



Pesquera
EXALMAR
S.A.A.

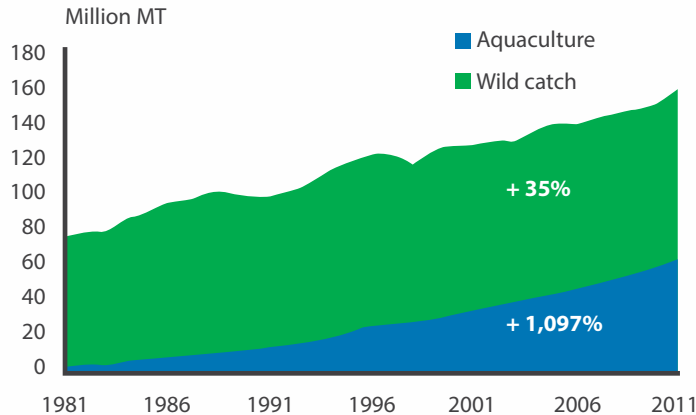
8th Annual Andean Conference 2014- Larrain Vial



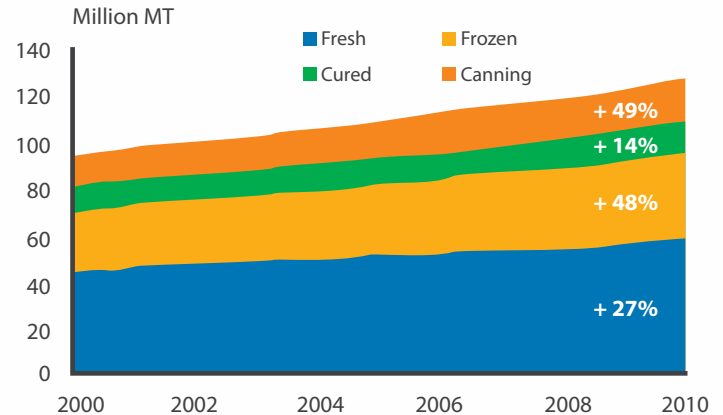
Worldwide Fishing Industry

In the last 30 years, aquaculture has grown at an annual rate of ~8%, covering 40% of the fish supply as of 2011.

World fish supply



Usage of world fish supply



- Fish consumption is expected to continue growing given global trends towards healthier eating and increasing demand from developing markets.
- Wild catch levels are virtually stagnant due to conservation of biomass resources.

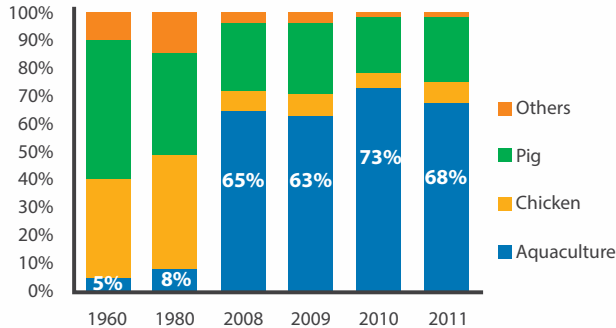
Source: FAO

▶ Indirect Human Consumption

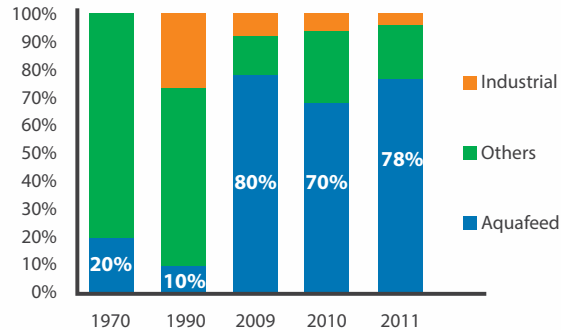
Aquaculture is the primary end use of fishmeal and fish oil, representing 68% and 78% of total production in 2011.

- Fishmeal and fish oil are highly demanded in aquaculture due to its high conversion factors, better immunity levels and adequate digestibility, reasons why they can not be substituted totally.
- Significant demand for piglets in China swine production and increasing demand of fish oil for Omega 3 extracts.

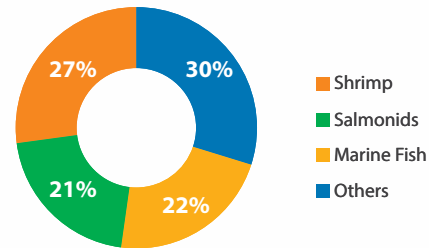
Fishmeal main usage



Fish oil main usage



Aquaculture fishmeal consumers



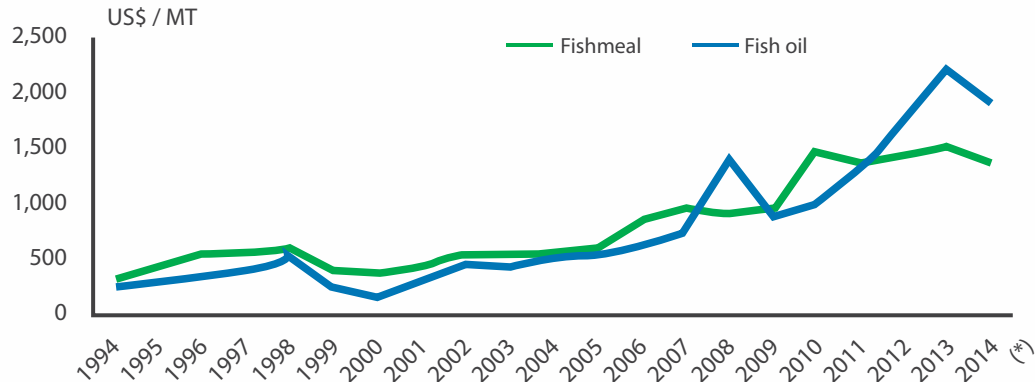
Source: FAO, IFFO



Indirect Human Consumption

Limited supply and increasing demand has led to a gradual increase in fishmeal and fish oil prices.

Fishmeal and Fish Oil prices



- The price depends on the following factors:
 - Total amount of fishmeal produced.
 - Quality of the fishmeal which is a function of the quantity of protein (TVN) and the freshness of the anchovy (histamine).
- The increase of fishmeal prices is mainly driven by:
 - Low grade of substitution.
 - Increasing demand and flat supply: restrictions on the amount allowed to be fished of anchovies.

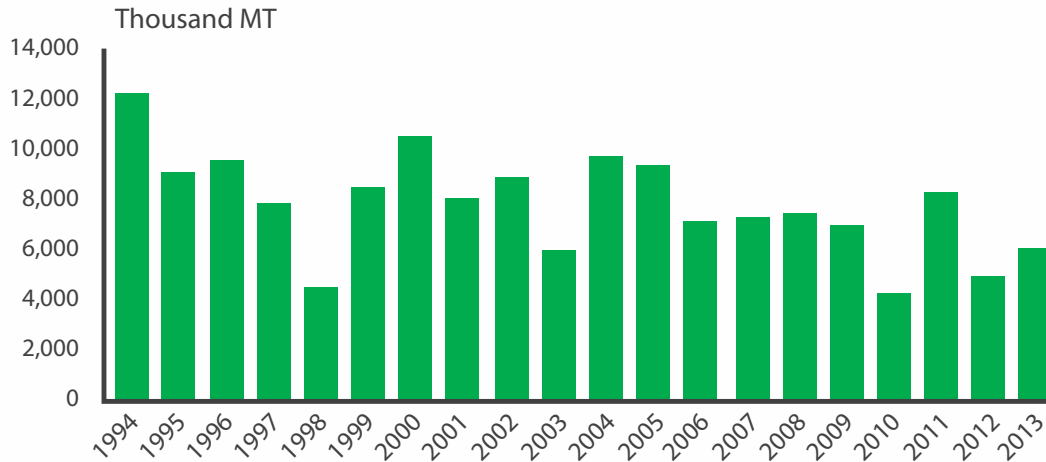
(*) Data as of February 2014. Source: IFFO.



▶ Indirect Human Consumption

Perú: historical presence of fish resources. Favorable macroeconomic fundamentals and unique geographic aspects.

Local unloading of fish resources



- Suitable environment for anchovy due to the convergence of “Humboldt” and “El Niño” currents.
- Length of the coast with more than 2,000 km.

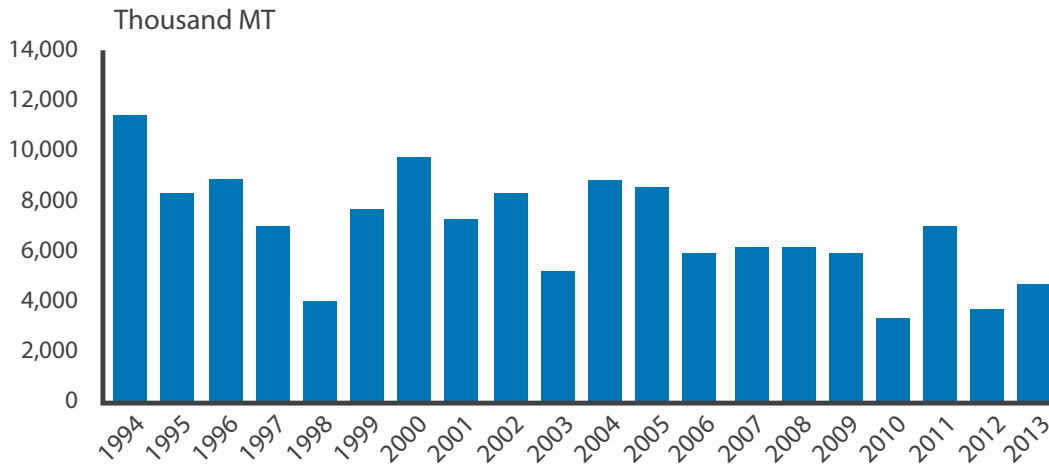
Source: PRODUCE



▶ Indirect Human Consumption

Perú: important development of Indirect Human Consumption. Anchovy: only authorized resource for IHC industry, with high protein levels.

Local unloading of IHC resources



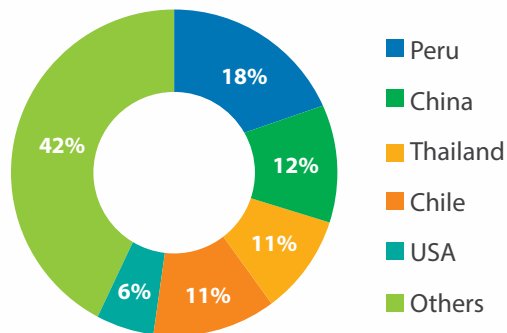
- Peruvian anchovy has significant advantages over other species:
 - Not a migratory fish.
 - Short development: reproduction cycle of 6 months.
 - Close presence to the coast.

Source: PRODUCE

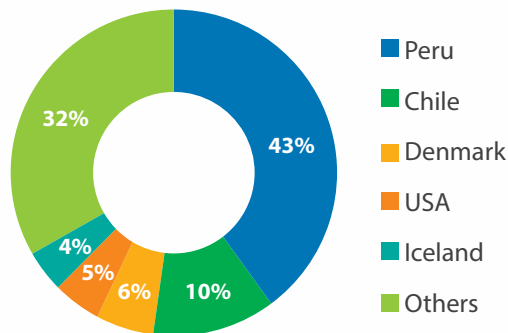
▶ Perú: leading producer & exporter

Leading producer & exporter of fishmeal and fish oil. Due to low presence of aquaculture in Perú, production is oriented to international market.

World fishmeal production (2012)



World fishmeal exports (2012)



- Perú: first producer of fishmeal in the world. Year 2011: 30%.
- Perú, first exporter of fishmeal in the world. Year 2011: 41%.
- Opportunity to generate added value.

Source: IFFO.



▶ Perú: leading producer & exporter

Effective regulatory system: Individual Fishing Quotas (ITQ), leads the industry to focus on quality and efficient usage of fleet and plants.

Before - Global Quota System ("Olympic Race"):

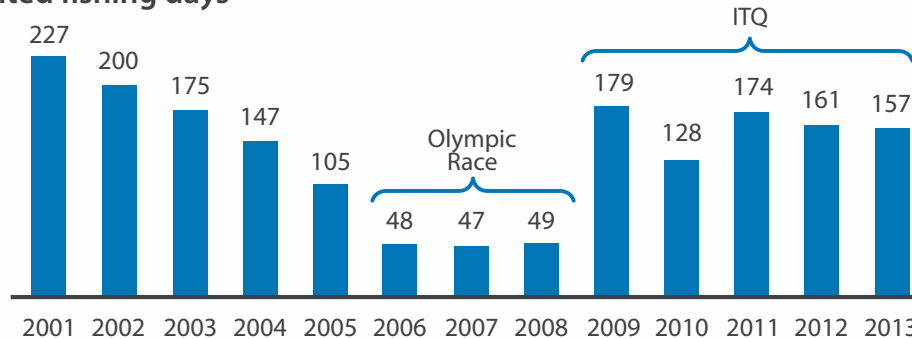
- Competition between participants.
- Focus was on increasing speed.
- Inefficient operations and reduced quality of fishmeal and fish oil.
- Environmental contamination.
- Short fishing season.

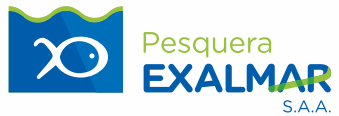


Since 2009- Individual Transferable Quota System:

- Individual quota assigned by vessel.
- Overall fleet reduction (1,200 to 500).
- Lower fixed costs.
- Extension of the fishing season.
- Better planning of production and diversification.
- Efficiency and better quality.

Historical permitted fishing days





Pesquera Exalmar S.A.A.



Pesquera Exalmar S.A.A.

Leading competitive position with significant diversification potential.



- More than 30 years in the industry.
- Diversification in Direct Human Consumption (DHC).
- Plants strategically located throughout the Peruvian coast, with 6 processing plants, 2 frozen plants and 1 unloading line.
- 21 vessels in operation with 7,181 m³ storage capacity and 6 with Refrigerated Sea Water "RSW" (2,600 m³) also used for DHC.
- Certifications include GMP B2, IFFO, BASC and OHSAS 18001. For 2014: ISO 14001 and BRC.

Pesquera Exalmar S.A.A.



1992-1999	2000-2008	2009	2010	2011-2013
Investments in Plants and vessels	Sound financial strategy	ITQ system adjustment	IPO and additional quota acquisition	Higher ITQ and Direct Human Consumption
<ul style="list-style-type: none"> Acquisition of processing plants: <ul style="list-style-type: none"> 1992 Casma 1995 Tambo de Mora 1997 Huacho 1999 Chicama. Building of new vessels 	<ul style="list-style-type: none"> 2004: issuance of short term notes in Peru. 2007: Private Equity takes 22.7% stake in the company. 2008: Syndicated loan (USD 80MM). 	<ul style="list-style-type: none"> Fix cost reduction: only 14 vessels operate the first year of ITQ. Investments in Direct Human Consumption. 	<ul style="list-style-type: none"> Listing on Lima Stock Exchange with capital injection of US\$ 100MM. Acquisition of additional quotas reaching 6.45% of north center area and 4.34% in the south area. Strengthen Direct Human consumption (DHC). RSW system to 6 vessels. 	<ul style="list-style-type: none"> 2011: Syndicated loan US\$ 140 MM 2012: New DHC Plant in Paíta. 2013: <ul style="list-style-type: none"> New DHC Plant in Tambo de Mora. All fishmeal plants with Steam dried system. Bonds issuance of US\$ 200 MM (January 2013)
Revenues 1998: US\$ 19.5 mm	Revenues 2008: US\$ 117 mm	Revenues 2009: US\$ 128 mm	Revenues 2010: US\$ 183 mm	Revenues 2012: US\$ 217 mm



Indirect Human Consumption

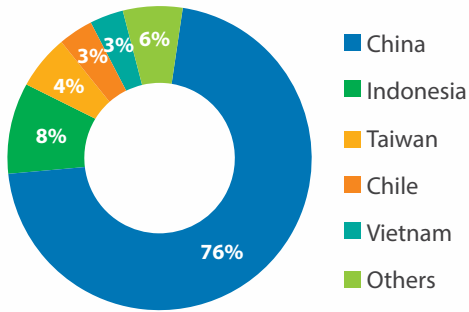
Continuous improvement and solid presence in the IHC segment. Close relationship with independent vessel owners.

- 6 plants with 434 MT/hour of total installed capacity, strategically located along Peruvian coast.
- All plants operate with Steam Dried System.
- Overall improvement of fishmeal quality.
- 21 operating vessels with an assigned quota of 6.45% in the North-Center region and 4.34% in the South region.
- The Company exports substantially all of the produced fishmeal to investment grade countries.
- Exalmar's ability to buy third party catch allows the Company to:
 - Increase its share of production beyond assigned quota.
 - Make better use of facilities.
 - Generate a higher total EBITDA.
 - Reduce fixed costs.

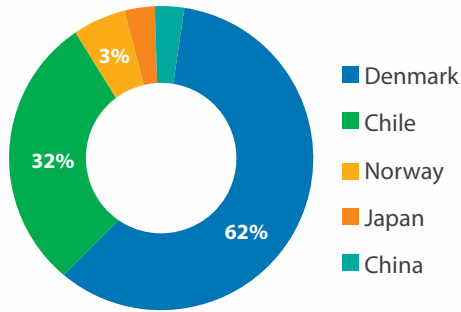


Indirect Human Consumption

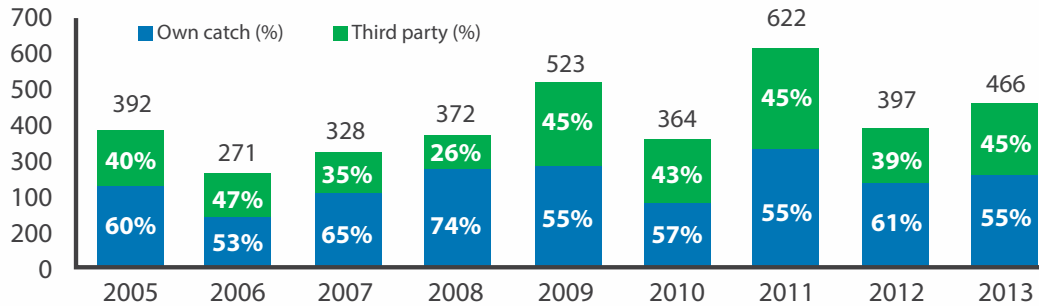
Fishmeal exports (*)



Fish oil exports (*)



Historical processing (North-Center)

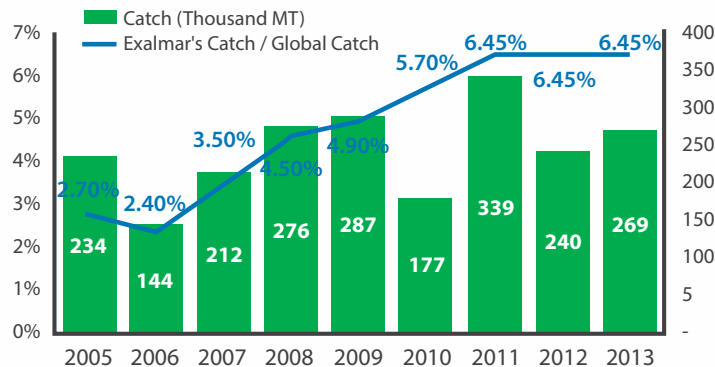


(*) Data as of December 2013.



Operations

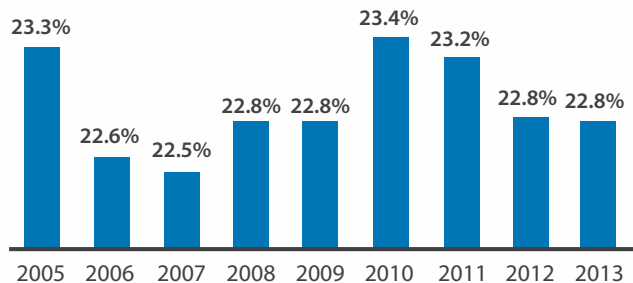
Own catch (North-Center)



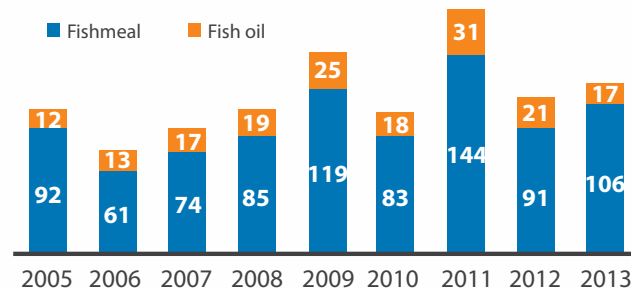
Plants capacity

Name	Capacity IHC (MT/hr)	Capacity DHC (MT/day)
Paita	10	108
Chicama	100	
Chimbote	90	
Huacho	84	
Callao	50	
Tambo de Mora	100	575
Total	434	683

Conversion factor for fishmeal



Production (Thousand MT)



Global Quota North-Center

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

North-Center Quota

Company	1 st season 2013	2 nd season 2013
1 TASA	14.10%	14.10%
2 COPEINCA	10.76%	10.76%
3 PESQUERA DIAMANTE	8.50%	8.50%
4 AUSTRAL	6.86%	6.86%
5 HAYDUK	6.51%	6.51%
6 Pesquera EXALMAR S.A.A.	6.45%	6.45%
7 ERISA FISHERY	6.21%	6.21%
8 Others	40.61%	40.61%

% of Total Processed

Company	1 st season 2013	2 nd season 2013
1 TASA	22.71%	23.77%
2 COPEINCA	15.24%	16.16%
3 Pesquera EXALMAR S.A.A.	10.83%	11.83%
4 HAYDUK	10.55%	9.85%
5 PESQUERA DIAMANTE	10.24%	8.25%
6 AUSTRAL	9.72%	8.70%
7 ERISA FISHERY	7.57%	7.35%
8 Others	13.11%	14.09%



Source: Produce.

Source: Produce.

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

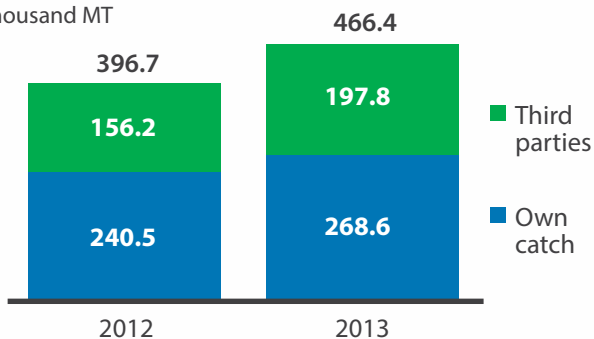


Global Quota North-Center

Thousand MT	As of December 2012			As of December 2013		
	2nd season 2011	1st season 2012	Total	2nd season 2012	1st season 2013	Total
Global Quota	2,500	2,700	5,200	810	2,050	2,860
Effective catch	2,448	2,623	5,071	732	1,993	2,725
Effective catch/Quota (%)	97.9%	97.1%	97.5%	90.4%	97.2%	95.3%
Exalmar's catch participation	11.6%	10.6%		11.2%	10.8%	
Season	23/11-31/01	02/05 - 31/07		22/11-31/01	17/05-31/07	

Exalmar's own and third parties catch

Thousand MT



- Effective catch of 2013 (2,725 thousand MT) represents 53.7% of 2012 (5,071 thousand MT).
- The quota of 2nd season 2013 (2,304 thousand MT) allowed an increase of production on November and December 2013.
- 2nd season 2013:
 - Effective catch: 98.7%.
 - Exalmar's participation: 11.7%.

Direct Human Consumption

Consolidating its presence in DHC segment.

Mahi Mahi



Mackerel



Jack Mackerel



Giant Squid



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





Mackerel and Jack Mackerel

Mackerel and Jack Mackerel	2011	2012	2013	2014 (*)
Global quota C-N	240,000	160,000	106,000	152,000
Effective catch	233,660	112,310	60,329	-
Exalmar's catch	9,270	6,777	3,941	-
Exalmar's catch participation	4.0%	6.0%	6.5%	-

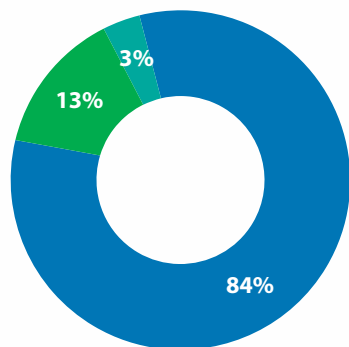
- On February 6th 2014, Exalmar obtained the definitive license to operate the frozen plant of Tambo de Mora.
- Also, on February 27th obtained the final authorization to operate three more mackerel and jack mackerel fishing vessels for Direct Human Consumption.

(*) Season started on January 16th and will finished on December 31st.

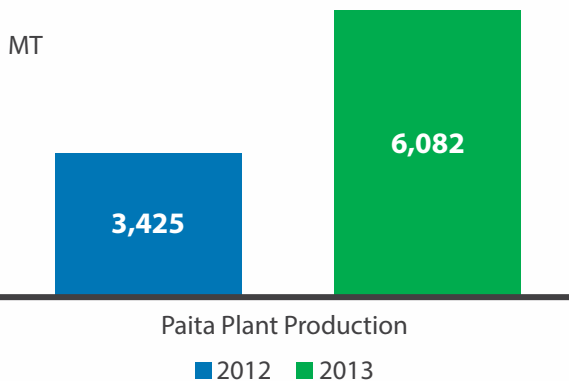
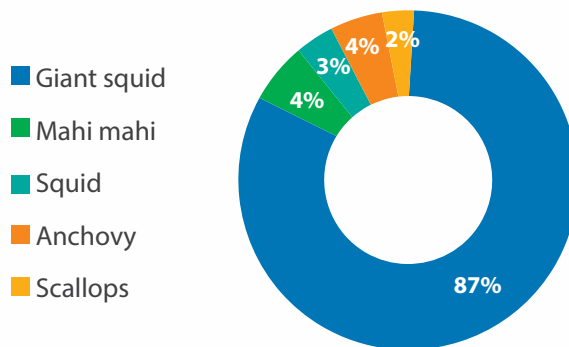


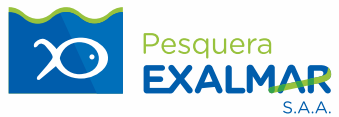
Paita plant (other species)

Production 2012



Production 2013





Financial Performance



P&L Composition

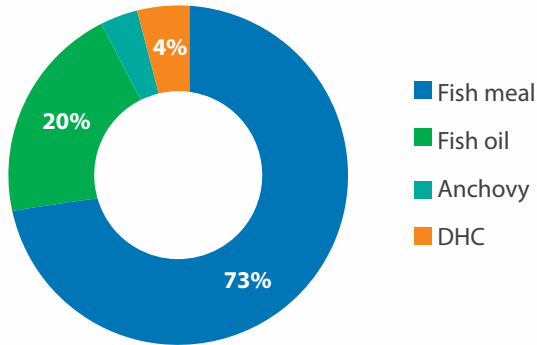
Millions of US\$	2012	2013	Var %
Revenues	\$217.0	\$168.9	-22%
Gross Profit	\$58.6	\$40.9	-30%
Operating Income	\$34.8	\$21.0	-40%
Pre-Tax Income	\$27.3	(\$4.8)	
Net Income	\$21.2	\$0.7	
EBITDA	\$60.6	\$41.6	-31%
% of revenues			
Gross Margin	27%	24%	
Operating Margin	16%	12%	
Net Income Margin	10%	0%	
EBITDA Margin	28%	25%	

- Revenues were affected by lower beginning stocks and lower production, higher prices and more DHC revenues.
- Gross margin was affected by lower revenues and higher ban expenses.
- Net income affected by lower quota and higher financial expenses.

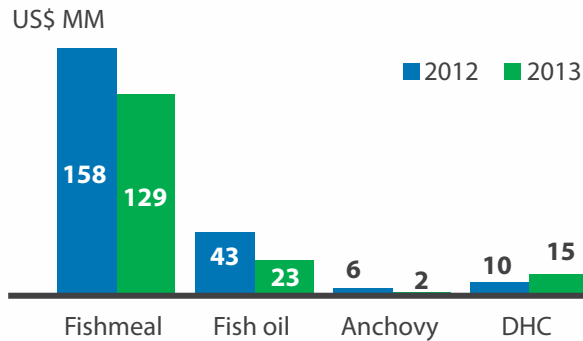
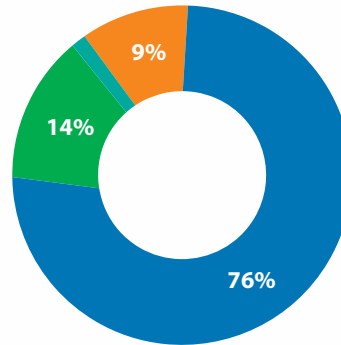


Revenues Composition

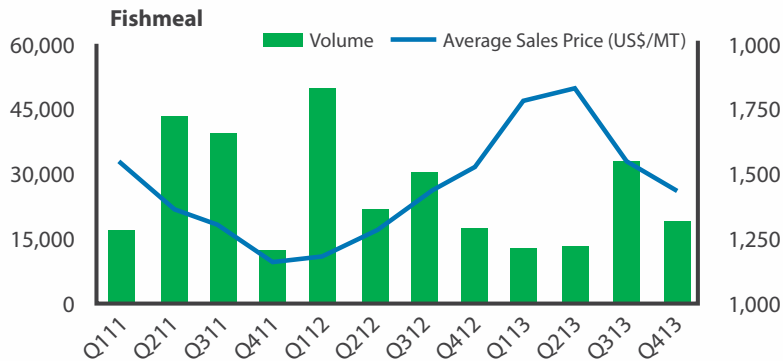
Revenues 2012



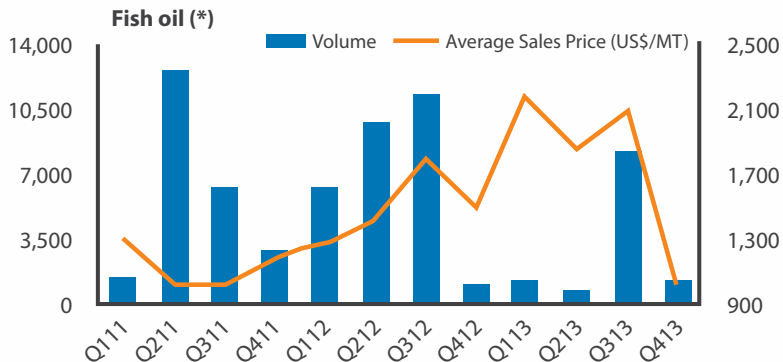
Revenues 2013



IHC Revenues: Fishmeal & Fish Oil



Fishmeal Revenues		
Thousands MT	2012	2013
MT	120,226	79,903
US\$/MT	1,315	1,616
Fishmeal Revenues(US\$)	\$158,155	\$129,103



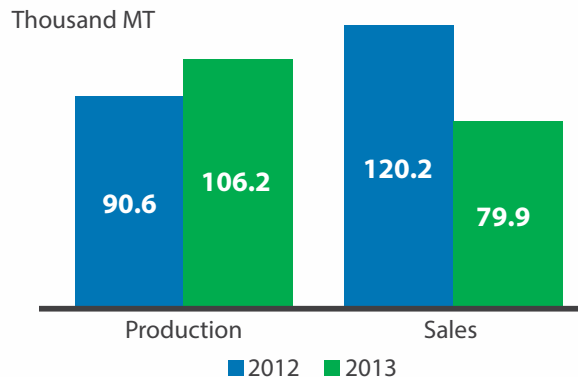
Fish oil Revenues		
Thousands MT	2012	2013
MT	28,264	11,628
US\$/MT	1,532	1,979
Fish Oil Revenues(US\$)	\$43,302	\$23,008

(*) Fish oil considers also low quality production surplus.

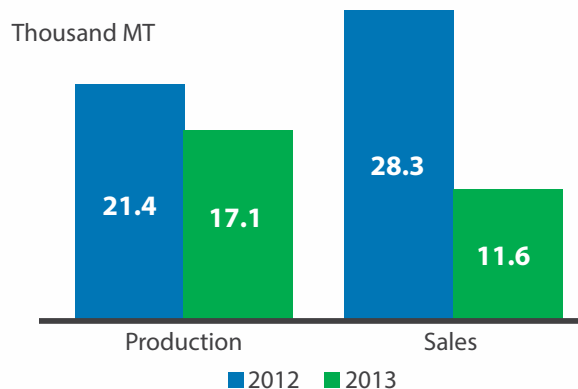


Fishmeal and Fish Oil Stocks & Sales

Fishmeal			
Thousands MT	2012	2013	Var.
Beginning stock	40.6	11.1	-73%
Production	90.6	106.2	17%
Sales	120.2	79.9	-34%
Reprocessing	0.1	1.3	
Ending stock	11.1	38.7	249%

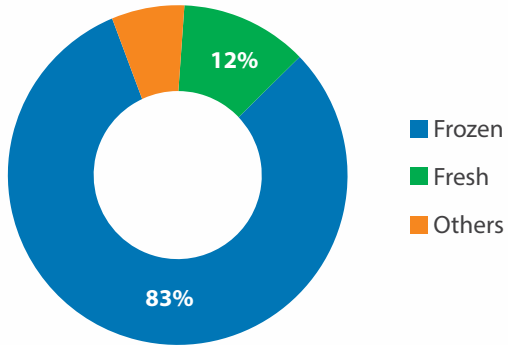


Fish oil			
Thousands MT	2012	2013	Var.
Beginning stock	80.2	1.0	-88%
Production	21.4	17.1	-20%
Sales	28.3	11.6	-59%
Reprocessing	0.1	-0.0	
Ending stock	1.4	6.5	360%

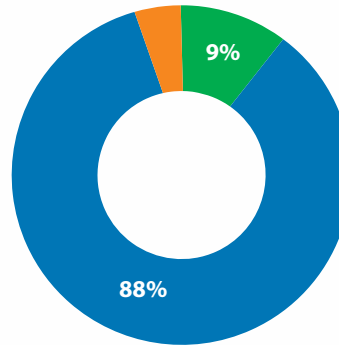


DHC Revenues

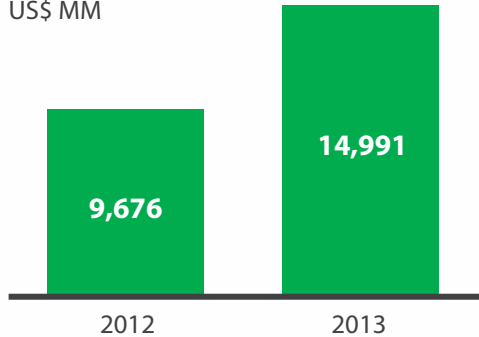
DHC Revenues 2012



DHC Revenues 2013



US\$ MM



- Increase in revenues of 55%, explained by the higher production of Paita Plant (+78%).



Cost of Production

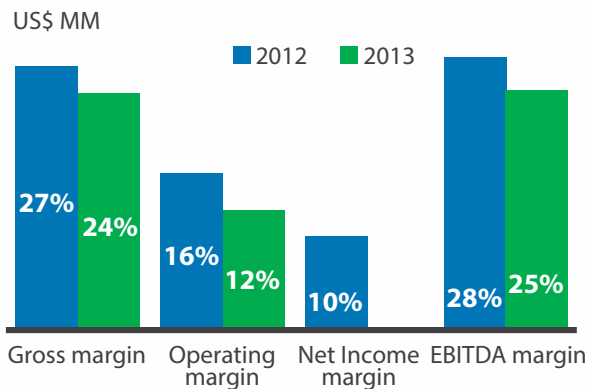
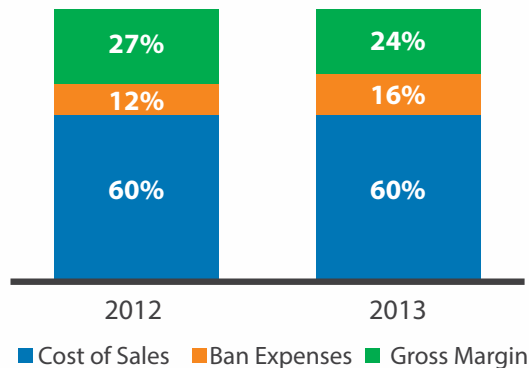
	2012	2013	Var %	
Ban days	204	208	2%	} Ban & Processed Volume
Total Processed(*)	397	466	18%	
Own Catch*	241	269	12%	
Third Party*	156	198	27%	
Third parties buying price**	318	299	-6%	} Costs
Catch Cost(**)	88	110	25%	
Cash Catch Cost(**)	78	96	23%	
Processing Cost (***)	216	230	7%	
Cash Processing Cost (***)	196	195	-1%	
Ban Expenses (US\$MM)	27	27	-1%	

- It was recorded 208 ban days, which reflected in higher ban expenses (16% of revenues vs. 12% of 2012).
- Increase of fuel and personal costs led to higher catch cost (+23%).
- Higher volume from third parties affected the third parties buying price (-6%).

(*) Thousand MT. (**) US\$/MT of anchovy. (***) US\$/MT Fishmeal & Fish Oil

Gross Profit and Net Income

- Gross profit was affected by:
 - Lower revenues (-22%).
 - Higher ban expenses (16% of revenues vs. 12% of 2012) and non production costs of DHC (+1.2 US\$ MM).



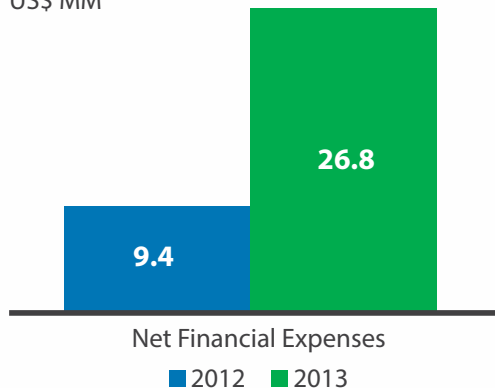
- Net Income affected by:
 - Lower quota.
 - Higher financial expenses (bonds issuance in January 2013).



Company debt

Debt (Million US\$)	
Short term debt	56
Long term debt	207
Total debt	264
Cash	7
Net debt	257

US\$ MM



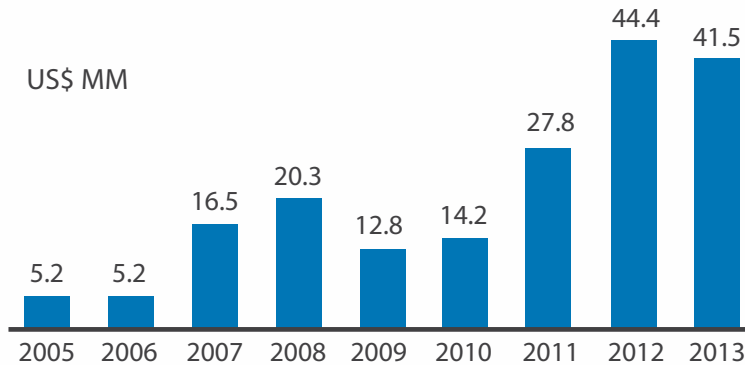
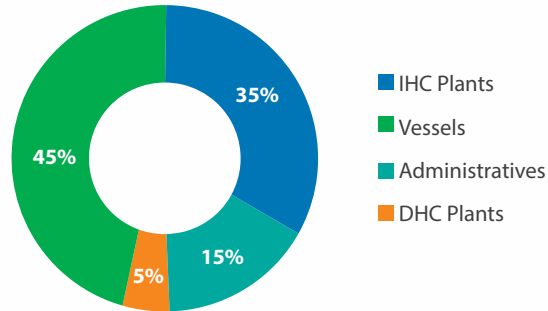
Bonds

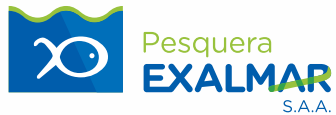
- Issuance: US\$ 200 MM in the international capital market.
- Issue Date: February 1st, 2013.
- Maturity Date: January 31st, 2020.
- Interest: 7.375% per annum.
- Use of proceedings: repay the syndicated loan (US\$ 140 MM), while balance will be used for several company investments.
- Active Leasing operations funding for Freezing Plant (DHC).



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

CAPEX composition 2013





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