CEO'S Management (Illinois, July 2008). He has been Professor of Finance and Project Evaluation at the Universidad de Santiago de Chile, in the Universidad de Blas Cane de Chile and university professor invited by the Faculty of Economics for the course "Topics in Applied Economics" at the Universidad de Lima.

Carlos Rojas Perla: Bachelor's degree in Business Administration from the Universidad del Pacífico in Peru with specialized courses in Harvard University and the Universidad del Pacífico. He is a columnist for the magazine G de Gestión and frequent speaker at seminars. He is also Director of the Peruvian chapter "Hedge Fund Management Association". Founder and Manager Director of Andino Asset Management S.A.C. since November 2011. He worked at Compass Peru from March 2006 until September 2011 as Investment Manager. He was Director of Compass Group SAFI, Sociedad Administradora de Fondos de Inversión. He is a member of the Investment Committee of Faro Capital Fondo de Inversión Privado I, a fund of "private equity" with committed capital of US$ 55 million. In September 2006, he founded and managed for Compass Group Peru the Peru Special Investments Fund (PSFI), the first "hedge fund" of Peruvian shares. This fund grew to US$ 35 million in assets under management and it has been ranked in the years 2007 and 2010 by Bloomberg magazine among the funds with better returns for the industry. He was also Investment Chief in Compass Colombia.

2. Degree of linkage

Currently, the Board has seven directors. The Chairman, Mr. Victor Matta Curotto, is linked with Caleta de Oro Holding del Perú S.A.C., Caleta de Oro Holding S.A. and Silk Holding Management Holding LTD shareholders, thus adding one driver Economic Group 70.74% stake.

Also, Pesquera Exalmar has six independent directors. They are Mr. Jorge Renato Vásquez Costa, Rodrigo Sarquis Said, Cristian Celis Morgan, Andrés Muñoz Ramírez, Carlos Rojas Perla and Mrs. María Cecilia Blume Cillóniz.



3. Management Staff

The Management Staff is conformed by the following persons:

Managers	
Rossana Ortiz Rodríguez	General Manager
Raúl Briceño Valdivia	Administration and Finance Manager
Arturo Muñoz Lizárraga	Plant Operations Manager
Fernando Angulo Delgado	Fleet Operations Manager
José Francisco del Castillo	DHC Business Manager
Judith Vivar Ramírez	Commercial Manager

A brief overview of the members of the Management Staff presents:

Rossana Ortíz Rodríguez: Public Accountant graduated from the Universidad de Lima in 1983. Studied in the Advanced Management Program of the Universidad of Piura in 1992 She had additional studies in strategic planning, project management, accounting, systems and taxes in Sweden, Japan and the United States of America. Also has training in the Training School of Arthur Andersen locally and internationally and in other educational institutions. She served as Executive Director of Pesquera Exalmar S.A. since 1996 and from January 1, 2006 is Director General Manager. She previously worked for six years as Manager of Administration and Business at Fima S.A., as well as six years as a senior auditor at Arthur Andersen & Co.

Raúl Briceño Valdivia: Administration and Finance Manager of Exalmar since October 2000. Licentiate Degree in Economics from the Universidad de Lima in 1982 and Master´s Degree in Administrative from ESAN in 1986. He studied in the Directors Development Program of the Universidad de Piura (1991) and Diploma in Quality Management-AOTS obtained in Osaka (Japan) in 2003. He previously served in the CFO in Pesquera Exalmar S.A. since October 2000. Previously he developed in finance area of Minsur S.A. (1988-1999) and as assistant business manager at Interbank (1983-1988).

Arturo Muñoz Lizárraga: Mechanical Engineer from the Universidad Nacional del Callao in 1989 and Plant Operations Manager since May 2005. Master´s Degree in Maintenance Management from the Universidad Nacional del Callao. Specialized in energy-saving at the Latin American Energy Conservation Seminar in Armstrong, Three Rivers, Michigan (1997). He previously served as Operations Manager at Alexandra S.A.C. (2001-2005), as Technical Fisheries Manager at Fima S.A. (1995-2000) and as a Plant Engineer and Head of Production at Conservera Rody S.A. (1990-1995).

Fernando Angulo Delgado: Bachelor Degree in Marine Science from the Escuela de Marina Mercante in 1987 with extensive experience in the management of port operations, naval maintenance management, system management of maritime safety and quality management (ISO 9000). He is Operations Manager in Exalmar S.A.A since November 2012. He was previously superintendent of maritime fleet of Trabajos Marítimos S.A., a major maritime and port operator in Peru.

José Francisco del Castillo: Bachelor in Economics from the Universidad de Lima (2002) with specialized studies in finance and risk. Manager of the Business Unit of Direct Human Consumption since May 2012. Before he worked as Business Manager of Direct Human Consumption in Pesquera Diamante S.A. and Associate Manager in Marinasol S.A.

Judith Vivar Ramírez: Master´s Dregree in International Business from the Universidad de Ciencias Aplicadas. She has broad experience in companies of the Peruvian fisheries. She works in the company since July 2009.

Chapter IV

Management Report

1. Indirect Human Consumption

Comparing quotas and volumes of production as of December 31, 2012 and December 31, 2013, assuming that the total of the second quota of a year is reflected as sales in the financial statements of the next year, a volume of 2,725 thousand MT was included in the sectorial financial statements of 2013, which represents 53.7% of the total processed in 2012 (5,071 thousand MT).

Thousand of MT	At December 31, 2013		
	2nd Season 2012	1st Season2013	Total
Global Quota C-N	810	2,050	2,860
Effective catch	732	1,993	2,725
Effective catch / Quota (%)	90.4%	97.2%	95.3%
Exalmar´s Processing	82	216	298
Exalmar´s quota	6.45%	6.45%	
Exalmar´s Catch Participación	11.2%	10.8%	
Seasson (Beginning- End)	22/11-31/01	17/05-31/07	

Thousand of MT	At December 31, 2012		
	2nd Season 2012	1st Season2013	Total
Global Quota C-N	2,500	2,700	5,200
Effective catch	2,448	2,623	5,071
Effective catch / Quota (%)	97.9%	97.1%	97.5%
Exalmar´s Processing	283	277	560
Exalmar´s quota	6.45%	6.45%	
Exalmar´s Catch Participación	11.6%	10.6%	
Seasson (Beginning- End)	23/11-31/01	02/05 - 31/07	

The lower level of quota and volume processed affected the revenues, the gross margin and the retained earnings.

At December 31, 2013, the own catch and purchase of third parties was higher than December 31, 2012. The bigger quota fixed in the second season 2013 allowed an increase of the production on November and December 2013, which influenced the level of processing that was 466.4 thousand MT, versus 396.7 thousand MT of the previous year.

Thousand of MT	At December 30, 2013	At December 31, 2012	Var.%
Own catch	268.6	240.5	12%
%	58%	61%	
Third parties	197.8	156.2	27%
%	42%	39%	
Total Processed	**466.4**	**396.7**	**18%**
Fishmeal Produced	106.2	90.6	17%
Fish oil Produced	17.1	21.4	-20%
Fishmeal Factor	4.4	4.4	----
Fish Oil Factor	3.7%	5.4%	----

The lower quota of the second season 2012 and therefore the lower production of fishmeal and fish oil corresponding to the catch of November and December 2012 affected the beginning stocks of the year. This stocks, in addition to the production as for December 31, 2013 represented a volume available for sales of 117.3 thousand MT (131.2 thousand MT in the same period of the previous year), of which 79.9 thousand MT were sold with an ending stock of 38.7 thousand MT. As of December 31, 2013, 11.6 thousand MT of fish oil were sold, which results in ending stock of 6.5 thousand MT.

Fishmeal (Thousand MT)	At December 31, 2013	At December 31, 2012	Var.%
Beginning Stock	11.1	40.6	-73%
Production	106.2	90.6	17%
Sales	79.9	120.2	-34%
Reprocessing	1.3	0.1	
Ending Stock	**38.7**	**11.1**	**249%**

Fish Oil (Thousand MT)	At December 31, 2013	At December 31, 2012	Var.%
Beginning Stock	1.0	8.2	-88%
Production	17.1	21.4	-20%
Sales	11.6	28.3	-59%
Reprocessing	-0.0	0.1	
Ending Stock	**6.5**	**1.4**	**360%**

Regarding the second season of 2013, at 31 December 2013, the fishing companies had catched 88.1%[7] of the quota allocated by Produce for Centre – North area, which was established in 2,304 thousand MT (810 thousand MT in the same 2012 season) based on an Imarpe´s report. The second season began on November 12, 2013 and ended on January 31, 2014.

In that season and at December 31, 2013, Pesquera Exalmar had 10.6% of total processing. At the end of the second season, the effectively capture was 98.7% of the established quota, with a participation of 11.8% for Exalmar, which consolidated its own catch quota established in 6.45%, plus the amount of the purchase from third parties. This important participation in purchases from independent shipowners allows the company to make better use of their installed capacity, reduce its fixed costs and generate a higher level of EBITDA.

Thousand MT	2nd Season 2013
Own Catch	157.6
%	59%
Third Parties	108.7
%	41%
Total Processed	**266.3**
Fishmeal Produced	60.8
Fish Oil Produced	8.6
Fishmeal Factor	4.4
Fish Oil Factor	3.2%

2. Direct Human Consumption

In Direct Human Consumption business (DHC) at December 31, 2013 Exalmar caught 3.9 thousand MT of jack mackerel and mackerel (6.5% of the effective capture). Note that in the catch of these species there is not individual quota system, but there is a global quota where just the vessels involved with an assigned license can participate. The global quota assigned in 2013 by Produce for jack mackerel and mackerel was 106,000 MT.

Thousand MT	2013	2012
Global Quota C-N	106,000	160,000
Effective Catch	60,329	112,310
Effective Catch / Quota (%)	56.9%	70.2%
Exalmar´s Processing	3,941	6,777
Exalmar´s Participation	6.5%	6.0%

[7] Weekly Report 52/13, International Fishmeal and Fish Oil Organization (IFFO).

Regarding the other species for Direct Human Consumption produced at our plant in Paita, our relationship with local artisanal fishermen has been strengthened. Currently, artisanal fishermen are the only ones authorized to catch species such as the giant squid and the mahi mahi. Besides, they have been providing us squid and scallops. The catch of mahi mahi is realized between October and February, the squid between December and May, and scallop between August and December, while the giant squid can be caught the whole year.

On January 3, 2014, Produce established the quota of Jack mackerel and mackerel for extractive activities of industrial vessels in 152,000 MT for the period between January 16th and December 31, 2014.

After a public tender for access a quota of tuna catch in the Peruvian sea, at June 18, 2013, Pesquera Exalmar won part of lot 1 which corresponds to 739.94 m^3. Company estimated to start the activity of extraction by the end of 2014.

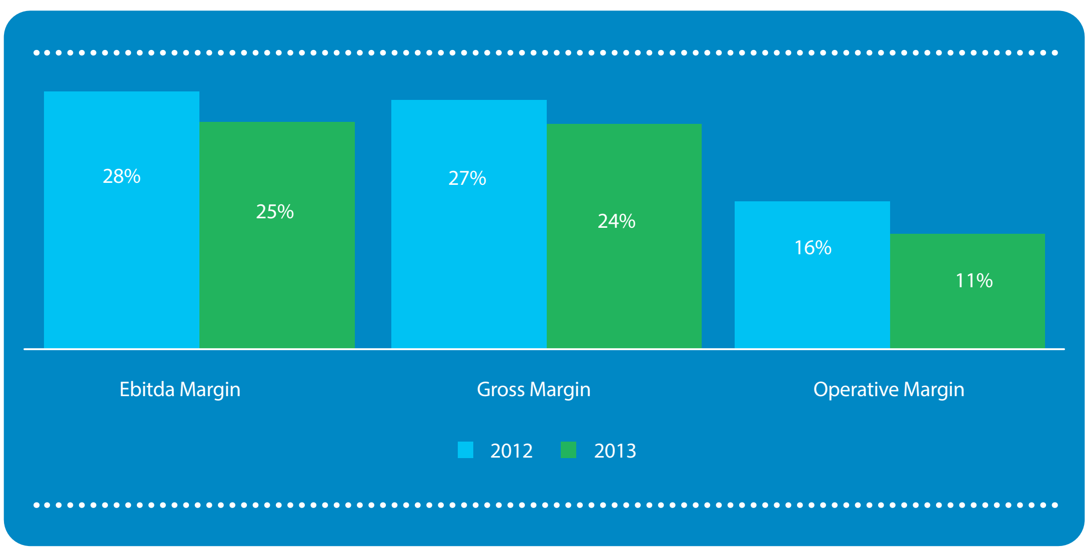
At February 6, 2014, Pesquera Exalmar obtained the definitive Operation License to operate the frozen plant of Tambo de Mora, oriented for the processing activity of aquatic resources for Direct Human Consumption with an installed capacity of 575.28 MT per day.

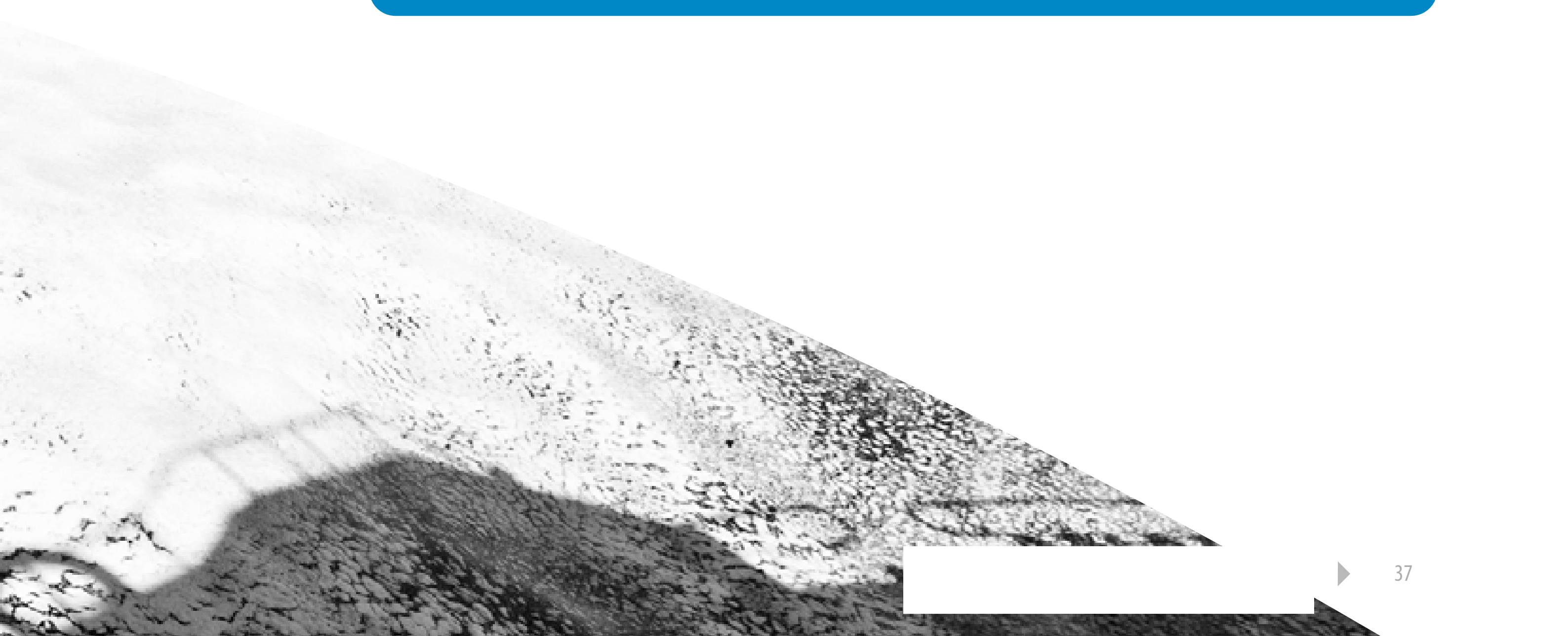
Finally, on February 25, 2014, Exalmar obtained the operating permit for extraction of hydrobiological resources for Jack mackerel and mackerel oriented to direct human consumption for fishing vessels Don Alfredo, Ancash 2 and Cuzco, so that in addition to the extraction of resources to which they were entitled previously, they can operate in the extraction of these marine species. Obtaining these three new permits took more than two years of negotiations with the relevant authorities and finally they granted permission to operate these vessels fully equipped with cooling systems, reaching a total storage capacity to extract 2,600 m^3 of Jack mackerel and mackerel during the current season.

3. FINANCIAL INFORMATION

(Millions of US$)	2013	2012	%
Revenues	168.9	217.0	-22%
Gross Profit	40.9	58.6	-30%
Operating Income	18.0	34.8	-48%
Pre-Tax Income	-7.8	27.3	-------
Net Income	-1.5	21.2	-------
EBITDA (*)	41.6	60.6	-31%

(*) Calcuted EBITDA does not consider other income/expenses neither the employee participation for being non-recurring accounts.

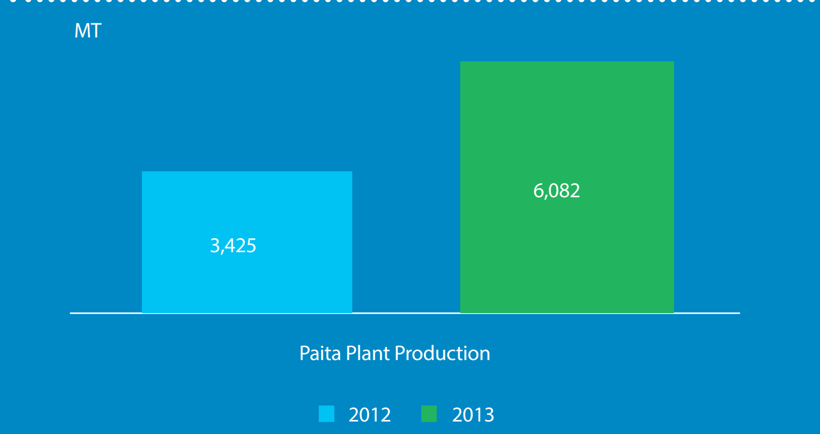




3.1 Sales:

Indirect Human Consumption (Thousands of US$)	2013	2012	%
Fishmeal			
TM	79,903	120,226	-34%
US$/TM	1,616	1,315	23%
Total Fishmeal Revenues	$129,103	$158,155	-18%
% de Ventas Totales	76%	73%	
Fish Oil			
TM	11,628	28,264	-59%
US$/TM	1,979	1,532	29%
Total Fish Oil Revenues	$23,008	$43,302	-47%
% of Revenues	14%	20%	
Anchovy			
TM	6,522	23,974	-73%
US$/TM	274	244	12%
Total Anchovy Revenues	$1,789	$5,856	-69%
% of Revenues	1%	3%	
TOTAL INDIRECT HUMAN CONSUMPTION	**$153,899**	**$207,313**	**-26%**
% of Revenues	91%	96%	
Direct Human Consumption (Thousands of US$)			
Fresh fish			
TM	2,260	3,194	-29%
US$/TM	600	347	73%
Total Fresh Fish Revenues	$1,357	$1,109	22%
% of Revenues	1%	1%	
Frozen Fish			
TM	8,790	5,580	58%
US$/TM	1,499	1,444	4%
Total Frozen Fish Revenues	$13,175	$8,060	63%
% of Revenues	8%	4%	
Others	$459	$507	-9%
% of Revenues	0%	0%	
TOTAL DIRECT HUMAN CONSUMPTION	**$14,991**	**$9,676**	**55%**
% of Revenues	9%	4%	
TOTAL	**$168,890**	**$216,989**	**-22%**

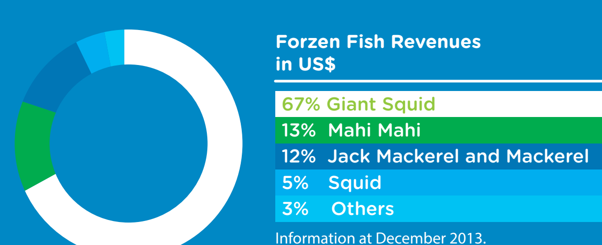
The revenues decrease was explained by: i) lower beginning stocks and production due to the lower global quota of anchovies, ii) increase in average prices levels, improved +23% (1,616 US$/MT) in the case of fishmeal and +29% (1,979 US$/MT) in the case of oil, partially offsetting lower volume, and iii) greater revenues in direct human consumption business, basically because of the higher production of Paita plant (+78 %).



Fishmeal revenues showed a lower volume (-34%) which was offset partially by an increase in average price. Additionally, the ended stock was 38.7 thousand MT of fishmeal, which would be realized in 1Q2014.

In the case of fish oil revenues, there was a lower volumes (-59%), which was offset by an increase in average price. On 2013 the ended stock was 6.5 thousand MT, which would be realized in 1Q2014.

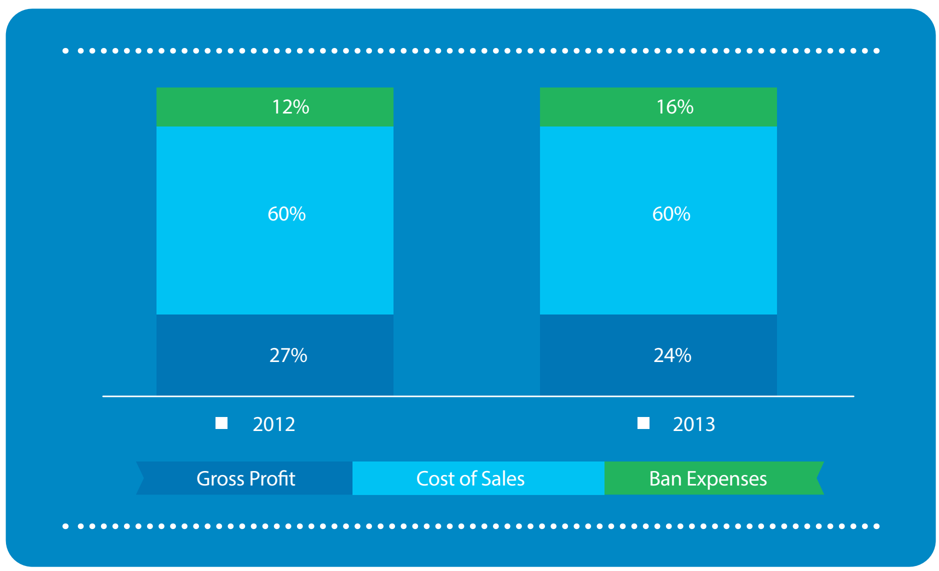
Regarding Direct Human Consumption, there was an increase in revenues mainly due to the higher frozen products sales (+63%)



3.2 Gross Profit:

(Millions of US$)	2013	2012	%
Revenues	168.9	217.0	-22%
Cost of Sales	100.9	131.3	-23%
Ban Expenses	27.0	27.1	0%
Gross Profit	40.9	58.6	-30%
% of Revenues			
Cost of Sales	60%	60%	-1%
Ban Expenses	16%	12%	28%

As of December 31, 2013, gross profit was 30% lower than December 31, 2012, as a result of i) lower sales (-22%), ii) increased ban costs as a percentage of sales (in absolute values remains at similar levels), representing 16% of sales, compared to 12% last year.



3.3 Cost of Sales :

As of December 31, 2013, the cost of sales represented 60% of revenues, similar to previous year, reflecting a unit cost of US$ 932 per MT[8], higher than US$ 837 from 2012, mainly due to the important reduction important of volume of sales.

Establishing a greater quota in the second season 2013 allowed an increase in production in November and December 2013, which affected the level of processing of the year which was 466.4 thousand MT compared to 396.7 thousand MT last year.

The higher catch levels allowed reducing the fishing effort associated and increased the efficiency in the use of storage (59% in front of 39% at December 2012).

The cost of anchovy catch per MT as of December 2013 was higher by 23% over the previous year, mainly due to the increase of fuel and personnel costs, the last one associated to an increase of the fishmeal price which is a reference for the fleet personnel cost.

8 Considering tons of fishmeal and fish oil sold.

	Costs of Own Catch		
	2013	2012	Var.%
Own Catch MT	268,595	240,495	12%
Own Catch Cost US$	29,541	21,199	39%
US$/TM	**110.0**	**88.1**	**25%**
Depreciation	3,761	2,447	54%
Dep/ TM	14.0	10.2	38%
US$/MT without Dep.	**96.0**	**78.0**	**23%**

Third parties purchase explained 42% of the total volume processed at December 2013, compared to 39% last year. The higher volume from third parties purchase impacted in the average cost production, which decreased in 6%.

	Third parties purchase costs		
	2013	2012	Var.%
Third parties purchase MT	197,785	156,225	27%
Third parties purchase costs US$	59,044	49,632	19%
US$/TM	298.5	317.7	-6%

The processing cost as of December 2013 (excluding raw materials) remained at similar levels to the previous year:

	Processing Costs		
	2013	2012	Var.%
Fishmeal and Fish Oil Processing MT	123,319	112,009	10%
Cost of processing	28,354	24,154	17%
US$/TM	229.9	215.6	7%
Depreciación	4,344	2,226	95%
Dep/ TM	35.2	19.9	77%
US$/MT without dep.	194.7	195.8	-1%

Costs related to the Direct Human Consumption business not positively contributed to the gross margin, because the total quota established for jack mackerel and mackerel was not captured as well as a Paita has not reached optimal levels in processing volumes yet, despite having increased by 78%.

3.4 Ban costs

At December 31, 2013, the ban costs in absolute values remain similar to previous year. However, there was a ban of 208 days (204 in 2012) and these expenses represented 16% of sales, bigger than 12% reached in 2012, affecting gross margin and gross profit.

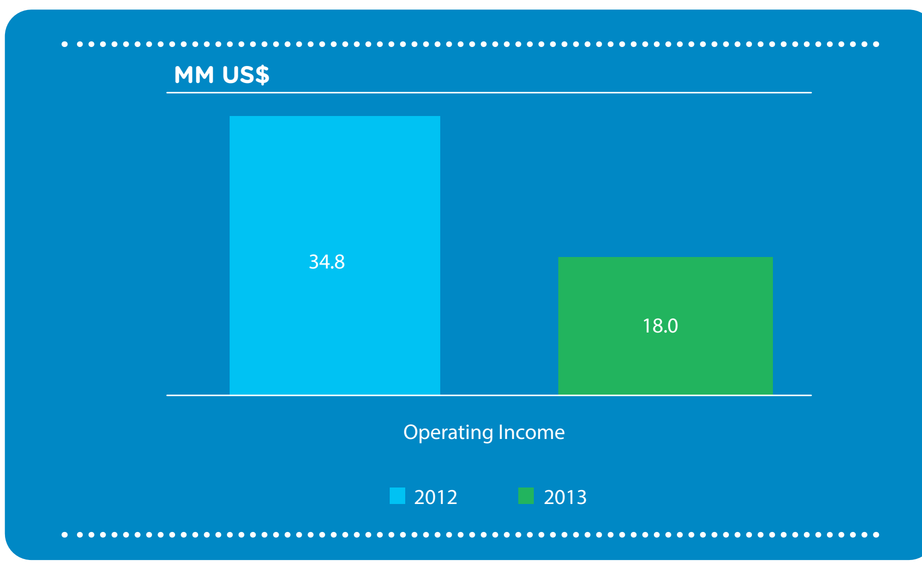
3.5 Operating expenses:

At December 31, 2013, administrative expenses were reduced by 9%, while the sale expenses went from 5% of sales in 2012 to 6% by 2013.

(Millions of US$)	2013	2012	%
Selling Expenses	9.5	11.6	-18%
Administrative Expenses	7.9	8.6	-9%
% of Revenues Selling Expenses	6%	5%	5%

3.6 Operating income:

At December 31, 2013, the operating income was lower in 48% over the previous year, with an operating margin of 11% (16% at December 31, 2012), due to the lower gross profit associated to lower sales and higher ban expenses.



3.7 Financial expenses:

Net financial expenses increased mainly due the higher debt like consequence of international bonds issuance on January 2013 for US$ 200 million, which means an increase of approximately US$ 13.5 million in financial expenses related to long-term debt and also because of the loss for derivative instruments of US$ 4.2.

(Millions of US$)	2013	2012	%
Financial Income	0.2	0.8	-74%
Financial Expenses	-27.0	-10.1	166%
Net Financial Expenses	**-26.8**	**-9.4**	**186%**
% of Revenues	-16%	-4%	267%

3.8 Net profit:

At December 31, 2013, net income was US$ -1.5 million, while at December 31, 2012 was US$ 21.2 million, due to the lower quota assigned and higher financial expenses.

3.9 Indebtedness:

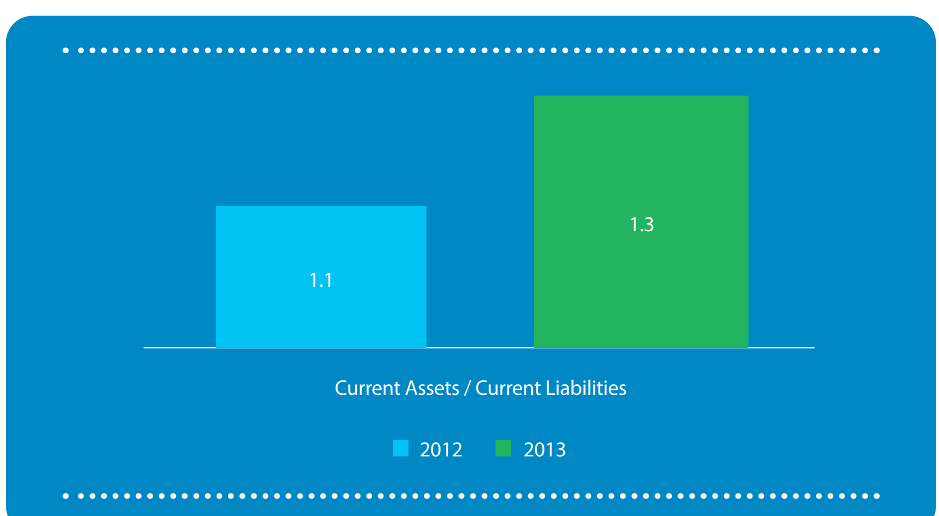
Total net debt at 31 December 2013 totalized US$ 257.0 million. The long-term debt was US$ 207.6 million, of which US$ 5.6 million corresponded to leasing credits. Short-term debt was US$ 56.3 million related to working capital, covered by stocks and receivables. The syndicated loan debt for US$ 140 million was replaced by the international bond issuance of U.S. $ 200 million in January. Note that Pesquera Exalmar does not maintain economic relationship with another company because of loans or guarantees, which together explained more than 10% of the equity of the company.

Indebtedness Position

Million of US$	2013	2012
Short-Term Debt	56.3	42.8
	21%	23%
Long-Term Debt	207.6	142.0
Current Portion	2.4	9.3
Non-Current Portion	205.2	132.7
%	79%	77%
Total Debt	263.9	184.8
Cash	6.9	15.0
Net Debt	**$ 257.0**	**$ 169.9**

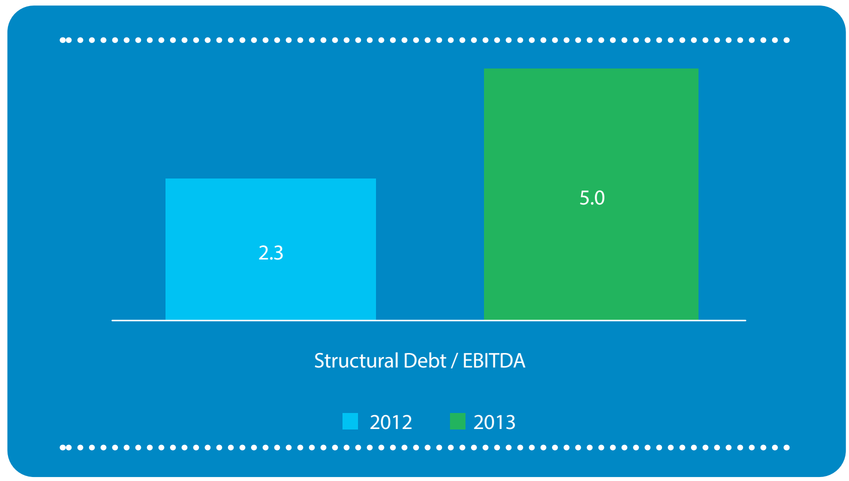
3.10 Financial Rates

- **Liquidity:**
  The liquidity current (current assets/current liabilities) increased due to higher receivables and stocks, consequence of a higher quota in the second season of 2013.



- **Solvency:**

  Debt coverage was increased because of lower levels of EBITDA in the last twelve months as a consequence of lower quotas. Also, debt level was increased in order to generate new investments.



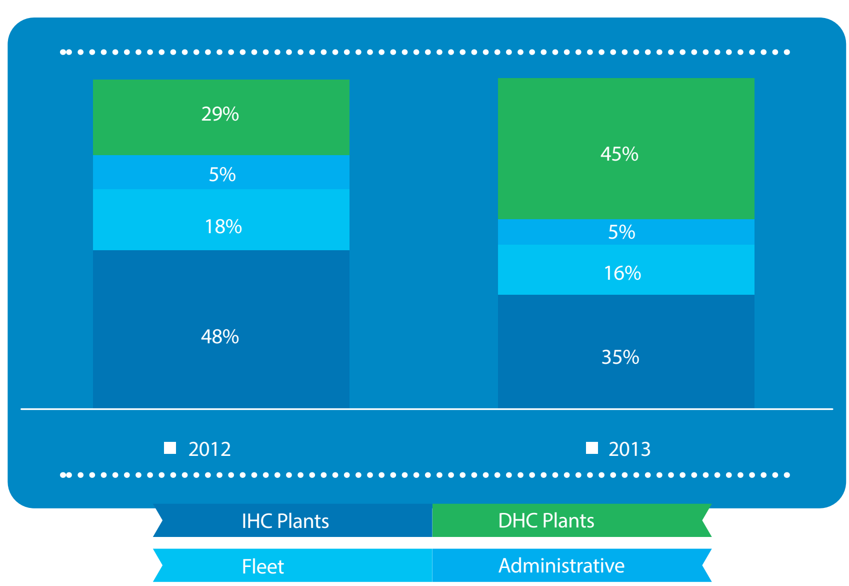
- **Profitability:**

  Profitability ratios were lower, due to lower revenues and production volume.

Profitability Position	2013	2012
ROE	-0.7%	9.1%
ROA	-0.4%	5.6%
Net Margin	**-0.9%**	**9.8%**

3.11 CAPEX:

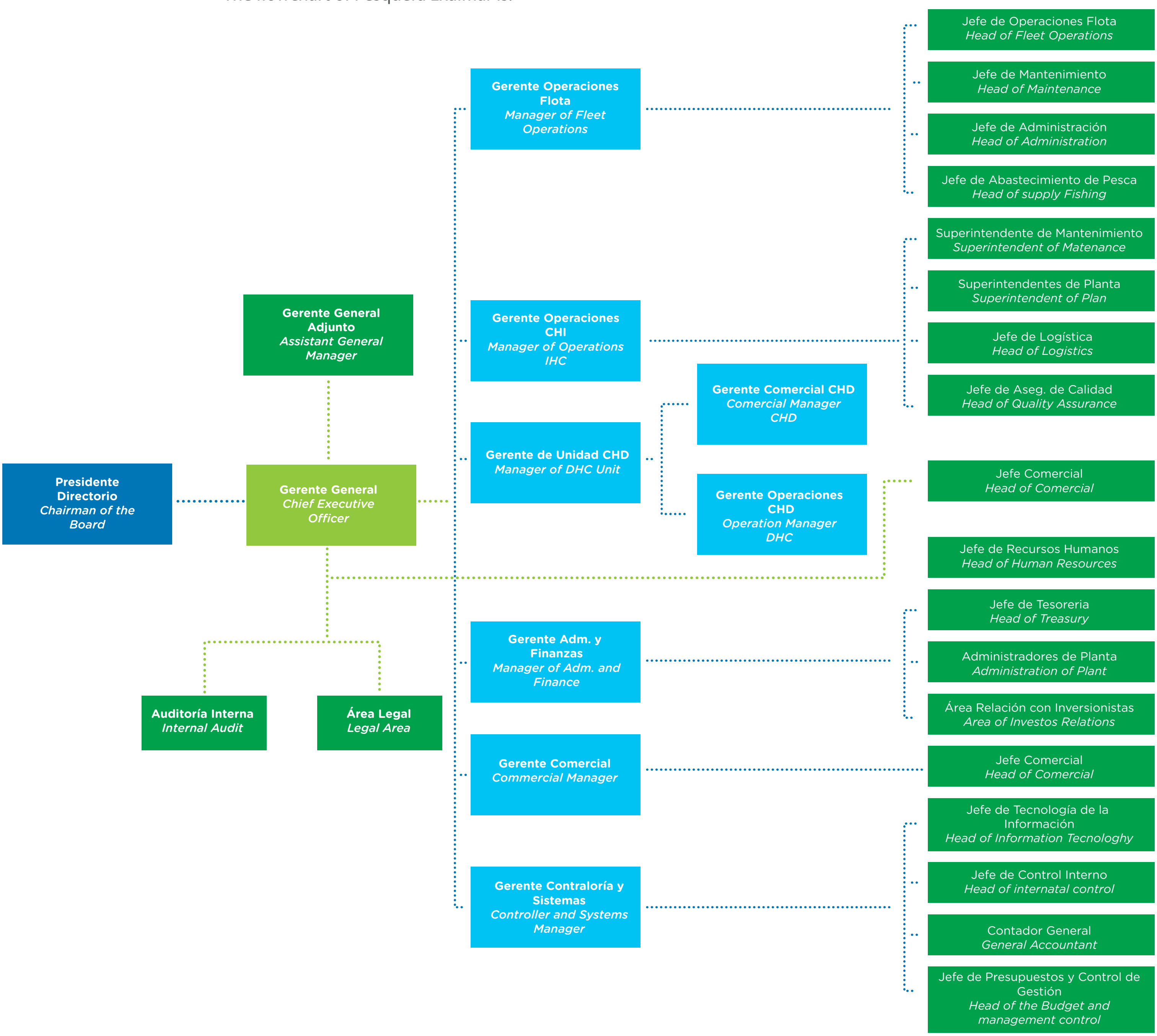
Regarding CAPEX, at December 31, 2013, there has been realized investments for US$ 41.6 million. Those were oriented mainly to Indirect Human Consumption plants and the building and equipment of the frozen plant of Tambo de Mora. On the other hand, in the Board´s meeting at January 21, 2014, approved the budget for 2014, which was set at US$ 25.8 million.



4. People Management

- **Organization chart**

The flowchart of Pesquera Exalmar is:



- **Collaborators**

Ubication	Employees	Workers	Crew	Total
Callao	33	81	0	114
Chicama	29	81	0	110
Chimbote	26	82	0	108
Huacho	26	84	0	110
Paita	24	81	0	105
San Isidro	93	0	0	93
Tambo de Mora	42	104	0	146
Fleet	51	0	449	500
Total	**324**	**513**	**449**	**1,286**

Regarding the total workforce, 398 are temporary workers and 888 are permanent, with a total of 1,286 workers. There was an increase compared to previous years, with 1,111 in 2012 and 1,045 in 2011.

- **Internal communication and others**

According to the Work Plan defined by the Human Resources Area, it worked in the emphasis of professional, family and personal development of contributors nationwide. Selection processes privileged internal promotion offering the possibility of access to positions of greater responsibility to our contributors, looking to continue to grow within the company. With regard to the professional development, Exalmar started the School of Leaders Program, oriented to Managers, Chiefs and Superintendents, who attend workshops seeking to strengthen their leadership skills and development of personnel for the benefit of the organization.

It also launched our internal communication program developed under the responsibility of the Communications Committee, identifying information needs nationwide. This resulted in the implementation of informative murals located at each location. Thinking about the families of our employees, Exalmar developed the Parent School Program, oriented to employees and their couples. They received three lectures of one hour each, in which they had the opportunity to interact with specialized psychologist to improve their skills to care their children within the home.

The wives of our employees actively participated in our "Productive Workshops", where they have the opportunity to learn new skills such as chocolate production, painted in trupan, among others, that can be the start of their own business that will generate profits and contribution to household economy.

Moreover, the children of our employees participated in the "Useful Vacation" where they can access a wide range of courses such as karate, dance, painting, soccer among others, according to their own preferences. This program lasts for two months and ends with a closing event in which their efforts were recognized. Finally , with regard to Occupational Health and Safety, we kept developing the program "Building a Culture of Safety Based Behavior". It seeks to promote self-care and that of our colleagues, rewarding as Collaborator of the month who incorporated the safety at work and at home as part of his culture.

5. QUALITY, SAFETY AND ENVIRONMENT MANAGEMENT

Pesquera Exalmar works with specialized teams to providing the necessary support for the operation of the Quality, Safety, Occupational Health and Environment System. This system enables and ensures a correct perfomance, so it can elaborate products in safety conditions, reducing accidents in plants and minimizing the impacts that can generate its activities on the environment. The export products are certified by independent entities in ports of loading in accordance with the specifications and weight set in each of their contracts.

- **Safety and health at work**

  Pesquera Exalmar, through the Department of Occupational Safety and Health, ensures compliance with current legislation and monitors the health surveillance of our employees. During 2013, it was implemented the Medical Support Service for the Management for Safety and Health at Work System and the development of the Annual Occupational Health Program. The latter allows sustainably achieve the physical and psychosocial well-being of employees, improving changes to styles of safe and healthy jobs.

- **OHSAS 18001:2007**

  During 2013, plants of Chicama and Tambo de Mora conducted the Pre Audit in order to achieve their certification at the System of Occupational Safety and Health based on International Standard OHSAS 18001:2007. Also, under the methodology known as Plan - Do - Check and Act, our Management System for Safety and Health at Work evaluated the compliance with the objectives and goals. The results obtained through the Report of Management Review were reported and actions were taken to improve the performance of the Safety Management System

- **Quality**

  Pesquera Exalmar has a specialized Quality Area that autonomously monitors and ensures the proper performance of the Quality System Management for each business unit Indirect and direct human consumption, ensuring the obtaining of safe and innocuous products, maximizing quality.

  All personnel of the company is responsible for quality in the context of their tasks and responsibilities, offering to the customers products with the highest international standards and certificates throughout the extraction, processing and distribution processes, issued by independent national and international bodies. During 2013, the quality area has focused on improving the management of raw materials, through the use of cold techniques in capture, storage and processing, which enabled maximize the quality of the final product.

  Exalmar have implemented sophisticated lab equipment of last technology, which can identify immediately the results obtained in the products, being able to improve responsiveness in the operating process more timely and ensuring obtaining of high quality products.

- **GMP+B2**

  Pesquera Exalmar S.A.A. has implemented the GMP + B2 International Standard as a system of effective control of quality based on the principles of HACCP, SSOP, GMP and ISO 9001, that allows to manage the quality and safety of food products. This system has a proactive approach to risk management throughout the production chain and in the parallel chain of our suppliers. In compliance with the ever more demanding and stricter requirements of the international markets, Exalmar demonstrated food safety at all stages of the food chain of our five plants certified with the Management System GMP + B2, whose commitment is to guarantee supplying of safety alimentary ingredients (animal health) and that of humans as consumers of animal products (public health).

  Monitoring audits are performed annually with the objective of demonstrate that the system works following international standards, with respect for people, animals and the environment.

- **BASC Secure Trade**

  Certification in System Management and Security Control (SGCS BASC) is applied to all our plants. As a business alliance for secure trade, with national and international cooperation, to have BASC certification within our production process and marketing (Interior / Exterior), means providing trust and transparency to our clients, preventing the risk of infiltration in product shipments, by controlling the security of operation processes, personnel, access, infrastructure, suppliers and even customers.

  The compliance with this system is revalidated annually by external auditors, which guarantee that our safety procedures comply with national standards and international standards. We have multi-functional committees that are in charge of keep vigil and optimize the management according to the standards and ensuring strict compliance with safety standards in trade.

- **IFFO**

  Represents the Global Standard for Responsible Supply (IFFO RS - International Fish Meal and Fish Oil Organisation), which means the production of seafood from fisheries authorized (Responsible Origin) and safe production. That applied to indirect and direct human consumption, based on responsible and legally caught supply, absence of potentially dangerous materials and traceability records that the standard requires.

  Also, annual revalidation audits are done to demonstrate responsible practices and the commitment to the safety of the supply of raw materials and the safe production of fishmeal and fish oil (ingredients in the production of balanced food) during reception and production. This system complements the Quality System GMP + B2.

- **Environmental Management System based on ISO 14001:2004**

  Pesquera Exalmar has set as a goal the implementation of Environmental Management System based on ISO 14001:2004. Our commitment is reflected in environmental protection policies. The goal is to reduce pollution impacts that our processes and activities may have on the environment, which is why our company seeks to certify plants of Callao and Tambo de Mora in 2014 and Chicama, Chimbote and Huacho in 2015 to establish corporate guidelines and to reaffirm our commitment to compliance with legal standards. To do this, the company has completed the implementation of physical treatments - chemical effluents systems generated in the discharge of raw material and periodic cleaning of all floors, with the installation of vacuum pumps in all plants. It also continues the implementation of mitigation equipment fugitive gaseous emissions as well as treatment plants for domestic wastewater.

  Currently Exalmar is running projects of compost generation and the donation of water obtained from the treatment of domestic wastewater, which are donated to the community for municipal tree planting projects. Exalmar have created the Environmental Management Area, which is integrated by Engineers specialists in the Treatment of Industrial Waters, control and monitoring of emissions, segregation of hazardous and solid waste, and implementation and monitoring of SGA System based on ISO 14001.

- **BRC - British Retail Consortium**

  For 2014, DHC has as objective to obtain the BRC Certification, which will ensure compliance with technical standards on food safety from food production to the sale to the final consumer. BRC is based in the use of HACCP and follows the ISO standards regulations. This certification will allow the entrance of our frozen products with value-added to supermarket chains or final sale markets with high level requirements.

6. INVESTOR RELATIONS AND GOOD CORPORATE GOVERNANCE

The Investor Relations area seeks effective communication between Pesquera Exalmar, its shareholders, the financial community and other stakeholders. The objective is to ensure ongoing communication and transparency in the management and dissemination of information that contributes to adequate market valuation of the company. In this way, information flows in two directions, from the company to stakeholders and from them to the company, seeking constant feedback that represents a competitive advantage for Pesquera Exalmar.

In 2013, there were communication activities with investors using various tools to disseminate relevant information of Pesquera Exalmar through Significant Events and Other Communications, email, appropriate publications on the website, among others.

There were several one-to-one meetings and individual presentations at the offices of the company and through participation in events with local and international investors, such as: Annual Latin American CEO Conference in Mexico (organized by Santander) Annual Andean Conference in Chile (arranged by Larrain Vial), Latin American Summit in Chile (organized by CorpBanca) and the Roadshow organized by InPerú that toured several cities on three occasions throughout the year. Also, there were conferences for investors in local events such as the Forum for Economic and Capital Markets (organized by Procapitales) Expobolsa 2013 and MILA Day 2013 (organized by the Lima Stock Exchange).

There were conference calls with investors on a quarterly basis after the presentation of financial results, with a presentation jointly by the General Manager, Rossana Ortiz, and Chief Financial Officer, Raúl Briceño, with a participation of 22 investors via web and 32 investors via audio in the latest Conference Call (4Q2013). Both the audio recording and the presentation were posted on the website promptly.

The corporate website www.exalmar.com.pe have a section called " Investor Relations", where you can find relevant information of the company like the Statute, Dividend Policy, Financial Statements, Quarterly Reports, various presentations, Press Releases, among others. Investors and other interested persons may request information from the Investor Relations area through various channels: (i) e-mail: ozuniga@exalmar.com.pe , (ii) Phone : (511) 441 4420 , (iii) section " Investor Service" in the website, (iv) postal mail and (v) directly in the offices of the company.

In that sense, since August to the end of 2013, there were 310 contacts with investors, considering meetings, telephone consultations, emails received, among others, who were answered in a timely manner.

The above activities were developed always seeking compliance with Good Corporate Governance practices, such as transparency, trust, fairness, social responsibility, fluidity and information integrity, etc. Pesquera Exalmar is committed to the adoption of these practices and to protect the investor and stakeholder rights, seeking to create a trust relationship among the different agents of the company. To do that, company counts with internal rules, processes and practices oriented to safeguarding Corporate Governance, among which the Dividend Policy, Code of Ethics and Conduct, Shareholders Meeting Rules and Board Meeting Rules, as well as the presence of six (6) independent directors out of a total of seven (7) members of the Board, and the participation of independent directors in corporate governance committees implemented during 2013: (i) Corporate Governance Committee; (ii) Risk Committee, (iii) Finance Committee, (iv) the Audit Committee, and (v) Remuneration Committee.

As part of this serious commitment, Exalmar expects to strengthen the relationship with our stakeholders through an ongoing communication and transparent and timely information, as well as raising corporate governance practices. To achieve expert is expected to work with external consultants for a diagnosis and implement of an improvement plan in these areas.

RESPONSIBLE FOR CHANGES IN THE PREPARATION AND REVIEW OF FINANCIAL INFORMATION

Since 2003, the firm Pazos, Lopez de Romana, Rodriguez, representatives of BDO, served as external auditor and this service was made by Beltran, Gray y Asociados S.C.R.L, representatives of Deloitte Touche Tohmatsu since 2007. In 2013, PricewaterhouseCoopers was contracted as external auditors. Regarding to the person in charge of the accounting information of the company, Mr. Mario Minaya Gonzales, Comptroller and Systems Manager, resigned for personal reasons at June 30, 2013, temporarily assuming this function Mr. Hilarion Hurtado Cardenas, Chief Account of the company.

SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31st 2013 AND DECEMBER 31st 2012

Independiente Auditors´ Report

To the Shareholders and Board members
Pesquera Exalmar S.A.A.

March 21, 2014

We have audited the accompanying separate financial statements of Pesquera Exalmar (a subsidiary of Caleta de Oro Holding SA, a company domiciled in Panama), comprising the separate statement of financial position at December 31, 2013 and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management´s Responsability for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control that management has identified necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors´ Responsability

Our responsibility is to express an opinion on these financial statements based on our audits. Our audit was conducted in accordance with International Standards on Auditing approved by the Board of Deans of Public Accountants of Peru, for this application in Peru. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance that the financial statements are free of material misstatement of relative importance.

An audit involves performing procedures to obtain audit evidence about balances and disclosures in the financial statements. The procedures selected depend on the auditor's judgment , including the assessment of the risk that the financial statements contain misstatements of relative importance, whether due to fraud or error. In making those risk assessments , the auditor considers internal control relevant to theCompany for the preparation and fair presentation of the financial statements in order to design audit procedures that are appropiate under the circumstances , but not with the purpose of expressing an opinion on the effectiveness of theCompany's internal control . An audit also includes assessing the appropiatenes of accounting policies applied and the reasonableness of accounting estimates made by management are reasonable as well as evaluating the overall presentation of the financial statements.

March 21, 2014
Pesquera Exalmar S.A.A.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the previously indicated financial statements, prepared for the purposes stated in the following paragraph, present fairly, in all material respects, the financial position of Pesquera Exalmar S.A.A. to December 31, 2013, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis on a situation

Separate financial statements of Pesquera Exalmar S.A.A. have been prepared in compliance with applicable legal requirements in Peru for financial reporting and reflect the value of the investment in joint ventures at cost, while using the equity method in the financial statements of economic interest. These separate financial statements should be read in conjunction with the financial statements of economic interest of Pesquera Exalmar S.A.A., presented separately and to date have not been audited.

Other matters

Separate financial statements at December 31, 2012, attached for comparison purposes, were audited by other independent auditors who, in its opinion dated March 19, 2013, they issued an opinion without caveats about those financial statements.

Endorsed by

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

1. General Information

a) Constitution and economic activity

Pesquera Exalmar S.A.A. (hereinafter "The Company"), is a subsidiary Caleta de Oro Honding subsidiary, a company domiciled in Panama, which owns 60.62% of the shares of Exalmar´s capital stock. The company was constituted in Peru on November 25, 1997. The Company's legal domicile, where its administrative offices is Av. Victor Andres Belaunde 210, San Isidro - Lima, Perú.

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

The Company operates six fishmeal and fhis oil plants (six in 2012) located in Tambo de Mora, Chimbote, Chicama, Callao, Paita and Huacho in the departments of Ica, Ancash, La Libertad, Lima y Piura and two frozen plants, dedicated to process seafood products related to direct human consumption, located in Paita and Tambo de Mora.

Plants produce 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.

The capacity of the production lines of each plant is as follows:

Fishing facilities	Capacity	
	IHC / MT/Hour	DHC / MT/Day
1. Tambo de Mora	100	575
2. Chimbote	90	-----
3. Chicama	60	-----
4. Callao	50	-----
5. Paita	50	38
6. Huacho	84	-----

At December 31, 2013, the Company has 59 purse vessels whose total with a total storage capacity of 13,192 m^3 with a quota of 6.45% (62 purse vessels with total storage capacity of 13,794 m^3 with a share of 6.42%).

The Company currently operates 22 vessels on average (23 in 2012), since the management is making use of the Company's fleet more efficient.

In 2013, the Company processed 466,380 MT of raw material (396,720 MT in 2012) of which 268,015 MT (232,135 MT in 2012) were extracted with its own fleet and 198,365 MT (164,585 MT in 2012) were acquired from third parties.

In 2013 the Company achieved a production level of 106,266 MT of SD fishmeal and 17,143 MT of fish oil (90,647 MT of SD fishmeal and 21,362 MT of fish oil, in 2012).

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.

This law additionally establishes that in case the vessel suffers a sinking, destruction, exportation or removal of a fishing vessel, the owner has the right to obtain an authorization from the Ministry of Production for the construction of another vessel of identical storage 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.

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 made 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 from 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 with a later permission.

c) **Operations**

i) Fishmeal and fish oil

Since 2009, the Company operates under the regime of the Law on Maximum Catch Limits per Vessel (LMCE), through which each vessel of a shipbuilder or fishing company was granted an aliquot to determine the volume of fishing permitted per vessel. As of December 31, the Company has had 158 production days and 207 days of plant stoppage (162 y 203 production days and plant stoppage in 2013, respectively). Also, at December 31, 2013, the ban periods generated operating costs for the Company for US$ 27,024 thousand (US$ 27,099 at December 31, 2012).

During 2013, the Company was allocated the following aliquot for the extraction of anchovy:

In the Center-North region the company has 6.45%

(6.42% in 2012) of the total quota assigned in 2.05 million MT in the first fishing season 2013, that began on May 17 and finished on July 31 (in 2012, the first fishing season began on April 30 to July 31, and the quota assigned was 2.70 MT); and 6.45% of the total quota assigned in 2.30 million MT in the second fishing season 2013 that began on November 12, 2013 and finished on January 3, 2014 (in 2012, the second fishing season began on November 22, 2012 and finished in January 31, 2013 and the quota assigned was 0.81 million MT).

In the South Region the company has 4.34%

(4.34% in 2012) of the total national quota assigned in 0.40 million MT from 2013 (4.34% to December 31, 2012) in the first fishing season 2013 that began on January 11, 2013 finished on June 30, 2013 (in 2012 the quota assigned was 0.40 million MT in the first fishing season that began on February 15, 2012 to June 30, 2012), and 4.34% of the total national quota assigned in 0.43 million MT in the second fishing season 2013 that began on October 31, 2013 and finished on March 31, 2014 (in 2012 the quota assigned was 0.31 million MT in the second fishing season that began on August 07, 2012 to December 31, 2012).

ii) Direct Human Consumption

In 2013, the total capture from Mackerel and Jack Mackerel were 3,941 MT in Direct Human Consumption. Also, the Company has purchased the following raw materials from third parties: 4,530 MT of Giant Squid and 850 MT of Mahi Mahi (53 MT and 334 MT of Giant Squid and Mahi Mahi, respectively, in 2012), which led a production of 2,968 MT of frozen Squid, as well as 447 MT of frozen Mahi Mahi (32 MT and 200 MT of frozen Squid and frozen Mahi Mahi in 2012.

As December, 2013, local sales represent 13% and export sales represent 87% of the total sales of frozen production.

d) Environmental Regulation

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

According to Decree Law Nº 25977 – General Fishing Law, Article 6 and its Regulation as per Supreme Decree Nº 01-94-PE, for the protection and preservation of the environment, it is required and necessary that the 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 of December 31, 2013, the Company has executed projects that were capitalized in its several locations, related to the environmental protection for US$4,061 thousand (US$5,766 thousand as of December 31, 2012) such as the construction of solid-residues collection centers, acquisition of boilers, pumps and steam dryers. There are no liabilities for environmental obligations as of December 31, 2013.

e) Separate Financial Statetments approval

The Separate Financial Statements at December 31, 2013 have been issued with the approval of the Company´s Management and they will be presented to the Board for the approval of their issue, and then will be presented to the Annual Mandatory General Meeting to be held within law, for modification and / or final approval. Separated Financial Statetments at December 31, 2012 were approved by the Annual General Meeting Obligation dated April 15, 2013.

2. Summary of Significant Accounting Policies

The significant accounting policies used by the Company in the preparation and presentation of the separate financial statements will be explain now. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Preparation basis

Separate Financial Statements are prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") as issued by the International Accounting Standards Board ("IASB, for its acronym in English") effective as of December 31, 2013. Likewise, Separate Financial Statements are prepared to comply with filing requirements in force in Peru and financial information reflect the activity of the Company, excluding the effects of the use of the equity method in the financial statements of economic interest company under common control Corporación del Mar S.A. The Company prepares and presents financial statements of economic interest, which are presented separately.

The information contained in these Financial Statements is the responsibility of the Company's Management, which expressly confirms that in its preparation have been applied all the principles and criteria set out in IFRS issued by the IASB.

The financial statements arising from the accounting records of the Company and have been prepared on the historical cost basis as modified by financial assets available for sale and derivative financial instruments are recognized at fair value. The financial statements are presented in thousands of U.S. dollars (US$ 000) except when a different monetary expression are indicated.

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

2.2 Changes in accounting policies and disclosures

Nuevas normas y modificaciones a normas e interpretaciones adoptadas por la Compañía -

New standards and amendments to standards and interpretations adopted by the Company :

- IFRS 11, "Joint Arrangements".

This standard replaces IAS 31, "Interests in jointly controlled", and SIC 13, "entities under common control, non-monetary contributions of the partners" and requires a venturer to classify its participation in an agreement under joint control either as a business under common control (joint venture) or as a operation under common control (joint operation). Businesses under common control are accounted for by the equity method while in the joint operation the venturer has rights to the assets and obligations for the liabilities relating to the agreement. The Company analyzed and concluded that participation in jointly controlled business qualifies as businesses under common control (joint venture) so that, for purposes of its financial statements of economic interest, their recognition under the equity value does not differ from accounting treatment required by this standard.

As prescribed by IAS 27, "Separate Financial Statements", paragraph 10, the Company records its investment in businesses under common control cost in its separate financial statements (Note 2.12).

This standard has not had impact on the accounting policies applied in previous years. There are not other IFRS or IFRIC in force for the first time in 2013 applicable to the activities of the Company.

New standards, amendments and interpretations applicable for financial statements for annual periods beginning on or after January 1, 2014 and have not been early adopted

- IFRS 9, "Financial Instruments".

It constitutes the first rule that is part of a wider project to replace IAS 39. IFRS 9 retains, but simplifies, the model measurement of financial instruments and requires that financial assets are classified into two measurement categories: those who are measured at fair value and those measured at amortized cost. The basis for the classification depend on the business model of the entity and the contractual cash flow characteristics of the financial assets. The guidelines of IAS 39 in respect of the impairment of financial assets and hedging contracts continue to apply.

- Amendment to IAS 32, "Financial Instruments, presentation on compensation of assets and liabilities."

These modifications are made to the application guidance of IAS 32, "Financial Instruments: Presentation", and clarify some of the requirements for offsetting financial assets and liabilities in the statement of financial position.

- Amendment to IAS 36, "Impairment of Assets".

This modification is related to the disclosure of information regarding the recoverable amount of impaired assets if such amount is based on fair value less costs to retirement.

- Financial Instruments: Recognition and Measurement Amendment to IAS 39 "Novation derivatives."

This modification provides facilities to suspend accounting hedging instruments when the novation of a hedging instrument to a central counterparty meets specific criteria.

- IFRIC 21, "Liens", establishes the accounting treatment of an obligation to pay that is not income tax. The interpretation describes the event giving rise to the obligation to pay a charge and when it should recognize a liability / obligation.

- Amendments to IFRS 10, IAS 12 and 27 on consolidation of investment companies.

According to these changes many funds and similar entities are exempt from consolidating most of its subsidiaries; instead, they are going to be measured at fair value through profit or loss. The amendments make an exception for entities that meet the definition of "investment entity" and presenting specific characteristics. There have also been changes to IFRS 12 relating to disclosures that an investment entity should present.

The Company is in the process of evaluating the impact of these standards in the preparation of its financial statements. It is not expected that other IFRS or IFRIC interpretations that are not yet in effect may 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 reporting provided to the charge of making operational decisions. Responsible for making operational decisions, which is responsible for allocating resources and assessing performance of the operating segments, has been identified as the General Manager, responsible for strategic decision making.

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 in which the entity operates (functional currency). The financial statements are presented in US Dollars (US$), which is the functional currency and the presentation currency of the Company.

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

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 are 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 sale. 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. At December 31, 2012 and 2013, the Company only has loans and receivables and financial assets available for sale, the characteristics and treatment are discussed below.

a) Loans and receivables

Loans and receivables are non-derivative financial assets that entitle fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months from the date of the statement of 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. No significant amounts of sales that depart from the usual credit conditions, why has not identified any financial component in product sales.

b) Financial assets available for sale

Financial assets available for sale financial assets are non-derivatives that are either designated in this category or not classified to be described in any of the other categories. These assets are included in non-current assets unless management intends to dispose of the asset within 12 months from the date of the statement of financial position.

Recognition and Measurement

Purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not at fair value through profit and loss. Investments are derecognised when the rights to receive cash flows from the investments expire or are transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets available for sale are subsequently carried at fair value. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost by the effective interest method less impairment estimation.

Derecognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments expire or are transferred and the Company has transferred substantially all risks and rewards of ownership.

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 exists and if there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

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 Derivative financial instruments and hedging activities

Derivative financial instruments are initially recognized at fair value at the date the derivative contract is held and are subsequently remeasured at fair value. The method of recognizing the resulting gain or loss from changes in fair value of derivatives depends on whether they are designated as hedging instruments, and if so, the nature of the item being hedged.

The Company documents, at the beginning of the transaction, the relationship between hedging instruments and hedged items, as well as their objectives and risk management strategy that support hedging transactions. The Company also documents its evaluation, both at the beginning as at the date of each subsequent statement of financial position, whether the derivatives used in hedging transactions are highly effective in compensating changes in fair values or cash flows cash of hedged items.

The total fair value of derivatives used for hedging purposes are classified as active or non-current liability when the remaining maturity of the hedged item is more than 12 months and is classified as a current asset or liability when the maturity is less than 12 months. Derivatives held for trading are classified as current assets or liabilities.

Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognized as other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statement of comprehensive income under "Other expenses" or "Other income".

Amounts accumulated in equity are recognized in the statement of comprehensive income in the periods in which the hedged item affects results

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for applying hedge accounting, any gain or loss accumulated in equity at that time remains in equity and will be reversed to income when the forecast transaction is ultimately recognized in the statement of comprehensive income. When a forecasted transaction is not expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

2.9 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.

2.10 Accounts receivable

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).

2.11 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.

2.12 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 participation of the Company's businesses under common control are recognized at cost in the separate financial statements in accordance with the requirements of IAS 27.

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

2.13 Inmuebles, maquinaria y equipo -

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.

2.14 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 neccesary 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 licenses

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 are 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.

2.15 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 include the carrying amount of goodwill relating to it.

For purposes of impairment 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.

2.16 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 amount 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.

2.17 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. At December 31, 2012 and 2013, 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 all of the 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 all of the 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.

2.18 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.

2.19 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 obligation for corresponding lease payments, net of lease finance charges, are included in other 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.

2.20 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 or 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.

2.21 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.

2.22 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.

2.23 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.

2.24 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. Delivery of the products are determined case by case.

Interests -

Los ingresos por intereses se reconocen sobre la base de la proporción de tiempo transcurrido, usando el método de interés efectivo. Cuando un ingreso por intereses sobre préstamos o colocaciones se deteriora, la Compañía reduce su valor en libros a su valor recuperable, el mismo que es el flujo de efectivo futuro estimado descontado a la tasa de interés efectiva original del instrumento y continúa revirtiendo el descuento como ingresos por intereses. El ingreso por intereses de préstamos y colocaciones deteriorados se reconoce usando la tasa efectiva original del instrumento.

2.25 Recognition of costs 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.

2.26 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. In 2013 and 2012, the strategy has been to buy foreign currency in the free foreign exchange market ('spot market'). The Company does not hold any foreign currency contract in force at the date of the financial statements.

Balances in foreign currency (S /.) At December 31 were as follows:

	2013 S/.000	2012 S/.000
Assets		
Cash and Cash Equivalents	5,365	1,696
Trade Account Receivable	54	7
Account Receivable form Related Entities	8,252	6,831
Other Account Receivable	69,012	22,548
	82,683	31,082
Liabilities:		
Financial Obligations	9,753	10,137
Trade Account Payables	34,872	22,215
Account Payables from Related Entities	41,713	41,697
Other Account Payables	90	25
	86,428	74,074
Equity, net	**3,745**	**42,992**

At December 31, 2013, the exchange rates used by the Company for translating foreign currency balances have been US$ 0.358 per S/.1 for assets and liabilities (US$ 0.392 per S/.1 for assets and liabilities, 2012).

At December 31, 2013, the Company recorded net foreign exchange gains of US$ 944,000 (US$ 1,950 thousand in 2012), 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 in U.S. dollars.

If, at December 31, 2013, the Nuevo Sol were revalued / devalued by 10% against the U.S. dollar, with all other variables held constant, the effect before tax for the year would have been positive / negative by US$ 1,038 thousand (US$ 2,145 in 2012).

ii) Price risk -

The Company is exposed to the risk of fluctuations in the prices of products sold; international prices of fishmeal and fish oil are subject to change. However, Legislative Decree No.1084 - Law on Maximum Capture Vessel, marked a significant change in the way of marketing the products, allowing companies to conclude supply contracts with key customers, first to agree volumes; and then to agree on both volumes and prices because from the moment the Ministry of Production (PRODUCE) determines the annual fishing quota, every company can determine its minimum production of fishmeal. This production management will allow the Company to mitigate the impact on their income from unexpected price fluctuations. During

2013, the price of fishmeal was kept in the range of US$ 1,380 / MT - US$ 2,028 / MT (in the range of US$ 1,160 / MT - US $ 1,843 / MT in 2012). However, the Company has no financial instruments exposed to price risk.

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

The interest rate risk on cash flows of the Company is carefully managed. During 2013, 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.

If, at December 31, 2013, interest rates on financial liabilities denominated in U.S. dollars increased / decreased by 5%, with all other variables held constant, the effect on loss / profit after tax for the year would have been positive / negative by US$ 1,470 billion (US$ 303 thousand in 2012).

b) Credit risk -

Credit risk arises from cash and cash equivalents, deposits with banks and 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.

Credit limits were not exceeded during the reporting period and the Management Company does not expect to incur any loss of performance by counterparties. Additional disclosures about credit risk is disclosed in Note 7.

c) Liquidity 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$ 175 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.

	1 year	Berween 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Total
	US$000	US$000	US$000	US$000	US$000
At December 31, 2013					
Financial Obligations	58,917	1,886	1,520	295,875	358,198
Trade Account Payables	21,103	-------	-------	-------	21,103
Account Payables from Related Entitiess	168	-------	-------	-------	168
Other Account Payables	11,278	-------	-------	-------	11,278
	91,466	1,886	1,520	295,875	390,747
At December 31, 2012					
Financial Obligations	52,466	31,427	31,191	73,871	188,955
Trade Account Payables	23,182	-------	-------	-------	23,182
Account Payables from Related Entitites	31	-------	-------	-------	31
Other Account Payables	10,915	-------	-------	-------	10,915
	86,594	31,427	31,191	73,871	223,083

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 December 31, 2013 and 2012 The gearing ratios at 31 December were as follows:

	2013 US$000	2012 US$000
Total financial liabilities (Note 15)	263,874	184,808
Less: Cash and cash equivalents (Note 6)	(6,920)	(14,956)
Net Debt	256,954	169,852
Total equity	222,873	234,229
Total capital	479,827	404,081
Leverage Ratio (%)	**0.54**	**0.42**

3.3 Estimated fair value of 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 (ie as prices) or indirectly (ie , 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 14).

If the estimated rate of discount, before tax, applied to the discounted cash flows of the cash generating unit, CGU, ie each plant and fishing vessel had been 1% higher than the estimates of Management (eg 7.56% instead of 6.56%), 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 11.96%.

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 wear 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 make 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. At December 31, 2013, ban costs of US$ 27,024 are expensed in the period in the statement of comprehensive income (US$ 27,099 in 2012).

5. FINANCIAL INSTRUMENTS BY CATEGORY.

The classification of financial instruments by category is as follows:

	2013 US$000	2012 US$000
Financial assets		
Cash and cash equivalents	6,920	14,956
Trade accounts receivable	17,159	4,581
Other accounts receivable, net	31,536	35,596
Accounts receivable from related parties	3,347	3,710
	58,962	58,843
Financial liabilities		
Financial obligations	263,874	184,808
Trade accounts payable	21,103	23,182
Other accounts payable	11,278	10,975
Accounts payable to related parties	168	31
	296,423	218,996

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 2013 and 2012, the accounts receivable from existing customers and new customer were not deteriorated.

6. ICASH AND CASH EQUIVALENTS

This item comprises:

	2013 US$000	2012 US$000
Cash in hand (a)	6,920	2,956
Time deposit (b)	-------	12,000
	6,920	**14,956**

(a) At December 31, 2013, the current account are denominated in soles and U.S. dollars by S/.6,653 thousand and U.S. $ 4,540 thousand, respectively (S/.1,996 000 and US$ 2,173 thousand respectively in 2012). These amounts are held in local banks and their availability is immediate.

(b) At December 31, 2012, time deposits are denominated in U.S. dollars for US$ 12,000 thousand, are deposited in local banks, they have maturities less than 40 days and gain interest at an effective annual rate of 1.3%..

7. Trade Accounts Receivable

This item comprises:

	2013 US$000	2012 US$000
Bills receivable	17,160	184,808
Estimate of doubtful accounts	(1)	(11)
	17,159	**4,581**

The carrying amount 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.

At December 31, 2013, approximately 88% of trade accounts receivable from foreign customers are guaranteed mostly letters payable at sight and 4% is subject to bank collections in the form of cash against export documents ('Cash Against Documents') (approximately 66% and 13% in 2012). No export credits are granted, the term of payment is determined by the delay time of the bank with the documents required by the letter of credit and the time of negotiating the local bank with documents outside, this period may be 45 to 60 days from the date of invoice issue. While the payment of export documents (ownership of the property) is not made, the products are not delivered to the buyer. 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. 96% of trade accounts receivable corresponds to customers with balances due and for which no impairment losses are estimated given the credit experience with them. 83% of trade accounts receivable is concentrated in six major customers. No other representing clients individually or in the aggregate, more than 15% 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:

	2013 US$000	2012 US$000
Ongoing	16,238	4,359
Mature until 60 days	822	183
Matured between 61 and 180 days	74	35
Matured between 181 and 360 days	25	----
Matured more than 361 days	1	15
	17,160	**4,592**

The estimate of doubtful accounts is determined in accordance with policies established by Management and is recognized considering, among other factors, the outstanding balance with a length greater than 360 days, their chances of being recovered , and evidence of financial difficulties of the debtor to increase beyond the normal loan losses of the outstanding balance, so that their sum has a level that management considers adequate to cover possible losses on accounts receivable from the date of the statement of financial situation. The amount of the estimate is recognized in the income statement. Subsequent recoveries are recognized with a credit to the income statement . The basic criteria for writing off impaired financial assets against that valuation account are: (i) depletion of collection management, including enforcement of security; and (ii) financial difficulties of the debtor evidencing the inability to enforce the collection of the receivable.

The Company maintains the allowance for impairment of receivables at the level that management believes is adequate according to the potential risk of uncollectible accounts. The aging of accounts receivable and customer status are constantly monitored to ensure the adequacy of the provision in the financial statements. Management of the Company believes that no additional provisions to the allowance for impairment of accounts receivable are required

8. Inventories

This item comprises:

	2013 US$000	2012 US$000
Finished goods (IHC):		
Fishmeal	33,248	12,575
Fish oil	12,700	1,495
Miscellaneous supplies	6,471	6,426
Finished goods (DHC)	2,576	5,231
Packing	889	761
	55,884	**26,488**
Allowance for impairment of inventories	(590)	(373)
Total	**55,294**	**26,115**

At December 31, 2013, stocks of fishmeal and fish oil amounted to 38,780 MT and 6,503 MT, respectively (11,090 MT and 1,006 MT, respectively, in 2012).

At December 31, 2012, the carrying amounts of stocks of fishmeal and fish oil include $ 442,000 fee that corresponds to the participation of workers distributed in the production cost of inventory to the date of the statements financial remains in stock.

At December 31, 2013, the Company has fishmeal or fish oil pledged as collateral for bank loans of US$ 20,435 (US$ 10,948 in 2012) (Note 15).

During 2013, the Company has considered necessary to increase the provision for impairment of inventories of US$ 217,000 (US$ 0 in 2012). This estimate has been determined according to the assessment made by the operational areas of the Company, identifying those materials that are obsolete. Consequently, the Management of the Company believes that no additional allowance for the impairment of inventories at December 31, 2013 and 2012 provisions are required.

9. Related Companies

a) Balances receivable from and payable to related parties at December 31 are as follows:

	2013 US$000	2012 US$000
Accounts receivable:		
Corporación Exalmar S.A.	2,005	2,091
Corporación del Mar S.A.	1,392	1,171
Complejo Agroindustrial Beta S.A.	443	1,043
Compañía Hotelera El Sausal S.A.	851	927
Inmobiliaria Seville S.A.	523	375
Other minors	100	70
Less: Estimate of doubtful accounts	1,967	-1,967
	3,347	**3,710**
Accounts payable:		
Inmobiliaria Seville S.A.	135	-----
Complejo Agroindustrial Beta S.A.	19	-----
C.M.V. Servicios Ejecutivos S.A.	3	20
Other minors	11	11
	168	**31**

Management estimates that it will recover the receivable balances to its parts related at December 31, 2013 , so the date of the financial statements has not recognized additional allowance. The assessment of the collectibility 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 are not interest bearing and have no specific guarantees.

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

	2013 US$000	2012 US$000
Rebilling of network services and others	171	331
Office rental expense and other	-39	-21
Purchase of fixed assets	-----	761

c) Remuneration of key management:

At December 31, 2013, wages and other benefits to managerial personnel considered key personnel, amounted to U.S. $ 2,084 thousand (US$ 1,702 thousand in 2012). In addition, remunerations to the Board per diem directory amounting to US$ 118 thousand (US$ 72 thousand in 2012).

10. Other Receivables

This item comprises:

	2013 US$000	2012 US$000
Advances and other to fishery vessel owners (a)	20,183	29,423
VAT tax credit (b)	8,761	7,016
Balance in favor of the income tax (Nota 26-c)	7,957	-------
Personal and shareholders (c)	4,775	5,075
Prepaid expenses	3,740	1,105
Claims to third	887	904
Others	2,125	378
	48,428	**43,901**
Less: Provision for impairment of other receivables		
Accounts receivable	**(174)**	**(184)**
	48,254	**43,717**

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. At December 31, 2013, the Company has recovered US$ 12,160 thousand by this concept (US$ 13,587 in 2012).

(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%. The December 28, 2012, the shareholder made the partial repayment of the loan in the amount of US$ 5,000 thousand.

11. Financial Investments

At December 31, 2012 and 2013, this item mainly comprises the value of the investment in Corporación del Mar S.A., a jointly controlled entity, which is recorded and displayed in separate cost (Note 2.12) financial statements.

12. Property, Plant And Equipment

a) Composition of balance -

The movement of the item of property, plant and equipment and related accumulated depreciation for the years ended December 31, 2013 and 2012, has been as follows:

	Land US$000	Buildings and other constructions US$000	Vessels US$000	Machinery a equipmen US$000
Year 2012:				
Initial net carrying value	8,776	8,964	61,265	56,223
Addtions	-------	-------	-------	-------
Additions due to fusion	-------	-------	10,576	-------
Withdrawals	-------	-------	(1,031)	(1,788)
Trasfers and others	-------	1,060	5,263	19,440
Depreciation charge	-------	(433)	(10,688)	(5,633)
Depreciation charge due fusion	-------	-------	(7,085)	-------
Payment for depreciation of withdrawals	-------	-------	514	8
Final net carrying value	**8,776**	**9,591**	**58,814**	**68,250**
At December 31, 2012:				
Cost	8,776	14,159	178,053	111,934
Accumulated depreciation	-------	(4,568)	(119,239)	(43,684)
Net carrying value	**8,776**	**9,591**	**58,814**	**68,250**
Year 2013:				
Initial net carrying value	8,776	9,591	58,814	68,250
Addtions	-------	-------		-------
Withdrawals	-------	-------	(3,725)	(1,307)
Trasfers and others	-------	4,371	10,961	24,618
Depreciation charge	-------	(554)	(9,518)	(7,637)
Impairment charge	-------	-------	(2,227)	-------
Payment for depreciation of withdrawals	-------	-------	3,002	968
Final net carrying value	**8,776**	**13,408**	**57,307**	**84,892**
At December 31, 2013:				
Cost	8,776	18,530	183,062	135,245
Accumulated depreciation	-------	(5,122)	(125,755)	(50,353)
Net carrying value	**8,776**	**13,408**	**57,307**	**84,893**

Transpor units	Furnitures and fixeries	Various equipments and computer	Works in progress	Total
US$000	US$000	US$000	US$000	US$000
224	26	541	25,061	161,080
-------	-------	-------	44,389	44,389
-------	-------	-------	-------	10,576
(115)	-------	-------	-------	(2,934)
133	53	151	(26,100)	
(88)	(5)	(89)	-------	(16,936)
-------	-------	-------	-------	(7,085)
115	-------	-------	-------	637
269	**74**	**603**	**43,350**	**189,727**
2,068	415	1,392	43,350	360,147
(1,799)	(341)	(789)	-------	(170,420)
269	**74**	**603**	**43,350**	**189,727**
269	74	603	43,350	189,727
-------	-------	-------	38,442	38,442
-------	-------	-------	(209)	(5,241)
260	493	1,047	(41,750)	-------
(106)	(41)	(145)	-------	(18,001)
-------	-------	-------	-------	(2,227)
-------	-------	-------	-------	3,970
423	**526**	**1,505**	**39,833**	**206,670**
2,328	908	2,439	39,833	391,121
(1,905)	(382)	(934)	-------	(184,451)
423	**526**	**1,505**	**39,833**	**206,670**

b) Depreciation expense for the years ended December 31 was distributed in the statement of comprehensive income as follows:

	2013 US$000	2012 US$000
Cost of sell (Note 20)	7,652	6,295
Expenditure of ban (Note 21)	9,949	10,599
Expenditures of selling (Note 22)	256	-------
Administration expenses (Note 23)	144	42
	18,001	**16,936**

c) Finance leases -

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

	2013 US$000	2012 US$000
Buildings	2,472	2,472
Machinery and equipment	29,787	28,099
Vessels	20,965	20,212
Others	904	1,438
	54,128	**52,221**
Less: acumulated depretation	-29,781	-27,237
	24,347	**24,984**

d) Impairment testing of property, plant and equipment -

i) Operating -

Management has reviewed the projections of expected results for the remaining years of useful life of fixed assets , and in her opinion the recoverable value of its property, plant and equipment as of December 2013 and 2012, 31 are greater than their carrying value, so it is not necessary to record an allowance for impairment loss for those operating at the date of the financial statements assets.

- The main assumptions used in the model to determine the value in use and fair value less costs to sell vessels are:

Prices: the model uses 21% of the price of fish considered as raw material because the small fishing companies have increased their bargaining power since the promulgation of the Law of Maximum Catch per Vessel (MLEC) and from the increase of fishmeal prices in the market.

Quota: the model uses the budgeted quota allocated to the Company under law LMCE fishing (6.45% of total quota).

Extraction costs: operating costs, maintenance and ban costs decreased during 2012 and they will decline much more in the future due to the positive effects of the law of MLEC. Staff costs (crew) will decrease as a result of the benefits of term of employment referred to in fisheries law in the case of people who retire early. They consume less fuel since there will be fewer fishing vessels are used for under the conditions established by law LMCE capture. Extraction costs are based on budgeted costs prepared by management.

Discount rate: the model uses an interest rate before tax of 6.56% unadjusted for inflation.

- The main assumptions used in the model to determine the value in use and fair value less costs to sell plants are:

Prices: the model uses the average prices of fishmeal and fish oil from US$ 1,560 / MT and US$ 2,090 / MT, respectively.

Management expects that prices are stable and consistently increase according to the expectations and market demand.

Production costs: the model assumes that the total raw material comprises the catch of own vessels sold to its plants at market prices.

Discount rate: the model uses the interest rate before tax of 6.56% unadjusted for inflation.

Management determined budgeted costs based on past performance and its expectations of the market according to the conditions of the law of MLEC.

ii) No operating -

The Company has recorded an impairment charge of US$ 2,227 thousand. The impairment charge is the result of the discontinuation of the Company's 37 vessels that remain parked.

In 2013, the Company recognized an impairment of the carrying value of certain assets, according to the operational plan of the Company determined by Management, will no longer be used in production. The Company will maximize the efficiency of its operations, since it will operate at the same output with fewer assets. The impairment loss resulted in a charge to income of US$ 2277 thousand for the impairment of 37 boats that were parked during the past four seasons of fishing.

The recoverable value of these inoperative assets is its fair value less the necessary costs of sale determined by independent appraisers at December 31, 2013.

e) Others -

- Additions to construction in progress at December 31, 2013 comprise mainly investments in processing plants for indirect human consumption for US$ 14,504 thousand (US$ 21,517 thousand in 2012), improved fishing vessels for US$ 4,785 thousand (US$ 8,050 thousand in 2012), implementations in processing plants for direct human consumption by US$ 18,649 thousand (US$ 12,736 thousand in 2012) and administrative implementations of US$ 504,000 (US$ 2,086 thousand in 2012).

- The Company maintains insurance contracts to protect their main asset against fire and all risk, as well as potential claims that might be filed by the exercise of their activity. In Management's opinion, their insurance policies are consistent with international practice applicable to the industry and the risk of potential losses for claims considered in the insurance contract.

- At December 31, 2013, the Company has fully depreciated assets still in use and whose cost amounts to approximately US$ 2,704 thousand (US$ 772 thousand in 2012).

13. Intangible Assets

a) Composition of balance -

The movement for the category of intangible assets and their related accumulated amortization for the years ended December 31, 2013 and 2012, has been as follows:

	SAP System US$000	Fishing licenses US$000	Total US$000
Year 2012:			
Initial net carrying value	1	71,951	71,952
Additions	-------	25,780	25,780
Amortisation charge	-------	-------	-------
Final net carrying value	**1**	**97,731**	**97,732**
At December 31, 2012:			
Cost	1,105	97,731	98,836
Accumulated depreciation	(1,104)	-------	(1,104)
Net carrying value	**1**	**97,731**	**97,732**
Year 2013:			
Initial net carrying value	1	97,731	97,732
Additions	1,464	1,680	3,144
Amortisation charge	(82)	-------	(82)
Final net carrying value	**1,383**	**99,411**	**100,794**
At December 31, 2013:			
Cost	2,569	99,411	101,980
Accumulated depreciation	(1,186)	-------	(1,186)
Net carrying value	**1,383**	**99,411**	**100,794**

Fishing licenses correspond to boats and processing plants of fishmeal and fish oil that have been acquired by purchase and business combination.

According to current legislation, fishing licenses are granted by the Ministry of Production to a specific vessel and for a defined time period. This period begins when the Ministry of Production issues it gives rise to the fishing license and ends (for reasons other than that the boat is removed or destroyed) if the holder does not meet present certain documentation required at the beginning of each year calendar (Note 1-b).

Also, the fishing license shall remain in force indefinitely if the Company meets submit the required documentation. In addition,it is prohibited to transfer fishing licences to third parties by any means separately of the respective vessels that were granted. In this sense, each fishing vessel, along with its license, it is considered as a separate cash generating unit.

In Management's opinion, the recoverable value of intangible assets exceeds their book value, so it is not necessary to make a provision for impairment of such assets at the date of the financial statements.

14. GOODWILL

a) Composition of balance -

The movement of goodwill for the years ended December 31, 2013 and 2012, was as follows:

	2013 US$000	2012 US$000
Opening balances	88,719	51,708
Additions	-------	36,539
Adjustment for deferred income tax	-------	472
Closing balances	**88,719**	**88,719**

b) Impairment testing of goodwill -

Goodwill is distributed to each cash generating unit (CGU) of the Company. The Company has defined its cash generating units (CGU) correspond to each of its boats and each of its plants. Goodwill is distributed by CGU as follows:

	2013 US$000	2012 US$000
Vessels	70,682	70,682
Plants	18,037	18,037
Total	**88,719**	**88,719**

The recoverable amount of a CGU is determined based on the higher value resulting from comparison of its value in use and its fair value less costs necessary to make the sale. At December 31, 2012 and 2013, the calculation of recoverable amount is based on projections of future cash flows which in turn are based on budgets approved by management and covering a horizon of 10 years, annual growth rate of 3.5% to 2015 and the use of a discount rate of 9.6%. The cash flows corresponding to periods longer than five years include a perpetuity.

The generation of future economic benefits for the Company is supported by the increase in catch volumes and production that generate acquired businesses.

15. Financial Obligations

This item comprises:

	2013 US$000	2012 US$000
Total financial liabilities:		
Bonds	202,015	-------
Bank notes	54,500	37,281
Bank loans	-------	136,523
Financial leases	5,608	5,492
Bank overdrafts	163	4,113
Factoring	1,588	1,399
	263, 874	**184,808**
Less current portion of financial obligations:		
Bonds (accrued interest)	(6,595)	-------
Bank notes	(54,500)	(37,281)
Bank loans	-------	(7,438)
Financial leases	(2,398)	(1,903)
Bank overdrafts	(163)	(4,113)
Factoring	(1,588)	(1,399)
	(65,244)	**(52,134)**
Total long-term financial obligations:		
Bonds	195,420	-------
Bank notes	-------	-------
Bank loans	-------	129,085
Financial leases	3,210	3,589
Bank overdrafts	-------	-------
Factoring	-------	-------
	198,630	**132,674**

a) Bonds -

In January 2013, the Company completed an international issue of corporate bonds under the format REGS 144A worth US$ 200 million as principal for a period of 7 years and an annual fixed interest rate of 7.375%. The period of interest payment is semi-annual, with an expiration date to January 31, 2020. The cash flows were used to prepay the syndicated loan that the Company kept with Portigon AG, New York Branch for US$ 140 million and the difference in various investments. At December 31, 2013, the principal of the bonds is net of costs directly related to US$ 4,581 thousand and accrued interest amounting to US$ 6,595 thousand.

During the term of the underwriting contract in which (i) the Bonds have Investment Grade rating from two recognized risk rating agencies, and (ii) are not incurred in default or Event of Default is not it has cured (the occurrence of the events described in the preceding clauses (i) and (ii) collectively called the "Event of Suspension of Covenant"), the Company will not be subject to the following provisions (collectively the "Covenants Suspended") of the underwriting agreement:

- Limitation on Debt and Disqualified Stock;
- Limitation on Restricted Payments;
- Limitación sobre Restricciones de Dividendos y Otros Pagos que Afectan a las Subsidiarias Restringidas;
- Limitation on Transactions with Affiliates;
- Limitation on Asset Sales;
- Limitation on Business Activities; and
- Limitation on Consolidation, Merger and Sale of Assets.

At December 31, 2013, the Company has not breached any restriction ('covenants') and expects to meet these requirements over the next 12 months.

b) Bank notes -

At December 31, 2013, this item includes notes denominated in U.S. dollars obtained to meet the working capital needs of the Company, bearing interest at an annual effective rate between 0.70% and 2.15% (2.27% and 8.17% in 2012). These notes are secured by stocks 'warrants' in the case of pre shipment and are unsecured when the funds are for working capital, and whose maturity periods not exceeding one year.

c) Long-term bank loans -

At December 31, 2012, includes the syndicated loan with Portigon AG, New York branch, bears interest at an annual rate of LIBOR plus 3.9%, secured by fixed assets of the Company and maturing in 2017, which was pre paid in February 2013. The long-term bank loan is presented net of costs directly related to US$ 3,477 thousand.

d) Finance leases obligations -

The finance lease obligations are denominated in U.S. dollars and are kept in local financial institutions (Banco de Credito del Peru, BBVA Continental, Interbank and Banco Santander) in order to finance acquisitions of fixed assets; accrue interest at an annual effective rate between 5.27% and 9.23%, guaranteed with the same fixed assets, give the option to the Company to purchase the assets at the end of the lease term and whose maturity periods not exceeding five years.

At December 31, the minimum payments to be made and the present value of obligations under finance leases contracts are as follows

	2013 US$000	2012 US$000
No more than 1 year	2,666	2,236
More than 1 year and not later than 5 years	3,403	3,927
	6,069	6,163
Future financial charges on financial leases	(460)	(671)
Present value of financial leases	**5,609**	**5,492**

The Company granted some boats (Note 12-c) as collateral for the financial leases contracts. At December 31, 2013, the expense recognized lease payments in the income statement amounted to US$ 2,919 (US$ 549 in 2012).

e) Bank overdrafts -

At December 31, 2013, this item includes payables denominated in soles and U.S. dollars for US$ 163 thousand (US$ 4,113 thousan in 2012). These balances are held in local banks, bearing an annual interest rate of 4.1% (7.00% in 2012) and have no collaterals.

Maturity of financial liabilities is as follows:

Year	2013 US$000	2012 US$000
In 2013	199	52,134
In 2014	58,450	27,950
From 2015 to 2020	205,225	104,724
	263,874	**184,808**

16. Trade Accounts Payable And Other Accounts Payable

This item comprises:

	2013 US$000	2012 US$000
Trade accounts payable (a):		
Bills payable	14,298	20,822
Notes payable	282	282
Provision of bills receivable	6,523	2,078
	21,103	**23,182**
Other payables:		
Taxes	863	205
Remuneration payable	981	120
Vacations payable	1,228	1,312
Social Security and pension arrears	884	92
Participation of workers (b)	729	5,431
Compensation for time served	388	170
Accrued expenses (c)	4,227	1,849
Provisions (d)	5,304	5,304
Advances from customers	110	241
Others	1,868	1,495
	16,582	**16,219**
Non-current portion	**(5,304)**	**(5,304)**
Current portion	**11,278**	**10,915**

(a) Trade accounts payable are principally for purchase of goods and services associated with the fishery. These payables are denominated in soles and U.S. dollars are considered current maturities, do not generate interest and have not provided guarantees for these obligations. The carrying amount of trade payables is similar to its fair value.

(b) The balance of the participation of workers must be paid during the first quarter of 2014.

(c) Accrued expenses relate to services received in previous years, whose billings were not received by the closing date. These expenses are primarily related to insurance, customs charges, certifications and energy.

(d) The provisions primarily include US$ 5,304 thousand (US$ 5,304 thousand in 2012) corresponding to ongoing legal proceedings. The amounts accrued do not include any amount that may result in the event that the counterparty required to pay additional penalties.

17. DEFERRED INCOME TAX

The movement in the account tax deferred income for years ended December 31 is as follows:

	2013 US$000	2012 US$000
Opening balance	11,572	20,508
Payment to the comprehensive income state	(6,376)	(7,968)
Adjustments	(1,594)	(968)
Closing balance	**3,602**	**11,572**

The movement in deferred tax assets and liabilities during the year, without considering netting is as follows:

		Adition (deduction)		
	Opening balance US$000	Profit or loss US$000	Other changes US$000	Closing balance US$000
At December 31, 2013:				
Assets				
Provision for vacation pay	331	(17)	-----	314
Ban costs	-----	(1,418)	1,531	113
Tax loss	-----	4,704	-----	4,704
Underwriting costs	-----	1,170	-----	1,170
Other provisions	1,133	93	63	1,289
Ban costs	**1,464**	**4,532**	**1,594**	**7,590**
Liabilities				
Future repairs	(5,796)	1,407	-----	(4,389)
Incremental deemed cost	(4,991)	514	-----	(4,477)
Impairment of supplies	-----	(81)	-----	(81)
Impairment of fixed assets	-----	(668)	-----	(668)
Deductions on fix assets				
by exchange differences	(1,578)	1	-----	(1,577)
Indemnity insurance	(671)	671	-----	-----
	(13,036)	**1,844**	**-----**	**(11,192)**
Deferred liabilities, net	**(11,572)**	**6,376**	**1,594**	**(3,602)**

At December 31, 2012:				
Assets				
Provision for vacation pay	190	141	-----	331
Other provisions	461	-----	672	1,133
	651	**141**	**672**	**1,464**
Liabilities				
Future repairs	(12,820)	6,728	296	(5,796)
Incremental deemed cost	(6,082)	1,091	-----	(4,991)
Deduction of fix assets				
by exchange differences	(1,586)	8	-----	(1,578)
Indemnity insurance	(671)	-----	-----	(671)
	(21,159)	**7,827**	**296**	**(13,036)**
Deferred liabilities, net	**(20,508)**	**7,968**	**968**	**(11,572)**

18. EQUITY

a) Capital -

The authorized, subscribed and paid capital as of December 31, 2012 and 2013, is represented by 296,996,557 common shares at a nominal value of S/.1 each.

At December 31, 2012 and 2013, the shareholding structure (in thousands of shares) in the share capital of the Company is as follows:

	2013		2012	
	Shares	Percentage	Shares	Percentage
Caleta de Oro Holding S.A.	180,048	60.62%	180,048	60.62%
Caleta de Oro Holding del Perú S.A.C.	25,000	8.42%	25,000	8.42%
Stafedouble S.L. Sociedad Unipersonal	15,000	5.05%	15,000	5.05%
Others	76,949	25.91%	76,949	25.91%
	296,997	**100.00%**	**296,997**	**100.00%**

b) Treasury shares -

Al December 31, 2013 and December 31, 2012, there are 1,460,413 treasury shares at a nominal value of S/.1 each.

c) Share issue premium -

The General Meeting of Shareholders held on October 4, 2010 approved the capital increase of the Company by local and international offering of up to 57,500,000 shares of Class "A" with a nominal value of S/.1 each. The placement in local and international market of S/.57, 500,000 new shares were added to equity of the Company for a market value of S/.4.75 each, representing an increase in capital of US$ 20.584 and recognition a capital grant of US$ 69,721 thousand, net of costs associated with the issuance of US$ 7,467 thousand.

d) Legal reserve -

Under the General Corporations Act, it is requires to constitute a legal reserve with the transfer of not less than 10% of the net annual income up to an amount equivalent to 20% of the paid capital. In the absence of non distributed earnings or available reserves, legal reserves could be applied to offset accumulated losses, must be replenished with future earnings. This reserve can be capitalized is equally mandatory replacement. At December 31, 2013, the Company has not established a legal reserve profits generated in previous years for $ 6,174 thousand.

d) Distribution of profits -

Dividends distributed to shareholders other than domiciled entities are subject to a 4.1% rate in respect of income tax charge of these shareholders; that tax is withheld and paid by the Company.

General Meeting of Shareholders held on April 15, 2013, approved a dividend distribution for US$ 9,886 thousand and the Board was delegated the power to approve an additional dividend of US$ 4,000 thousand. Also in General Meeting dated April 10, 2012, it distributed US$ 6,937 thousand in dividends

19. SALES

Sales by product type for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Fishmeal	129,103	158,155
Fish oil	23,008	43,302
Fish for direct human consumption (frozen)	14,990	9,676
Others	1,789	5,856
	168,890	**216,989**

Sales by destination for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Exports:		
Asia	115,215	119,013
Europe	12,393	60,778
America	11,083	15,510
Oceania	817	65
Africa	852	3,928
	140,360	**199,294**
Local sales and others	**28,530**	**17,695**
	168,890	**216,989**

The quantities (metric tons) shipped and sold at December 31 were as follows:

	2013 US$000	2012 US$000
Fishmeal	79,903	120,226
Fish oil	11,628	28,264
Fish for direct human consumption (frozen)	10,981	8,774
	102,512	**157,264**

20. COST OF SALE

Cost of sales for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Opening balance of finished goods (Note 8)	19,301	40,996
Production cost:		
Raw materials, consumables and supplies	91,271	75,229
Personnel costs	14,802	14,261
Manufacturing Expenses	16,544	14,350
Depreciation (Note 12)	7,652	6,295
Wastage	(102)	(568)
Closing balance of finished goods (Note 8)	**(48,524)**	**(19,301)**
	100,944	**131,262**

21. BAN COSTS

Ban costs for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Personnel costs	5,849	6,074
Consumption of various supplies	2,059	1,910
Services received from third	7,428	7,116
Various charges of management	1,416	1,240
Taxes	323	160
Depreciation (Note 12)	**9,949**	**10,599**
	27,024	**27,099**

22. Selling Expenses

Selling expenses for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Personnel costs	1,065	885
Transportation of finished products	1,988	2,902
Commissions on sales of finished products	358	481
Rental expense	95	248
Security and surveillance	576	513
Inspection and analysis	967	1,268
Stowage and packaging	348	362
Export Services	2,543	3,582
Storage of finished products	248	570
Depreciation (Note 12)	256	-----
	1,093	**810**
	9,537	**11,621**

23. Administrative Expenses

Administrative expenses for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Personnel costs	3,456	4,319
Comunications	322	226
Professional fees	879	1,562
Maintenance and repairs	48	144
Rental expense	776	823
Taxes	180	93
Insurance costs	47	42
Depreciation (Note 12)	144	42
Other minors	2,001	1,352
	7,853	**8,603**

24. Other Income And Expenses

Other income and expenses for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Other income:		
Income for selling fixed assets (Note 12)	456	1,932
Reversal of provisions	98	545
Income for selling fuels and materials	485	509
Income return of 'Drawback'	704	-----
Other minors	2,551	1,327
	4,294	**4,313**
Other expense:		
Net cost for the sale of fixed assets (Note 12)	2,131	2,474
Impairment of vessels (Note 12)	2,227	-----
Fiscal and taxes penalties assumed	3,169	1,303
Indemnization under Legislative Decree No.1084	350	690
Impairment of accounts receivable from related parties	-----	1,967
Other minors	1,933	1,527
	9,810	**7,961**

25. Financial Income And Expenses

Financial income and expenses for the years ended December 31, comprising:

	2013 US$000	2012 US$000
Financial income:		
Interest on short-term deposits	203	338
Interest on loans and receivables	-----	435
	203	**773**
Financial expenses:		
Interest on bonds, bank loans and overdrafts	19,478	7,214
Loss on derivative financial instruments	4,824	608
Interest on obligations under finance leases	436	472
Other interests	2,231	1,843
	26,969	**10,137**

26. INCOME TAX

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

	2013 US$000	2012 US$000
Income tax:		
Current	40	14,111
Deferred (Note 17)	(6,376)	**(7,968)**
	(6,336)	**6,143**

b) Management of the Company has determined the taxable income under the general income tax according to the tax legislation in Peru, which requires adding and deducting from the result shown in the financial statements, those items that legislation recognizes as taxable and nontaxable, respectively.

The income tax on profit before income tax of the Company differs from the theoretical amount that would result from applying the tax rate to the income of the Company, as follows:

	2013		2012	
	US$000	%	US$000	%
(Loss) income before income taxes	(7,806)	100.00	27,342	100.00
Tax calculated at the rate of 30%	(2,342)	30.00	8,203	30.00
Tax effect on additions (deductions):				
Permanent differences	(3,994)	(51.17)	(2,060)	(7.53)
Income tax for the year	**(6,336)**	**(81.17)**	**6,143**	**22.47**

c) At December 31, 2013, the Company had debt balances with Tax Administration related income tax of US$ 7,957 (US$ 295 payable in 2012).

d) The Tax Administration has the authority to review and, if necessary, amend the income tax determined by the Company in the last four years, beginning on January 1 of the year following the filing of the statement sworn use tax (years subject to examination). In 2013, the Tax Administration conducted an audit of the income tax corresponding to the periods 2008 and 2009 without no significant observations; In this sense, the years 2010 to 2013 are subject to audit.

Because there may be differences in interpretation by the Tax Administration on the rules applicable to the Company, can not be anticipated at the time if additional revisions as a result of any tax liabilities will arise. Any additional tax, penalties, and interest refills, if they occur, will be recognized in the income year in which the disagreement with the Tax Administration is resolved. Management believes that no significant liabilities will arise as a result of these possible revisions.

e) In accordance with current legislation, for purposes of determining the income tax and general sales tax should be considered for transfer pricing transactions with related parties and / or tax havens, for this purpose should be available documentation and information supporting the methods and valuation criteria applied in their determination. The Tax Authority is entitled to request this information from the taxpayer.

f) Temporary Tax on Net Assets -

This tax applies to generators third category income subject to the general regime of income tax. From the year 2009, the tax rate is 0.4% applicable to the amount of the net assets exceeding S/.1 million.

The amount paid may be used as a credit against payments for the General Regime of Income Tax against the payment or adjustment of income tax the tax year to which it relates..

27. EARNINGS PER SHARE

a) Basic -

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of common shares outstanding and to be issued during the year (Note 18-a).

	2013	2012
Income (loss) attributable to shareholders of the Company (expressed in US$ 000)	(1,470)	21,199
Weighted average common shares in circulation (in thousands)	296,997	296,997
Income (loss) per share (S /. per share)	(0.005)	0.071

b) Diluted -

The diluted earnings per share equals basic earnings per share. In 2013 and 2012, has not been calculated income (loss) per common share diluted because there were not any potential diluent activities, ie, financial instruments or other contracts that give the right to obtain common shares.

28. Non-Cash Transactions And Cash Flow Statement

The investment and financing activities that do not generate cash disbursements and cash equivalents, which affected assets and liabilities for the years ended December 31, 2013 and 2012, are summarized as follows

	2013 US$000	2012 US$000
Acquisition of property, plant and equipment through financial leases	2,387	-----
Block property by merger:		
Property, plant and equipment	-----	4,301
Goodwill	-----	37,011
Intangible Assets	-----	25,780
Other assets and liabilities	-----	1,621

29. Commitments And Contingencies

a) Guarantees granted -

At December 31, 2013, the Company holds securities in financial institutions for US$ 3.380 thousand for the U.S. Tax Administration, US$ 442 thousand for Gas Natural de Lima y Callao S.A. and US$ 2.220 thousand for Produce.

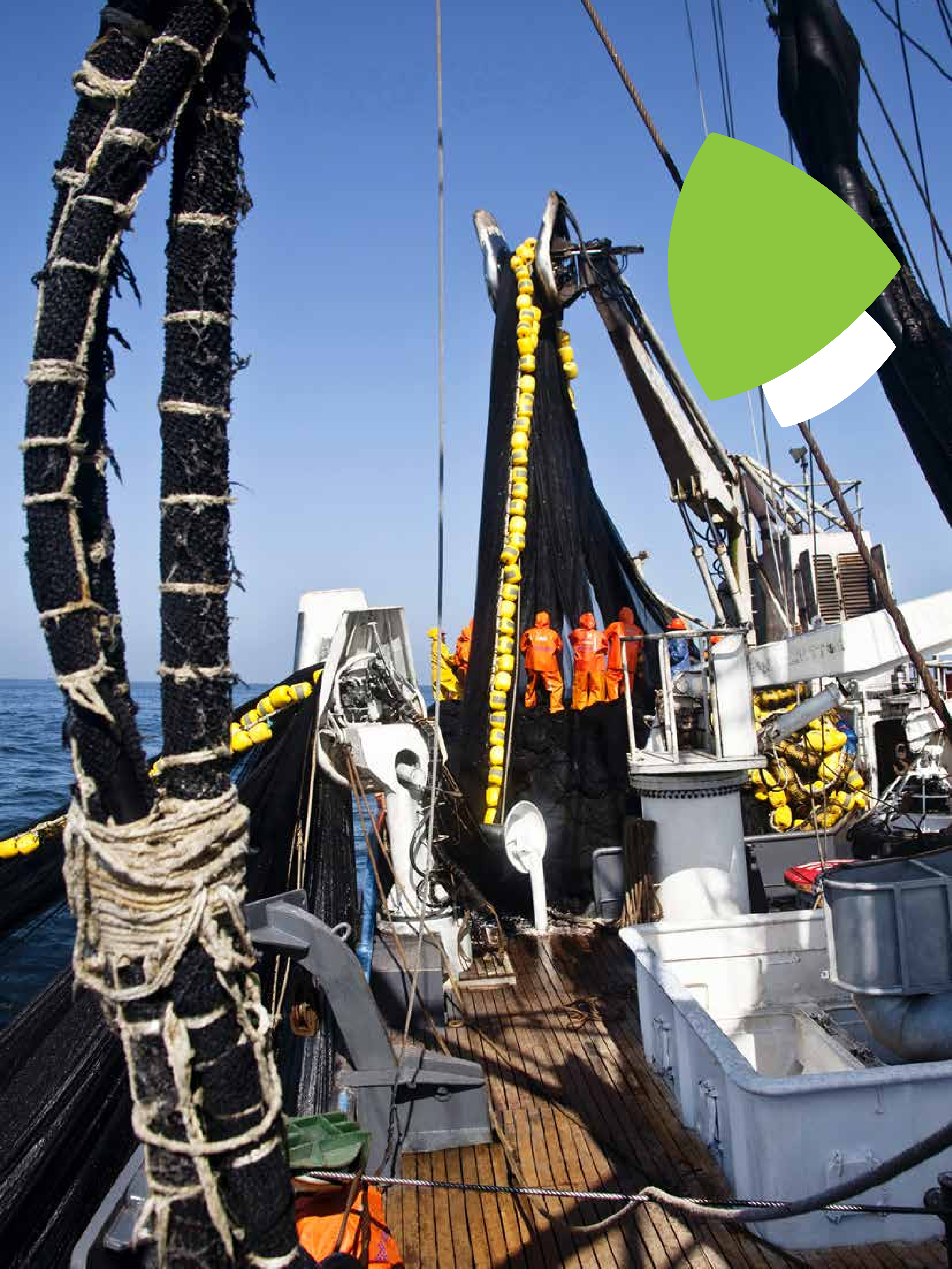
b) Contingencies -

At December 31, 2013, the Company has civil and labor proceedings against the Company for $ 7,924 thousand, and for which there have been corresponding written discharge. In the opinion of Management and its legal counsel, there are sufficient grounds to argue these claims and it is estimated that no significant liabilities will arise or significant effects on the financial statements of the Company.

30. Events After The Date of Statement of Financial Position

At January 31, 2014, ended the second season for the period 2013 and Pesquera Exalmar captured all its individual quota.

On February 6, 2014, the Company obtained the final license to operate the frozen plant of Tambo de Mora



QUESTIONNAIRE GOOD CORPORATE GOVERNANCE

Corresponding to year 2013

INFORMATION ON COMPLIANCE OF THE PRINCIPLES OF GOOD GOVERNANCE FOR PERUVIAN COMPANIES

(Corresponding to year 2013)

Registered name:	Pesquera Exalmar S.A.A. (hereinafter the Company).
RUC:	20380336384
Address:	Av. Víctor Andrés Belaúnde 214, San Isidro, Lima
Phone numbers:	(511) 441 4420
Fax:	(511) 441 4643
Web site:	www.exalmar.com.pe
Stock Exchange Representative	Rossana Ortíz Rodríguez Raúl Briceño Valdivia (suplente)

I. FIRST SECTION: 26 PRINCIPLES SURVEILLANCE

➢ SHAREHOLDERS RIGHTS

Principle	**Compliance**				
	0	1	2	3	4
1. Principle (I.C.1. second paragraph).- Generic matters should not be included on the agenda, the points to be discussed should be defined so that each subject is discussed separately, facilitating analysis and avoiding the joint resolution of matters upon which different opinions may be held.					X
2. Principle (I.C.1. third paragraph).- The general meetings should be held where the shareholders can attend them.				X	

a. Indicate the number of shareholders´ meetings called by the Company during the fiscal year covered by this report.

Type	**Number**
General Shareholders Meeting	2
Special Shareholders Meeting	

b. If Shareholders meeting have been called, complete the following information for each one:

Date Of Calling	Date Of Meeting	Place Meeting Held	TYPE OF MEETING		Quórum %	Nº Of Shareholders Present	Duration	
			Special	General			Start Time	End Time
17/12/2012	14/01/2013	San Isidro	(. . .)	(X)	79.27%	235,429,171	10:00 am	10:50 am
19/03/2013	15/04/2013	San Isidro	(…)	(X)	82.55%	245,170,658	11:00 am	11:55 am

c. What means, apart from those contemplated in article 43 of the Companies Act4, does the Company use to call meetings?

(X) E-MAIL
(...) DIRECTLY TO THE COMPANY
(…) TELEPHONE
(X) WEB SITE
(...) MAIL
(…) OTHERS
(...) NONE

d. Indicate whether the means mentioned in the previous question are regulated in any COMPANY document.

By-Law	Internal Regulations	Manual	OTHERS	Name of the Document
(X)	(...)	(...)	(X)	Regulation of General Shareholders Meeting

e. If the Company has a corporate web site, are the minutes of Shareholders Meeting available on the site?

	YES	NO
Only for Shareholders	(...)	(...)
To The General Public	(X)	(...)

Principle	Compliance				
	0	1	2	3	4
3. Principle (I.C.2).- Shareholders must have the opportunity to introduce points for debate, within a reasonable limit, onto the agenda of shareholders´ meetings. Subjects included in the agenda must be of interest to the company and within the legal or statutory competence of the meeting. The Board of Directors must not reject applications of this kind without giving the shareholder an acceptable reason.					X

a. Indicate whether the shareholders can place subjects on the agenda through the additional mechanism contemplated in the Companies Act (article 117 for regular limited companies and article 255 for public limited companies).

(X) YES (...) NO

b. If the above answer is Yes, give details of the alternative mechanisms.

In a letter sent to the Board with an anticipation not less than 40 days previous to the date of Meeting, shareholders may request the inclusion of items that they consider of interest to be added to the agenda of the Shareholders General Meeting. The Board should send a letter of response to shareholders indicating the inclusion of the item to be discussed or otherwise the denial of the same indicating the reasons for such inclusion is not reasonable

c. Indicate whether the mechanisms described in the previous question are regulated in any COMPANY document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(...)	(...)	Regulation of General Shareholders Meeting

d. Indicate the number of applications submitted by shareholders during the fiscal year covered by this report for subjects to be included on the agenda of meetings.

Number of Applications		
Received	Accepted	Rejected
0	0	0

Principle	Compliance				
	0	1	2	3	4
4. Principle (I.C.4.i.).- The by-laws must not limit the right of all shareholders with the right to take part in general meetings to be represented by the proxy of their choice.					X

a. In accordance with article 122 of the Companies Act, indicate whether the Company by-laws limit the right to be represented by a proxy who should be:

(X) NOT LIMITED TO

b. Give the following information for each meeting held during the fiscal year covered by this report:

Type of Meeting		Meeting Date	Percentage (%) of the Total of Voting Shares	
General	Special		Through Power of Attorney	Direct
(X)	(…)	14/01/2013	79.22%	0.05%
(X)	(…)	15/04/2013	82.43%	0.12%

c. Give the requirements and formalities by which a shareholder can be represented at a meeting.

Formality	Simple letter or any other written evidence which remains
Prior	Advance no less than 24 hours to set time for celebration SGM
Cost	No cost

d. Indicate whether the requirements and formalities described in the previous question are regulated in any COMPANY document(s).

By-Law	Internal Regulations	Manual	others	Name of the Document
(...)	(X)	(...)	(...)	Regulation of General Shareholders Meeting

➢ EQUAL TREATMENT FOR SHAREHOLDERS

Principle	Compliance				
	0	1	2	3	4
5. Principle (II.A.1, third paragraph).- It is recommended that the company issuing investment shares or other securities without the right to vote should offer their holders the opportunity to exchange them for ordinary voting shares or that such a possibility is envisaged at the time of issue.					X

a. Has the COMPANY carried out any investment share exchanges in the last five years?

(...) YES (...) NO (X) NOT APPLICABLE

Principle	Compliance				
	0	1	2	3	4
6. Principle (II.B).- A sufficient number of directors must be elected who are capable of exercising independent judgement on matters where there is a potential conflict of interest and who may, for that purpose, take into account the non-controlling shareholders.The independent directors are those chosen for their professional standing and who are not connected with the administration of the company or with its main shareholders.					X

a. Indicate the number of dependent and independent directors of the Company[1].

Directors	Number
Dependents	1
Independents	6
Total	**7**

b. Indicate special requirements (other than those necessary to become a director) for independent directors of the COMPANY?

(X) NO SPECIAL REQUIREMENTS

c. Indicate whether the special requirements described in the previous question are regulated in any COMPANY document(s).

(X) IT IS NOT REGULATED.

d. Indicate whether the directors of the COMPANY are related in the first or second degree of consanguinity or first or second degree of affinity, or spouses of:

Given Names And Surnames of Director	Related to: Shareh Older[1]	Related to: Director	Related to: Manager	Given Names and Surnames of Shareholder[1] / Director / Manager	Affinity	Additional Information [2]
N.A.	(...)	(...)	(...)	N.A.	N.A.	N.A.

1/. Shareholders with a holding equal to or more than 5% of the shares in the COMPANY (by class of share, including investment shares)

2/. If there is a connection with any shareholder include his shareholding. If there is a connection with any manager, include his position.

e. If any member of the Board of Directors occupies, or has occupied during the fiscal year to which this report applies, any management post in the COMPANY, give the following information:

Given Names And Surnames Of Director	Management Position	DATE OF MANAGER	
		Start	End
N.A.	N.A.	N.A.	N.A.

f. If any member of the Board of Directors of the COMPANY is or has been a member of the board of a company or companies registered with the Stock Exchange Public Registry during the period covered by this report, give the following information:

Given Names And Surnames Of Director	Trading Name(S) of Company(ies)	Date	
		Start	End
María Cecilia Blume Cillóniz	Edelnor S.A.A.	29/032012	
	AFP Habitat S.A.	30/05/2013	
	Leasing Perú S.A.	30/10/2010	

➢ COMMUNICATION AND TRANSPARENCY OF INFORMATION

Principle	Compliance 0	1	2	3	4
7. <u>Principle (IV.C, second, third and fourth paragraph).-</u> Although in general, external audits concentrate of financial information, they may also examine opinions or specialist reports on the following aspects: examinations of the accounts, operating audits, systems audits, project evaluations, evaluation or implementation of cost systems, tax audits, asset valuations, portfolio evaluations, inventories or other special services. It is recommended that this work is carried out by different auditors, or if it is carried out by the same auditors, it should not affect the independence of their opinion. The company must reveal all the specialist audits and reports carried out by the auditor. It must report on all the services provided by the audit company or auditor, specifying the percentage represented by each one and its share of the income of the audit company or auditor					X

1. Independent Directors are those who are not related or hold attachments with the issuing Company or its principal shareholders. By that effect, the relation is defined by the Indirect Ownership, Relationship and Economic Group Regulation. Meanwhile, the Main Shareholders are natural or legal persons who have ownership of the 5% or more of the issuer capital.
2. If there is a connection with any shareholder include his shareholding. If there is a connection with any manager, include his position.

a. Give the following information on the audit companies that have provided services to the COMPANY over the last 5 years.

Name Of Auditing Company	Service*	Period	Remuneration**
BELTRAN GRIS Y ASOCIADOS S.C.R.L.	AuditIng	2008 -2012	US$ 284,500
PRICEWATERHOUSECOOPERS S.C.R.L.	AuditIng	2013	US$ 35,000

* Include all types of service, such as opinions on financial information, accounting examinations, operating audits, systems audits, tax audits or other special services.

** Of the total amount paid to the audit company for all concepts, indicate the percentage paid for financial auditing services.

b. Describe pre-established mechanisms for contracting the audit company responsible for examining the annual financial statements (identify the COMPANY department responsible for hoosing the audit company).

The General Meeting elects the external auditor carrying out opinion on the annual financial statements. The Board has delegated to the Board the engagement of the external auditors for the year.

c. Indicate whether the mechanisms described in the previous question are contained in any COMPANY document(s).

(X) NOT REGULATED

d. Indicate whether the audit company contracted to give an opinion on the COMPANY's financial statements for the fiscal year covered by this report also gave an opinion on the financial statements for the same fiscal year for other companies in the economic group.

(...) YES (X) NO

e. Indicate the number of meetings during the fiscal year covered by this report between the COMPANY's internal audit department and the audit company.

Number of Meetings							
0	1	2	3	4	5	More Than 5	Not Applicable
(...)	(...)	(...)	(...)	(...)	(...)	(X)	(...)

Principle	Compliance				
	0	1	2	3	4
8. Principle (IV.D.2).- Attention to individual requests for information from shareholders, investors in general or interest groups related to the company should be made through the instance and/or person responsible designated for the purpose.					X

a. Indicate the mean(s) or method(s) by which the shareholders or stakeholders of the COMPANY can request information and this information is provided.

	Shareholders	Stakeholders
E-Mail	(X)	(X)
Directly In The Company	(X)	(X)
Telephone	(X)	(X)
Web Site	(X)	(X)
Mail	(X)	(X)
Other	(...)	(...)

b. The responsibilities for information which fall upon the General Manager in accordance with article 190 of the Companies Act notwithstanding, indicate the department and/or person responsible for receiving and processing requests for information from the shareholders. If an individual is responsible, also give his position and the department in which he works.

Department Responsible	Finance And Administration Area

Responsible Person		
Given Names and Surname	**Position**	**Department**
Raul Briceño Valdivia	Finance and Administration	Finance and Administration Managenement
Oscar Zúñiga andrade	Investor Relations	Finance and Administration Managenement

c. Indicate whether the COMPANY's procedure for processing requests for information from shareholders and/or interest groups is regulated in any COMPANY document(s).

(X) THE COMPANY HAS A PROCEDURE AND CONTACT MECHANISM ON THE WEB BUT THIS IS NOT REGULATED.

(...) NOT APPLICABLE. THERE IS NO DEFAULT PROCEDURE.

d. Indicate the number of applications for information submitted by shareholders and/or stakeholders during the fiscal year covered by this report.

Request Numbers		
Received	**Accepted**	**Rejected**
+300	+300	0

e. If the COMPANY has a corporate website, does it include a special section on corporate governance or relationships with shareholders and investors?

(X) YES (...) NO (...) DOES NOT HAVE A WEB SITE

f. Indicate whether any complaint alleging restriction on the access to information by any shareholder was received during the fiscal year covered by this report.

(...) YES (X) NO

Principle	Compliance				
	0	1	2	3	4
9. Principle IV.D.3.).- Doubts over the confidential nature of information requested by shareholders or stakeholders related to the company must be resolved. The criteria must be adopted by the board of directors and ratified by general meetings of shareholders, as well as included in the by-laws or internal regulations of the company. In all cases revealing information must not endanger the competitive position of the company or risk affecting the normal course of its business.					X

a. Who decides whether a given piece of information is confidential?

(X) THE BOARD OF DIRECTORS
(X) GENERAL MANAGER
(...) OTHERS ....

b. Give details of the objective pre-established criteria used to classify given information as confidential. Also indicate the number of applications for information submitted by shareholders during the fiscal year covered by this report that were rejected because of the confidential nature of the information.

If the information is contained within the regulations related to insider trading.
If the information is protected by contractual agreement.
If such financial information is preliminary.

c. Indicate whether the criteria described in the previous question are contained in any COMPANY document(s).

(X) NOT REGULATED

Principle	Compliance				
	0	1	2	3	4
10. Principle (IV.F, paragraph one).- The company must have an internal audit department. In carrying out his duties, the internal auditor must maintain his professional independence of the company by which he is engaged. It must observe the same principles of diligence, loyalty and confidentiality as are required of the board of directors and management.			X		

a. Indicate whether the COMPANY has an independent department responsible for internal auditing.

(X) YES (…) NO

b. If the answer to the above question is yes, indicate within the COMPANY hierarchy to whom the internal audit department is responsible and to whom it reports.

Responsible To:	**General Manager**
Reports To:	**General Manager**

c. Give the main responsibilities of the person responsible for internal auditing and whether he has other functions apart from the internal audit.

The Company has an Internal Auditing Chief:

Objective: Make independent reviews about compliance of standards and controls in plants, fleet and headquarters.

Functions:

- Participate in conjunction with General Manager in the planning of audits in the various operations and venues of the company (plants, fleet, office).
- Perform audits as required, including the issuance of the respective audit reports, including comments and recommendations.
- Maintain a close relationship with the different areas of the company and promote awareness of internal control operations.

d. Indicate whether the responsibilities described in the previous question are regulated in any COMPANY document(s)..

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(...)	(X)	(...)	Organization and Functions Manual

RESPONSABILITIES OF THE BOARD OF DIRECTORS

Principle	Compliance				
	0	1	2	3	4
11. Principle (V.D.1).- The board of directors must carry out certain key functions: Evaluate, approve and direct the corporate strategy; establish the aims and objectives as well as the principal plans of action, the monitoring, control and risk management policy, annual budgets and business plan; controlling their implementation; and supervising the principal expenses, investments,					X

a. If the COMPANY's Board of Directors is responsible for the function described in this principle, indicate whether this function of the Board of Directors is regulated in any COMPANY document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(X)	(X)	(...)	(...)	Board of Director Regulations

Principles	Compliance				
	0	1	2	3	4
The Board of Directors must carry out certain key functions:					
12. Principle (V.D.2).- Select, control and, when necessary, replace the main executives, and set their remuneration.					X
13. Principle (V.D.3).- Evaluate the remuneration of the principal executives and members of the board of directors, ensuring that the procedure for electing the directors is formal and transparent.					X

a. If The Board of Directors of the COMPANY is r esponsible for the f unctions described in thi s principle, indicate whether they are regulated in any document(s) of the COMPANY.

By-Law	Internal Regulations	Manual	Others	Name of the Document
(X)	(X)	(...)	(...)	Board of Director Regulations

b. Indicate which entity is responsible for:

Funtion	Board of Directors	General Manager	Others (Remuneration Commitee)
Hiring And Replacing The General Manager	(X)	(...)	(...)
Hiring And Replacing The Managers	(X)	(X)	(...)
Setting The Remuneration Of The Principal Executives	(X)	(X)	(...)
Evaluating The Remuneration Of The Prinicipal Executives	(...)	(X)	(X)
Evaluating The Directors' Remunerations	(...)	(...)	GSM

c. Indicate whether the COMPANY has internal policies or procedures for:

Policies For	YES	NO
Hiring And Replacing The Principal Executivies	(...)	(X)
Setting The Remuneration Of The Principal Executives	(X)	(...)
Evaluating The Remuneration Of The Principal Executives	(X)	(...)
Evaluating The Directors' Remuneration	(...)	(X)
Choosing The Directors	(X)	(...)

d. If the answer to the previous question was affirmative for one or more of the procedures stated, indicate whether these procedures are regulated in any COMPANY document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(X)	(X)	(...)	(...)	Board of Director Regulations

Principle	Compliance				
	0	1	2	3	4
14. The Board of Directors must carry out certain key functions: Principle (V.D.4).- Monitor and control possible conflicts of interest between the management, the members of the board of directors and shareholders, including the fraudulent use of corporate assets and abuse of transactions between interested parties.					X

a. If the COMPANY's Board of Directors is responsible for the function described in this principle, indicate whether this function is contained in any COMPANY document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(X)	(X)	Code of Ethics and Business Conduct

b. Indicate the number of cases of conflicts of interest that have been discussed by the Board of Directors during fiscal year covered by this report.

Number of Cases	0

c. Indicate whether the COMPANY or the Board of Directors has a code of ethics or similar document(s) which regulate conflicts of interest that may arise.

(X) YES (…) NO

If the answer is yes, give the exact title of the document: Code of Ethics and Business Conduct.

d. Indicate the pre-established procedures for approving transactions between related parties.

All contracts must be concluded in accordance with market conditions.
Any transaction between affiliates must be authorized by the Board.

Principle	Compliance				
	0	1	2	3	4
The Board of Directors must carry out certain key functions: 15. Principle (V.D.5).- Ensure the integrity of the company's accounting systems and financial statements, including an independent auditing and the existence of proper control, particularly control of financial and on-financial risks and compliance with the law.					X

a. If the COMPANY's Board of Directors is responsible for the function described in this principle, indicate whether this function is contained in any company document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(...)	(...)	Board of Director Regulations

b. Indicate whether the COMPANY has systems for controlling financial and non-financial risks.

(...) YES (X) NO

c. Indicate whether the control systems referred to in the previous question are regulated in any of the document(s) of the COMPANY..

(X) NOT REGULATED

Principle	Compliance				
	0	1	2	3	4
The Board of Directors must carry out certain key functions: 16. Principle (V.D.6).- Supervise the effectiveness of the governance practices in its operation, making such changes as may be necessary.					X

a. Is the COMPANY's Board of Directors responsible for the function described in this principle?

(X) YES (...) NO

b. Indicate any pre-established procedures for supervising the effectiveness of governance practices, specifying the number of evaluations carried out during the period.

The Corporate Governance Committee is comprised of two independent directors and a dependent director, and meets quarterly.

c. Indicate whether the procedures described in the previous question are regulated in any COMPANY document(s).

(X) NOT REGULATED

Principle	Compliance				
	0	1	2	3	4
The Board of Directors must carry out certain key functions: 17. Principle (V.D.7).- Supervise information policy.	X				

a. If the Board of Directors is responsible for the function described in this principle, indicate whether this function of the Board of Directors is contained in any document(s) of the COMPANY.

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(...)	(...)	Board of Director Regulations

b. Describe the COMPANY's policy on revealing and reporting information to investors.

(X) NO APPICABLE, THE COMPANY DOES NOT SUCH A POLICY

c. Indicate whether the policy described in the previous question is regulated in any COMPANY document(s).

(X) NOT REGULATED

Principle	Compliance				
	0	1	2	3	4
18. Principle (V.E.1).- The board of directors may constitute special bodies in accordance with the needs and size of the company, especially those responsible for the auditing function. These special bodies may also examine the appointment, payment, control and planning functions. These special bodies shall be created within the board of directors as support mechanisms, and should preferably be composed of independent directors, in order that impartial decisions can be taken on matters where conflicts of interest may arise.					X

a. If the answer to the previous question was affirmative, give the following information on each of the COMPANY's committees of directors.

AUDIT COMMITTEE

I. Date created: April 16, 2013.				
II. Principal organizational rules and functions: Quarterly meeting frequency.				
III. Members of committee:				
Given names and surnames	**Date**		**Position within the committee**	
	Start	**End**		
Carlos Rojas Perla	April 2013			
Rodrigo Sarquis Said	April 2013			
IV. Number of meetings held during the fiscal year:			1	
V. Are powers delegated in accordance with article 174 of the Companies Act:			(...) Yes	(X) No

CORPORATE GOVERNANCE COMMITTEE

I. Date created: April 16, 2013.				
II. Principal organizational rules and functions: Quarterly meeting frequency.				
III. Members of Committee:				
Given Names and Surnames	**Date**		**Position within the committee**	
	Start	**End**		
Carlos Rojas Perla	April 2013			
María Cecilia Blume Cillóniz	April 2013			
IV. Number of meetings held during the fiscal year:			1	
V. Are powers delegated in accordance with article 174 of the Companies Act:			(...) Yes	(X) No

REMUNERATION COMMITTEE

I. Date created: April 16, 2013.				
II. Principal organizational rules and functions Quarterly meeting frequency.				
III. Members of Committee:				
Given Names and Surnames	**Date**		**Position within the committee**	
	Start	**End**		
Renato Vásquez Costa	April 2013			
Andrés Muñoz Ramírez	April 2013			
IV. Number of meetings held during the fiscal year:			1	
V. Are powers delegated in accordance with article 174 of the Companies Act:			(...) Yes	(X) No

FINANCE COMMITTEE

I. Date created: April 16, 2013.

II. Principal organizational rules and functions:

Quarterly meeting frequency.

III. Members of Committee:

Given Names and Surnames	Date		Position within the committee
	Start	End	
Cristián Celis Morgan	April 2013		
Andrés Muñoz Ramírez	April 2013		

IV. Number of meetings held during the fiscal year:	2	
V. Are powers delegated in accordance with article 174 of the Companies Act:	(...) Yes	(X) No

RISK COMMITTEE

I. Date created: 16 De Abril 2013.

II. Principal organizational rules and functions:

Quarterly meeting frequency.

III. Members of Committee:

Given Names and Surnames	Date		Position within the committee
	Start	End	
Cristian Celis	April 2013		
Cecilia Blume	April 2013		
Rodrigo Sarquis	April 2013		

IV. Number of meetings held during the fiscal year:	0	
V. Are powers delegated in accordance with article 174 of the Companies Act:	(...) Yes	(X) No

Principle	Compliance				
	0	1	2	3	4
19. Principle (V.E.3).- The number of members of the board of directors must ensure a plurality of opinions, such that decisions are adopted after appropriate discussion, always observing the best interests of the company and its shareholders.					X

a. Give the following information on the COMPANY's directors during the fiscal year covered by this report.

Given names and Surnames	Trainning[2]	Date		Shareholding[3]	
		Start[1]	End	Number of Shares	Part. (%)
Dependent Directors					
Victor Matta Curotto	Businessman	1990	To date	210'106,889	70.74%
Independent Directors					
Cristian Celis Morgan	Sales engineer	2007	To date		
Renato Vásquez	Lawyer	2007	To date		
María Cecilia Blume Cillóniz	Lawyer	2010	To date		
Rodrigo Sarquis Said	Engineer	2011	To date		
Carlos Rojas Perla	Administrator	2013	To date		
Andrés Muñoz Ramírez	Sales engineer	2013	To date		

1/. It is for the first appointment.
2/. Include training and if they have experience in other directories.
3/. Only mandatory application for directors with a stake greater than or equal to 5% of the shares of the company.

Principle	Compliance				
	0	1	2	3	4
20. Principle (V.F, second paragraph).- Information on the matters to be discussed at each meeting must be available to the directors sufficiently in advance for them to study it, except for those strategic matters that require confidentiality, in which case it will be necessary to establish mechanisms that enable the directors to evaluate these matters adequately.					X

a. How is the information on the matters to be discussed at a board meeting provided to the directors?

(X) E-MAIL
(...) BY MAIL
(...) OTHERS. DETAILS. ....
(...) COLLECTS DIRECTLY FROM THE COMPANY

b. How many days in advance is the information on subjects to be discussed at a meeting available to the directors?

	Less than 3 days	From 3 To 5 Days	More Than 5 Days
Non-Confidential Information	(...)	(X)	(...)
Confidential Information	(...)	(X)	(...)

c. Indicate whether the procedure established for directors to examine confidential information is regulated in any COMPANY document(s).

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(...)	(...)	Board of Director Regulations

Principle	Compliance				
	0	1	2	3	4
21. Principle (V.F, third paragraph).- Following clearly established and defined policies, the board of directors decides on such specialized consulting services as the company may need in order to take decisions.			X		

a. Describe pre-established policies for hiring the specialist advisory services by the Board of Directors or the directors.

(X) NOT APPLICABLE. THE COMPANY DOES NOT HAVE SUCH POLICIES

b. Indicate whether the policies described in the previous question are regulated in any COMPANY document(s).

(X) NOT REGULATED

c. Give a list of specialist advisors to the Board of Directors that have participated in COMPANY decisions during the fiscal year covered by this report.

Not hired consultants with expertise in this exercise

Principle	Compliance				
	0	1	2	3	4
22. Principle (V.H.1) .- New directors should be instructed on their powers and responsibilities, aswell as thecharacteristics and organisational structure of the company.					X

a. If the COMPANY has an induction programme for new directors, indicate whether this programme is regulated in any document(s) of the COMPANY.

By-Law	Internal Regulations	Manual	Others	Name of the Document
(...)	(X)	(...)	(...)	Board of Director Regulations

Principle	Compliance				
	0	1	2	3	4
23. Principle V.H.3).- Procedures must be established for the board of directors to follow when electing one or more replacements when there are no deputy directors and one or more directorships become vacant, in order to make up the number of directors during the period remaining for the board to serve, when no procedure is set forth in the by-laws.					X

a. During the fiscal year which is the subject of this report, did a vacancy for one or more directors arise?

(...) Yes (X) NO

b. If the answer to the previous question was affirmative, indicate the following in accordance with paragraph two of article 157 of the Companies Act:

	Yes	Do not
Did th board of directors elect the replacement?	(...)	(...)
If applicable, what was the average delay in appointing the new director (in calendar days)	N.A.	

c. Give the pre-established procedures for electing replacement directors.
Board of Director Regulations

d. Indicate whether the procedures described in the previous question are contained in any document(s) of the COMPANY

By-Law	Internal Regulations	Manual	Others	Name of the Document
(X)	(X)	(...)	(...)	Board of Director Regulations

Principles	Compliance				
	0	1	2	3	4
24. Principle (V.I, first paragraph).- The functions of the chairman of the board of directors, executive chairman if applicable, and the general manager must be clearly defined in the by-laws or internal regulations of the company in order to avoid duplication of functions and possible conflicts of interest.					X
25. Principle (V.I, second paragraph.- The organic structure of the company must avoid a concentration of powers, attributes and responsibilities with the chairman of the board of directors, executive chairman if applicable, general manager and other officers.					X

a. If any of the answers to the above question are affirmative, indicate whether the responsibilities of the Chairman of the Board of Directors; the Executive Chairman, if applicable, the General Manager and other managers, are contained in any document(s) of the COMPANY.

Responsabilities of:	By-law	Internal	Manual	Others	Name of the Document*	Not regulated	Not aplicable **
Chairman	(X)	(X)	(...)	(...)	Board of Director Regulations	(...)	(...)
CEO	(X)	(...)	(...)	(...)	N.A.	(...)	(...)
General Manager	(X)	(...)	(...)	(...)	N.A.	(...)	(...)
Management Staff	(...)	(...)	(...)	(...)	Organization and Functions Manual (OFM)	(...)	(...)

* Indicate name of document, except the by-laws of the COMPANY
** In the company the functions and responsibilities of the officer indicated are not defined.

Principle		Compliance				
		0	1	2	3	4
26.	Principle V.I.5).- It is recommended that the management receive at least part of its remuneration as a function of the company's results, in order to ensure compliance with the objective of maximising shareholder value.					X

a. With regard to the management bonus policy, indicate how the bonus is paid.

(...) IN SHARES
(...) IN OPTIONS
(X) IN CASH
(...) OTHERS
(...) NOT APPLICABLE. THE COMPANY DOES NOT HAVE A MANAGEMENT BONUS PROGRAM

b. Indicate whether the salaries (not including bonuses) of the general manager and managers are:

	Fixed Remuneration	Variable Remuneration	Remuneration (%)*
General Manager	(X)	(X)	0.70%
Management	(X)	(X)	

* Indicate the salaries of the managers and general manager as a percentage of gross earnings as shown in the COMPANY's financial statements.

c. Indicate whether the COMPANY has established any form of guarantees or similar in the event of the General Manager and/or managers being dismissed.

(...) Yes (X) NO

I. SECTION TWO: ADDITIONAL INFORMATION

➢ Shareholders´ Rights

a. Indicate the means used to instruct new shareholders about their rights and how they can be exercised.

(X) E-MAIL
(...) DIRECTLY IN THE COMPANY
(...) BY TELEPHONE
(X) WEBSITE
(...) BY MAIL
(...) OTHERS.
(...) NOT APPLICABLE. NEW SHAREHOLDERS ARE NOT TOLD OF THEIR RIGHTS OR HOW TO EXERCISE THEM

b. Indicate whether the shareholders have the agenda of Shareholders General Meetings available in physical form during the meetings.

(X) Yes (...) NO

c. Indicate the person or COMPANY entity responsible for monitoring agreements reached at shareholders meetings. If an individual is responsible, also give his position and the department in which he works.

Department Responsible	General Management	
Person Responsible		
Given Name and Surnames	**Position**	**Department**
Rossana Ortiz	General Manager	General Manager

d. Indicate whether information on the shareholders' holdings is contained in

(...) The Company
(X) A COMPENSATION AND PAYMENT INSTITUTION (CAVALI S.A. ICLV)

e. Indicate how frequently the COMPANY updates information on the shareholders included in the share register.

Frequency	**Information Subject To Updating**		
	Address	**E-Mail**	**Telephone**
Less Frequently Than Monthly	(...)	(...)	(...)
Monthly	(...)	(...)	(...)
Quaterly	(...)	(...)	(...)
Annually	(...)	(...)	(...)
More Frequently Than Annually	(...)	(...)	(...)

(X) OTHERS: CAVALI keeps records of shareholders with daily update and this is reported to the Company monthly. The Company updated additional information as needed.

f. Indicate the COMPANY's dividend policy applicable to the fiscal year covered by this report.

Date of Approval:	16/06/10
Governing Body Giving Approval:	GSM
Dividend policy: (Criteria for distribution of profits)	The Company may distribute dividends in an amount equal to at least 30% of net profits of previous fiscal year provided that: 1. Disponible Cash of the society allows. 2. There is no contractual restriction that limits this possibility. 3. The investment plan of the company allows. Additionally, the following restrictions on the Offering Corporate Bond Issue were established: • Distribution should not exceed 50% of net income for the previous fiscal year. • Authorization for payment of dividends out of the limit in the previous paragraph, for an aggregate amount not exceeding US$ 30 MM to realize earnings from previous years, with a limit of no more than US$ 10 MM annually.

g. Indicate, if applicable, dividends in cash and shares distributed by the COMPANY in the fiscal year covered by this report and in the previous fiscal year.

DATE PAID	**Dividend per share**	
	In Cash	**In Shares**
Share Type:		
Fiscal Year 2012 – January 2012	S/ 0.19162	-
Fiscal Year 2012- June 2012	S/ 0.06070	
Fiscal Year 2013- May 2013	S/ 0.08754	-

* All B shares were converted to A shares in September 2011. As June 5, 2012, this shares were called Common Shares.

➢ BOARD OF DIRECTORS

h. Give the following information on the board meetings held during the fiscal year covered by this report:

Number of meetings:	11
Number of meetings in which one or more directors were represented by deputy directors or proxies:	1
Number of directors represented on at least one occasion	1

i. Indicate the type of bonuses paid to the Board of Directors for reaching the COMPANY's targets.

(X) NOT APPLICABLE. THE COMPANY DOES NOT HAVE BONUS PROGRAMS FOR DIRECTORS.

j. Indicate whether the type of bonuses described in the previous question are regulated in any COMPANY document(s).

(X) NOT REGULATED

k. Indicate the total annual remuneration of the directors as a percentage of gross earnings as shown in the financial statements of the COMPANY.

	TOTAL REMUNERATION (%)
DIRECTORS	0.07%

l. Indicate whether the Board of Directors' discussion of management performance took place without the general manager present.

(X) Yes (...) NO

➢ SHAREHOLDERS AND SHAREHOLDINGS

m. Indicate the number of shareholders with the right to vote and shareholders without the right to vote (if applicable) and holders of investment shares (if applicable) at the close of the fiscal year covered by this report.

SHARE TYPE	NUMBER OF HOLDERS
VOTING SHARES	296,996,557
NON-VOTING SHARES	
INVESTMENT SHARES	
TOTAL	296,996,557

n. Give the following information on shareholders and holders of investment shares holding more than 5% at the close of the fiscal year covered by this report.

Shareholders	Shares	PARTICIPATION	ORIGIN
Caleta de Oro Holding S.A.	180,048,423	60.6%	Panamá
Caleta de Oro Holding del Perú S.A.C.	25,000,000	8.4%	Perú
Stafedouble S.L. Sociedad Unipersonal	15,000,001	5.1%	España
Otros	76,948,133	25.9%	-
Total	296,996,557	**100.0%**	

➢ Others

o. Indicate whether the COMPANY has any internal conduct regulations or similar document covering ethical criteria and professional liability.

(X) Yes (…) NO

If the answer is yes, give the exact title of the document: Code of Ethics and Business Conduct.

p. Is there a record of cases of non-compliance with the regulation referred to in question a) above?

(X) Yes (...) NO

q. If the answer to the previous question is yes, indicate who or which COMPANY governing body is responsible for keeping such records.

Department Responsible	Internal Audit	
Person Responsible		
Given Name and Surnames	**Position**	**Department**
GIANCARLO VEGA	Head of Internal Audit	Internal Audit

r. Give the following information for all documents (by-laws, Internal Regulations, manual and other documents) mentioned in this report:

Name Of Document	**Governing Body Giving Approval**	**Date Of Approval**	**Date of Latest Modification**
By-law	G.S.M.	17.04.07	December 2011
Board of Director Regulations	Board of directors	May 2012	May 2011
General Shareholders Meeting	Board of directors	May 2012	May 2011
Code of Ethics and Business Conduct.	Board of directors	May 2012	May 2012

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