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LISTING PARTICULARS

US$450,000,000

Alicorp, S.A.A.
3.875% Senior Notes due 2023

We are offering US$450,000,000 aggregate principal amount of our 3.875% senior notes due 2023 (the "notes"). The notes will mature on March 20, 2023. Interest on the notes will accrue at a rate of 3.875% per annum and will be payable semi-annually in arrears on March 20 and September 20 of each year, beginning on September 20, 2013. Interest on the notes will accrue from the date of original issuance, or if interest has already been paid, from the date it was most recently paid.

We may redeem the notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price based on a "make-whole" premium plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, in the event of certain changes in applicable tax laws, we may redeem the notes in whole, but not in part, at any time at a price equal to 100% of their principal amount plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The notes will be our senior unsecured obligations and (i) will rank equally in right of payment with all of our existing and future senior unsecured indebtedness subject to certain labor, tax and tax-like obligations for which preferential treatment is given under Peruvian law, (ii) will rank senior in right of payment to all of our existing and future subordinated indebtedness, if any, (iii) will be effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and (iv) will be structurally subordinated to all of the existing and future indebtedness and other liabilities of each of our subsidiaries. For a more detailed description of the notes, see "Description of the Notes" beginning on page 82.

There is currently no public market for the notes. We have applied to have the notes listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market.

Investing in the notes involves risks that are described in the ''Risk Factors'' section beginning on page 14 of these listing particulars.

Price per note: 99.836% plus accrued interest, if any, from March 20, 2013.

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), any U.S. state securities laws or the securities laws of any other jurisdiction, other than Peru. The notes may not be offered or sold within the United States or to any U.S. persons, except (a) to qualified institutional buyers (Qualified Institutional Buyers, or "QIBs") within the meaning of Rule 144A under the Securities Act ("Rule 144A"), in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (b) outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act ("Regulation S"). Any offer or sale of the notes in any member state of the European Economic Area that has implemented Directive 2003/71/EC (the "Prospectus Directive") must be addressed to qualified investors (as defined in the Prospectus Directive). These listing particulars have not been approved by a competent authority within the meaning of the Prospectus Directive. For further details about eligible offerees and resale restrictions, see "Transfer Restrictions."

We have registered the notes and these listing particulars with the Peruvian Superintendency of the Securities Market (*Superintendencia del Mercado de Valores*, or "SMV"). In Peru, this offering will be considered a public offering directed exclusively to "institutional investors" (as such term is defined under the Seventh Final Disposition of CONASEV Resolution No. 141-98-EF/94.10, as amended). In addition, we have provisionally registered the notes with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (*Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones*, or "SBS") for Peruvian private pension fund investment eligibility, as required by Peruvian law. The notes may not be offered or sold in the Republic of Peru or in any other jurisdiction except in compliance with the securities laws thereof.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company ("DTC") for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream"), on or about March 20, 2013.

Joint Bookrunners

BofA Merrill Lynch **J.P. Morgan**

Joint Lead Managers

BofA Merrill Lynch **J.P. Morgan** **BCP Capital**

Peruvian Placement Agent

Credibolsa

The date of these listing particulars is March 25, 2013.

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Unless otherwise indicated or the context otherwise requires, all references in these listing particulars to:

- "Alicorp," "Company," "issuer," "we," "us," "our," "our company," "ourselves," "the group," "the organization" and similar terms refer to Alicorp S.A.A and its consolidated subsidiaries;
- "Peru" refers to the Republic of Peru;
- the "Peruvian government" refers to the government of Peru; and
- the "United States" or the "U.S." refers to the United States of America.

You should assume that the information appearing in these listing particulars is accurate as of the date on the front cover of these listing particulars only. Our business, properties, financial condition, results of operations and prospects may have changed since that date. Neither the delivery of these listing particulars nor any sale of notes made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of these listing particulars. These listing particulars constitute a prospectus for the purposes of Luxembourg law dated July 10th, 2005 on Prospectus for Securities, as amended.

We have prepared these listing particulars for use solely in connection with the proposed offering of the notes described in these listing particulars. These listing particulars are personal to each offeree and does not constitute an offer to any other person other than the offeree to whom it has been delivered or the public generally to subscribe for or otherwise acquire notes (other than pursuant to CONASEV Resolution No. 079-2008-EF/94.01.1 as amended, and Resolution SMV No. 004-2011-EF/94.01.1, as amended). Distribution of these listing particulars to any person

other than a prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of these listing particulars, agrees to the foregoing and to make no photocopies of these listing particulars or any documents referred to in these listing particulars.

The initial purchasers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in these listing particulars. Nothing contained in these listing particulars is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

These listing particulars are intended solely for the purpose of soliciting indications of interest in the notes from qualified investors and does not purport to summarize all of the terms, conditions, covenants and other provisions relating to the terms of the notes contained in the indenture being entered into in connection with the issuance of the notes as described herein and other transaction documents described herein. These listing particulars summarize certain documents and other information, and we refer you to those sources for a more complete understanding of what we discuss in these listing particulars. The market information in these listing particulars has been obtained by us from publicly available sources deemed by us to be reliable. We accept responsibility for correctly extracting and reproducing such information. Notwithstanding any investigation that the initial purchasers may have conducted with respect to the information contained in these listing particulars, the initial purchasers accept no liability in relation to the information contained in these listing particulars or their distribution or with regard to any other information supplied by us or on our behalf.

Neither we nor the initial purchasers are making an offer to sell, or a solicitation of an offer to buy, the notes in any jurisdiction except where such an offer or sale is permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute these listing particulars and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. See "Transfer Restrictions" for information concerning some of the transfer restrictions applicable to the notes. Neither we nor the initial purchasers are responsible for your compliance with those legal requirements.

By accepting these listing particulars you acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in these listing particulars;

- you have not relied on the initial purchasers or their agents or any person affiliated with the initial purchasers or their agents in connection with your investigation of the accuracy of such information or your investment decision; and

- no person has been authorized to give any information or to make any representation concerning us or the notes other than those as set forth in these listing particulars. If given or made, any such other information or representation should not be relied upon as having been authorized by us, the initial purchasers or their agents.

We are relying upon an exemption from registration under the Securities Act for an offer and sale of securities which do not involve a public offering. By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions" in these listing particulars. The notes are subject to restrictions on transfer and resale and may not be transferred or resold except as permitted under the Securities Act, applicable state securities laws and applicable Peruvian law. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Transfer Restrictions."

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of the offering, including the merits and risks involved. None of us or any of our representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment

or similar laws. We are not providing you with any legal, business, tax or other advice in these listing particulars, and prospective investors should not construe anything in these listing particulars as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the notes under applicable legal, investment or similar laws or regulations.

None of the United States Securities and Exchange Commission (the "SEC"), any United States state securities commission or any United States, Peruvian or other regulatory authority has approved or disapproved of these securities or determined if these listing particulars are truthful or complete. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of these listing particulars. Any representation to the contrary is a criminal offense.

Application has been made to have the notes listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market. These listing particulars can only be used for the purposes for which they were published. These listing particulars constitute a prospectus for the purposes of the Luxembourg Law on prospectuses for securities, dated July 10, 2005.

We confirm that, after having made all reasonable inquiries, these listing particulars contain all information with regard to us and the notes which is material to the offering and sale of the notes, that the information contained in these listing particulars is true and accurate in all material respects and is not misleading and that there are no omissions of any facts from these listing particulars which, by their absence herefrom, make these listing particulars misleading. We accept responsibility for the information contained in these listing particulars regarding us and the notes. The opinions and intentions expressed in these listing particulars regarding us and the notes are honestly held and based on reasonable assumptions.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CUSTOMER, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO RESIDENTS OF PERU

IN PERU, THIS OFFERING WILL BE CONSIDERED A PUBLIC OFFERING DIRECTED EXCLUSIVELY TO "INSTITUTIONAL INVESTORS" (AS SUCH TERM IS DEFINED UNDER THE SEVENTH FINAL DISPOSITION OF CONASEV RESOLUTION NO. 141-98-EF/94.10, AS AMENDED).

THE NOTES AND THESE LISTING PARTICULARS HAVE BEEN REGISTERED WITH THE SMV IN ACCORDANCE WITH THE PROCEDURES SET FORTH IN NUMERAL IV OF THE SECOND SECTION OF THE MANUAL FOR COMPLIANCE WITH THE APPLICABLE REQUIREMENTS FOR INITIAL PUBLIC OFFERINGS, AS SET FORTH UNDER SMV RESOLUTION NO. 004-2011- EF/94.01.1, PURSUANT TO CONASEV RESOLUTION NO. 079-2008-EF/94.01.1, APPLICABLE TO U.S. OFFERINGS IN RELIANCE OF RULE 144A UNDER THE SECURITIES ACT WITH A LOCAL PERUVIAN COMPONENT.

THE NOTES OFFERED HEREBY ARE SUBJECT TO TRANSFER AND RESALE RESTRICTIONS AND MAY NOT BE TRANSFERRED OR RESOLD IN PERU EXCEPT AS PERMITTED UNDER CONASEV RESOLUTION NO. 079-2008-EF/94.01.1, AS AMENDED.

THE NOTES HAVE BEEN PROVISIONALLY REGISTERED WITH THE FOREIGN INVESTMENT AND DERIVATIVES INSTRUMENTS REGISTRY (REGISTRO DE INSTRUMENTOS DE INVERSIÓN Y DE OPERACIONES DE COBERTURA DE RIESGO EXTRANJEROS) OF THE SBS, IN ORDER TO MAKE THE NOTES ELIGIBLE FOR PERUVIAN PENSION FUND INVESTMENT, AS REQUIRED BY PERUVIAN LEGISLATION. THIS REGISTRATION WAS PROVISIONALLY APPROVED, AND DEFINITIVE REGISTRATION IS CONDITIONED ON THE DELIVERY OF THE FINAL OFFERING MEMORANDUM AND OTHER ANCILLARY DOCUMENTS TO THE SBS.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

These listing particulars have been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in these listing particulars may only do so in circumstances in which no obligation arises for any of the issuer or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in relation to such offer. Neither the issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the issuer or the initial purchasers to publish or supplement a prospectus for such offer. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

These listing particulars may be distributed only to, and are directed only at, and any offer subsequently made may only be directed at, persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

IN CONNECTION WITH THE OFFERING OF THE NOTES, THE PERSON (IF ANY) NAMED AS THE STABILIZING MANAGER(S) (THE "STABILIZING MANAGER(S)") (OR PERSONS ACTING ON THEIR BEHALF) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER(S) (OR PERSONS ACTING ON THEIR BEHALF) WILL UNDERTAKE STABILIZATION ACTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILIZATION ACTION OR OVERALLOTMENT SHALL BE CONDUCTED IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

AVAILABLE INFORMATION

We are a *sociedad anónima abierta* (corporation) organized under the laws of the Republic of Peru registered with the *Registro de Personas Jurídicas del Callao* (Registry of Legal Entities of Callao) under the registration number 70267718. To permit compliance with Rule 144A in connection with resales of the notes, we have agreed to furnish upon request of a holder or beneficial owner of such notes and a prospective purchaser or subscriber of such notes designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser or subscriber the information required to be delivered under Rule 144A(d)(4) if at the time of such request we are neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

We are required to file certain information in Spanish with the SMV, such as quarterly and annual reports and notices of material events (*Hechos de Importancia*). All such reports and notices are available at www.smv.gob.pe. The information included (or accessed through any website included or referred to in these listing particulars) and the documents filed with the SMV are not and will not form part of these listing particulars and are not incorporated by reference herein.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a company organized under the laws of Peru and substantially all of our assets are located outside the United States. In addition, all of our directors and officers and certain other persons named in these listing particulars reside outside the United States and all or a significant portion of their assets are located outside the United States. As a result, it may be difficult or impossible for investors to effect service of process within the United States upon such persons or to enforce against them or our company judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof.

We have been advised by our Peruvian counsel, Miranda & Amado Abogados, that any final and conclusive judgment for a fixed and final sum obtained against us in any foreign court having jurisdiction in respect of any suit, action or proceeding against us for the enforcement of any of our obligations under the notes, which are governed by New York law, will, upon request, be deemed valid and enforceable in Peru through an exequatur judiciary proceeding (which does not involve the reopening of the case), provided that: (1) there is a treaty in effect between the country where said foreign court sits and Peru regarding the recognition and enforcement of foreign judgments; or (2) in the absence of such a treaty, the following conditions and requirements are met:

- the judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts (and the matters contemplated in respect of these listing particulars or the notes are not matters under the exclusive jurisdiction of Peruvian courts);
- such foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- we received service of process in accordance with the laws of the place where the proceeding took place, were granted a reasonable opportunity to appear before such foreign court and were guaranteed due process rights;
- the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- no pending litigation in Peru between the same parties for the same dispute was initiated before the commencement of the proceeding that concluded with the foreign judgment;
- the judgment is not incompatible with another judgment that fulfills the requirements of recognition and enforceability established by Peruvian law, unless such foreign judgment was rendered first;

- the judgment is not contrary to Peruvian public policy or good morals; and
- it is not proven that such foreign court denies enforcement of Peruvian judgments or engages in a review of the merits thereof.

We have no reason to believe that any of our obligations relating to the notes would be contrary to Peruvian public policy, good morals and international treaties binding upon Peru or generally accepted principles of international law.

The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters with Peru. Therefore, unless the above-mentioned requirements are satisfied, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Peru. However, if the party in whose favor such unenforced final judgment was rendered brings a new suit in a competent court in Peru, such party may submit to the Peruvian court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against our company may be regarded by a Peruvian court only as evidence of the outcome of the dispute to which such judgment relates, and a Peruvian court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere are unenforceable in Peru. In the past, Peruvian courts have enforced judgments rendered in the United States based on legal principles of reciprocity and comity.

We will appoint Corporation Service Company, New York, New York, as agent to receive service of process under the indenture governing the notes, including with respect to any action brought against us in the Supreme Court of the State of New York in the County of New York or the United States District Court for the Southern District of New York under the federal securities laws of the United States.

FORWARD-LOOKING STATEMENTS

These listing particulars contain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements appear throughout these listing particulars, principally in "Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Such estimates and forward-looking statements are primarily based on current expectations and projections about future events and financial trends that affect, or may affect, our business, financial condition, results of operations and prospects.

There are many significant risks, uncertainties and assumptions that might cause our business, financial condition, results of operations and prospects to differ materially from those set out in our estimates and forward-looking statements. These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us.

Our forward-looking statements may be influenced by factors, including the following:

- economic, political and business conditions in Peru and the other countries in which we operate;
- prevailing financial markets;
- climatic conditions, climate changes and natural disasters;
- the cost and availability of financing and our ability to obtain financing on satisfactory terms;
- our investment, acquisition, joint venture, strategic alliances or divestiture plans;
- interest rate fluctuations, inflation and exchange rates between Peruvian and foreign currencies;
- existing and future governmental regulations;
- market price variation, customer preferences and competition;
- our ability to successfully implement our strategy and capital expenditure plans;
- our ability to retain certain personnel and ability to hire additional key personnel;
- changes in tax policies and legislation;
- increased competition in the consumer products industry;
- changing consumer preferences;
- supply chain disruptions;
- health and product liability risks related to the consumer products industry;
- unexpected safety or manufacturing issues;
- weather conditions affecting farming activity in Peru, Latin America and the United States;
- continued volatility of, and sharp increase in, commodity and other input costs in the food processing industry;
- other factors or trends that may affect our financial condition or results of operations; and

- the factors discussed under the section entitled “Risk Factors” in these listing particulars.

Our forward-looking statements are not guarantees of future performance, and our actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. As for forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections. Because of these uncertainties, potential investors should not rely on these forward-looking statements.

Forward-looking statements speak only as of the date they are made, and neither we nor the initial purchasers undertake any obligation to update them in light of new information or future developments or to release publicly any revisions to these statements in order to reflect later events or circumstances or to reflect the occurrence of unanticipated events. Comparisons of results for current and prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Currencies and Exchange Rates

Unless otherwise specified herein or the context otherwise requires, references in these listing particulars to "US$," "dollars" and "U.S. dollars" are to United States dollars, the official currency of the United States, and references to "S/." and "*nuevos soles*" are to Peruvian *nuevos soles*, the official currency of Peru. Solely for the convenience of the reader, we have translated certain amounts included in "Summary—Summary Financial and Other Information," "Capitalization," "Selected Financial and Other Information" and elsewhere in these listing particulars from *nuevos soles* into U.S. dollars for figures as of December 31, 2012 using the rate as specified by the SBS as of December 28, 2012 (the last business day of 2012 in Peru) of S/.2.551 to US$1.00. These translations should not be considered representations that any such *nuevo sol* amounts have been, could have been or could be converted into U.S. dollars at that or at any other exchange rate. Such translations should not be construed as representations that the *nuevo sol* amounts represent or have been or could be converted into U.S. dollars as of that or any other date. For a complete description of the exchange rates between the *nuevo sol* and the U.S. dollar, see "Exchange Rates." The Federal Reserve Bank of New York does not report a noon buying rate for *nuevos soles*.

Financial Statements

Our consolidated financial statements and related notes included in these listing particulars have been prepared in *nuevos soles* and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). For all periods up to and including the year ended December 31, 2010, we prepared our consolidated financial statements in accordance with accounting principles generally accepted in Peru. We have prepared consolidated financial statements which comply with IFRS beginning with our financial statements as of and for the year ended December 31, 2011. Our opening statement of financial position was prepared as of January 1, 2011, our date of transition to IFRS. Moreover, for comparative purposes, we have retroactively restated our consolidated financial statements as of and for the year ended December 31, 2010 in order to demonstrate the effects of the adoption of IFRS as of this date and for the period then ended.

These listing particulars include our audited consolidated statements of financial position as of December 31, 2012, 2011 and 2010 and our results of operations for the years ended December 31, 2012, 2011 and 2010 (our "audited consolidated financial statements"). Our financial information as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011 and 2010 included in these listing particulars has been derived from such audited consolidated financial statements.

Our audited consolidated financial statements included in these listing particulars have been audited by Beltran, Gris & Asociados S. Civil de R.L., a member firm of Deloitte Touche Tohmatsu Limited, independent auditors, as indicated in their reports appearing herein.

Rounding

Certain figures included in these listing particulars and in our audited consolidated financial statements have been rounded for ease of presentation. Percentage figures included in these listing particulars have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in these listing particulars may vary from those obtained by performing the same calculations using the figures in our audited consolidated financial statements. Certain other amounts that appear in these listing particulars may not sum due to rounding.

Trademarks

We own or have rights to trademarks, service marks or trade names that we use in connection with the operation of our business. In addition, our names, logos and website names and addresses are our service marks or trademarks. Other trademarks, service marks or trade names appearing in these listing particulars are the property of their respective owners. Some of the trademarks we own or have the right to use include Opal, Alacena, Bolivar, Nicolini, Don Vittorio, Nicovita and Cil, among others. We also own or have the rights to copyrights that protect the content of our products. Solely for convenience, the trademarks, service marks, trade names and copyrights

referred to in these listing particulars are listed without the ©, ® and TM symbols, but we will assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

Market and Industry Information

Statements in these listing particulars with respect to market and other industry data, including our position in the industry, are based on statistics and other information from independent industry publications and reports by research firms or other published independent sources as well as our own internal studies. These studies were derived from our review of internal surveys and other independent sources, including Kantar World Panel, Household Panel KWP Argentina, IPSA Audit, The Nielsen Company ("Nielsen"), Euromonitor, Ipsos Apoyo, CCR Audit and Aquabench (Chile), and contain certain assumptions concerning our customers and competitors. These assumptions are based on our experience in the industry, conversations with our principal vendors and our own investigation of market conditions. We cannot assure you as to the accuracy of any such assumptions, and such assumptions may not be indicative of our positions in our industry.

Information in these listing particulars attributed to specific sources has not been independently verified by us or our advisors and therefore we make no representation as to the accuracy of such information, which may not be consistent with other information compiled within or outside the jurisdictions specified. However, we have accurately reproduced this information, and as far as we are aware and able to ascertain from such independent industry publications and reports by research firms or other published independent sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

SUMMARY

This summary highlights selected information described in greater detail elsewhere in these listing particulars. It does not contain all the information that may be important to you. You should read the entire offering memorandum carefully, including "Risk Factors" and our audited consolidated financial statements included elsewhere in these listing particulars, before making an investment decision.

Overview

We are a leading Latin American producer, distributor and marketer of branded consumer products under three business segments: consumer goods, B2B (business-to-business) branded products and animal nutrition. Our business has a diversified portfolio of products in 33 different categories including industrial baking flour, edible oil, pasta, cookies and crackers, sauces, margarines, juice powders, laundry detergents and soaps, pet food and animal feed. These product categories are currently represented by over 100 brands in the premium, mainstream and value segments. Through our effective customer segmentation strategy along socioeconomic, demographic and consumer preference lines as well as our unique expertise in the Peruvian market, we have established leading market share positions in Peru and a strong market share in other countries such as Argentina, Ecuador and, most recently, Brazil. According to Kantar World Panel, we are the market leader in Peru, with market shares ranging from 95% to 32% in terms of volumes sold, for ten product categories, including industrial baking flour, pasta, laundry detergent, edible oil, sauces, margarines and cookies and crackers. These ten product categories in Peru together represented 66% of our consolidated adjusted EBITDA for the year ended December 31, 2012.

We are headquartered in Peru, where we operate 24 manufacturing facilities, and have international operations in Argentina, Ecuador, Colombia, Chile and Brazil. Additionally, we export our products to over 23 countries, including the United States and Canada. We have developed an extensive distribution network in each of the countries in which we operate, which provides us with a competitive advantage due to significant barriers to entry for potential industry competitors.

Throughout our 57-year history, we have experienced significant growth both organically and through strategic acquisitions. Our organic growth has been supported by key achievements such as the entry into the sauces, laundry detergent and pet food markets in Peru, where we are now market leaders. Our strategic acquisitions have solidified our position as the leading consumer goods, B2B branded products and animal nutrition producer in Peru, as well as allowed us to expand our reach into the greater Latin American region by giving us access to the Argentine, Colombian, Ecuadorian, Chilean and, most recently, Brazilian markets. See "–Our History" below for a more detailed account of our growth pattern.

For the year ended December 31, 2012, we had consolidated operating revenues of S/.4,473.7 million and consolidated net income of S/.351.4 million as compared to consolidated operating revenues of S/.4,255.7 million and consolidated net income of S/.330.7 million for the year ended December 31, 2011. Our consumer goods segment was the largest contributor to our consolidated operating revenues in 2012, representing 59% of such operating revenues, followed by our B2B branded products segment with 30% and our animal nutrition segment with 11%. Our Peruvian operations represented 74% of our consolidated operating revenues in 2012. As of December 31, 2012, we had total assets of S/.4,284.1 million and our total equity totaled S/.2,108.9 million as compared to total assets of S/.3,212.0 million and equity totaling S/.1,929.3 million as of December 31, 2011.

Our common shares are traded on the Lima Stock Exchange under the symbol "ALICORC1" and our investment shares are traded on the Lima Stock Exchange under the symbol "ALICORI1." As of December 31, 2012, we had a market capitalization of S/.7,068 million.

Our History

Our predecessor was incorporated and began operations in Peru on August 1, 1956 as a producer of edible oils under the name Industrias Anderson Clayton y Compañía Sociedad Anónima, which was acquired by members of the Romero and Onrubia families ("Grupo Romero") in 1971 and continued operating under the name Consorcio de Alimentos Fabril Pacifico S.A. In 1997, after a series of acquisitions of leading domestic companies, including La Fabril S.A. ("La Fabril"), a producer of food and personal care goods, Nicolini Hermanos S.A. ("Nicolini"), a pasta producer, and Compañía Molinera del Peru S.A. ("Compañia Molinera"), a wheat milling business, we reorganized

ourselves under the name Alicorp. Since then, we have experienced significant growth, both organically and through strategic acquisitions. Our key organic growth initiatives include the launch of our packaged mayonnaise product "Alacena" in 2000, which became the market leader, in terms of volumes sold, in this product category within two years; the entry into the pet food market in 2003 with the successful launch of "Mimaskot," which became the market leader, in terms of volumes sold, in less than three years; the entry into the detergent market with the successful launch of "Bolivar" in 2004 and the subsequent consolidation of our presence in such market with the re-launch of "Opal" in 2005, a brand which we acquired from Unilever in 2005 and have transformed from a brand with limited market penetration to a market leader in terms of volumes sold.

Some of our most significant strategic acquisitions include our acquisitions of:

- Molinera Inca S.A. ("Molinera Inca"), a wheat milling and flour business in Peru, and Asa Alimentos S.A. ("Asa Alimentos"), a food and beverage producer and distributor in Peru, both in 2006;
- The Value Brand Company ("TVBC"), a producer of personal care products in Argentina, in 2008;
- Propersa S.A. ("Propersa"), a producer of personal care products in Colombia, in 2008;
- Sanford S.A.C.I.F.I y A ("Sanford"), a cookie producer in Argentina, in 2010;
- Italo Manera S.A. ("Italo Manera") and Pastas Especiales S.A. ("Pastas Especiales"), pasta producers in Argentina, in 2011;
- Salmofood S.A. and Cetecsal S.A. (together "Salmofood"), producers of fish feed in Chile, in 2012;
- the Industria Nacional de Conservas Alimenticias S.A. ("Incalsa") business group, a group of companies which are primarily engaged in the production of sauces for restaurant use in Peru, in 2012;
- Industrias Teal S.A. ("Industrias Teal"), a leading Peruvian producer of confectionary, cookies and crackers in Peru, in January 2013; and
- Pastificio Santa Amália S.A. ("Santa Amalia"), a producer and distributor of consumer goods, including pastas, jelly and chocolate and juice powders in Brazil, in February 2013.

With these strategic acquisitions, we have consolidated our presence in the Peruvian market and accelerated our expansion to other markets in the region. See "—Recent Developments" below for a description of our most recent acquisitions.

Our Controlling Group

Our controlling group, Grupo Romero, owns and operates one of the largest business conglomerates in Peru, with over 120 years of operations in more than 20 different countries worldwide. Presently, Grupo Romero's companies span a diversified group of industries which include consumer goods, industrial production, logistics, infrastructure, trading and services. Some of the other Grupo Romero member companies include Romero Trading S.A., a Peruvian company dedicated to the commercialization and provisioning of services related to agribusiness activity; Primax S.A., a Peruvian company in retail fuel distribution; Multimercados Zonales S.A., a lessor of premises for a supply center which is operated by wholesalers and retailers, involving the sale of food, groceries, clothing and other items; Grupo Ransa, a group of companies operating in several countries in the Latin American region engaged in the provisions of logistics services, including storage, customs and transportations services; Terminal Internacional del Sur S.A., a company that operates the Matarani Port in Peru; Tramarsa S.A., a leading company in the port operation business in Peru, offering a group of port services nationwide in Peru; Corporación Pesquera Giuliana S.A., a company engaged in the extraction, processing and marketing of aquatic resources for human consumption; Grupo Palmas, a Peruvian conglomerate with over 25 years of experience in the cultivation,

industrialization and sale of palm oil and other agricultural products; and Grupo Chira, a group dedicated mainly to the cultivation of agricultural products, the sale and marketing of these products, the industrialization, manufacturing and marketing of sugar, alcohol, ethanol and any other derivative of sugar cane and the production and sale of electric generation from biomass. Our affiliation with Grupo Romero allows us to exploit cross selling and synergy opportunities with the other member companies.

Our Products

We categorize our products into three main segments: consumer goods, B2B branded products and animal nutrition.

Consumer Goods

Under our consumer goods segment, we offer a diversified line of food products (including, edible oils, pastas and cookies and crackers) and home and personal care products (including, laundry detergents, soaps and shampoos). Our products are represented by 120 brands that are highly recognized in the countries in which we operate. Some of our most recognized brands include Don Vittorio, Nicolini, Alacena, Bolivar, Opal, Primor, Cil, Capri, Tentación, Negrita, Plusbelle, Glacitas, Mimaskot and Nutrican. Our main competitors are regional and global market players including Kraft, Unilever, Nestle, Procter & Gamble and Carozzi. Our consumer goods segment operates in Peru, Argentina, Ecuador, Colombia and Brazil. In addition, we export our consumer goods products to 12 countries.

For the year ended December 31, 2012, our consumer goods segment had operating revenues of S/.2,641.9 million, representing 59% of our consolidated operating revenues, as compared to operating revenues of S/.2,658.5 million, representing 62% of our consolidated operating revenues, for the year ended December 31, 2011.

B2B Branded Products

Our B2B branded products consist primarily of industrial baking flour for bakeries and food-based products for restaurants and industries including oil, fatty acids, sauces and pre-mixes. As of the date of these listing particulars, our B2B branded products segment operates solely in Peru and is represented by 31 brands. Several of our B2B branded products (including, industrial baking flour, sauces, shortenings and pre-mix) are market leaders, in terms of volumes sold, in Peru.

For the year ended December 31, 2012, our B2B branded products segment had operating revenues of S/.1,331.6 million, representing 30% of our consolidated operating revenues, as compared to operating revenues of S/.1,276.6 million, representing 30% of our consolidated operating revenues, for the year ended December 31, 2011.

Animal Nutrition

Our animal nutrition product offering consists of balanced animal feed, including shrimp and fish feed, under our brands Nicovita and Salmofood. Our animal nutrition segment operates in Peru, Ecuador and Chile. In addition, we export our animal nutrition products to 8 countries.

For the year ended December 31, 2012, our animal nutrition segment had operating revenues of S/.500.2 million, representing 11% of our consolidated operating revenues, as compared to operating revenues of S/.320.5 million, representing 8% of our consolidated operating revenues, for the year ended December 31, 2011.

Our Competitive Strengths

Market leading brand leadership in Peru. Our brands are market leaders in each of our product categories throughout each of our product segments (premium, mainstream and value) in Peru, which represented 74% of our consolidated operating revenues in 2012. For example, according to internal company estimates based on data from Kantar World Panel, our consumer goods segment is the leading producer of pasta, laundry detergent, edible oils, mayonnaise, cookies and crackers, pet food, juice powders, margarines and laundry soap, with a 46%, 56%, 59%, 95%, 32%, 35%, 65%, 58% and 77% market share in these categories in terms of volumes sold as of December 31,

2012, respectively. In our B2B branded products segment, our industrial baking flour brands are the market leaders, with a 53% market share in terms of volumes sold as of December 31, 2012, according to internal company estimates based on data from Kantar World Panel. Similarly, one of our animal nutrition brands, "Nicovita," occupies the number one position in Peru with a 70% market share. Additionally, our market leading position has recently been leveraged by local acquisitions such as our acquisitions of Industrias Teal and its brand "Sayon," allowing us to strengthen our leading position in core categories, such as bakery products and cookies and crackers as well as in adjacent categories such as confectionary, chocolates and panettones.

Pan-regional platform. We began our international expansion in 2006 and since then have been able to replicate our success in Peru in other countries in a relatively short time span. We have accomplished this by acquiring and effectively managing local brands based on local consumer preferences such as the case of our Argentine acquisitions and recently our acquisition of Santa Amalia in Brazil as well as by exporting Peruvian brands throughout the region such as the case for Ecuador. For example, according to Household Panel KWP Argentina, we hold the number two position in hair care and personal care soap as well as the number three position in laundry detergent in the Argentine market. In Ecuador, according to IPSA Audit, we occupy the number two position in animal nutrition, pet food and mayonnaise as well as the number three position in pasta. Additionally, according to Euromonitor, we are now the fourth largest pasta producer in the region after our recent acquisition of Santa Amalia in Brazil. Today, our operating revenues are derived from over 23 countries and our international operations represented 26% of our consolidated operating revenues in 2012.

Strong product diversification. We have a diversified product base, which results in reduced dependency on any single products category. We currently compete in 33 product categories targeting various consumer needs. For the year ended December 31, 2012, none of our product categories represented more than 16% or our consolidated adjusted EBITDA. In addition, we have sought to diversify our product offerings within business segments. For example, our consumer goods product offerings range from edible oils, pasta, sauces, cookies and crackers to laundry detergents, laundry soap and hair care products. This product diversification has allowed us to reduce our dependence on individual categories and limit seasonality and economic cycle effects on our business.

Efficient socioeconomic product segmentation. By dividing our products into premium, mainstream and value segments, we offer a range of products with an adequate price strategy for each socioeconomic level. Our socioeconomic diversification allows us to tailor our product mix volumes depending on the purchasing power changes experienced by consumers at the various socioeconomic levels. For example, in the laundry detergent category in Peru (which represented 7.9% of our consolidated operating revenues in 2012), we hold the largest market share, in terms of volumes sold, with 56% of the market through our positioning of the brands "Bolivar" in the premium segment, "Opal" in the mainstream segment and "Marsella" in the value segment. Likewise, in the edible oils category in Peru (which represented 11% of our consolidated operating revenues in 2012), we hold the largest market share in terms of volumes sold, with 59% of the market, through our positioning of the brands "Primor" and "Capri" in the premium segment, "Cocinero" in in the mainstream segment and "Cil" in value segment. Our socioeconomic diversification allows us to tailor our product mix volumes depending on the purchasing power changes experienced by consumers at the various socioeconomic levels.

Extensive and best-in-class distribution network. We have developed an extensive, distribution network in each of the countries in which we have operating facilities through which we currently reach 95,000 points of sale. We also strive to ensure a broad and multi-channeled distribution strategy that enables us to reach all socioeconomic levels with specially targeted products and brands. For example, in Peru our national distribution network includes substantially all wholesalers and supermarkets, 44 exclusive distributors and 25 sales offices throughout the country. This network allows us to reach the traditional "mom and pop" shops which currently comprise approximately 70% of the Peruvian retail market, according to CCR Audit. These extensive distribution networks provide us with a competitive advantage and create large barriers to entry for potential industry competitors.

Successful growth track record. We have a proven track record of acquiring and successfully integrating companies into our regional platform. We typically keep the brand name, the key personnel and the local customs and traditions of acquired companies, and focus on (i) improving aspects which we believe can be upgraded, such as technology, operations management and quality of service, (ii) leveraging the popularity of our brands within our various distribution networks and (ii) exploiting economies of scale and scope derived from integrating the newly acquired operations into the existing regional platform. During the last seven years, we have made ten acquisitions

(Molinera Inca, Asa Alimentos, TVBC and its subsidiaries, Propersa, Italo Manera, Pastas Especiales, Salmofood, Incalsa, Industrias Teal and Santa Amalia) for more than US$490 million, which have significantly increased the size and geographic footprint of our operations, particularly in Argentina, Colombia, Chile and Brazil. For a discussion of our most recent acquisitions of Incalsa, Industrias Teal and Santa Amalia, see also "—Recent Developments."

Effective commodity purchasing. We are one of the largest importers of wheat in South America and the largest importer of wheat and soybean crude oil in Peru. The large scale of our operations allows us to buy commodities directly from the largest vendors at reduced prices. By leveraging economies of scale and the geographic location of our operations, we are able to contract with the largest shipping vessels that transport raw materials into South America allowing us to effectively manage our inventory while maintaining low costs. Finally, we have a specialized commodity risk management team that works to hedge our trading positions to reduce our exposure to price volatility and minimize the cost of raw materials.

Experienced management team and committed controlling group. We benefit from an experienced and talented management team. Most of the members of our senior management have held executive positions across various industries in Peru and in other countries in which we operate. We also benefit from strong and ongoing support from our controlling group, Grupo Romero, a longstanding Peruvian group that owns companies operating across a wide range of sectors. We believe that being part of this group offers us advantages over our international competitors operating in the Peruvian market because of the group's highly visible domestic presence and its rapid decision making capabilities.

Solid macroeconomic fundamentals and compelling consumer industry growth in Peru. The Peruvian economy represents one of the fastest growing economies in Latin America, with GDP growing at a rate of 6.9% and 6.3% for the years ended December 31, 2011 and 2012, respectively, and expected to grow at a rate of 6.0% for the year ended December 31, 2013, according to Euromonitor. For the year ended December 31, 2012, Peru had an inflation rate of 2.65%, according to the Central Reserve Bank of Peru (the "Central Bank"), representing one of the lowest in Latin America. In addition, according to the Central Bank, the percentage of the Peruvian population living in poverty has decreased by approximately 25% since 2005, which has fueled solid consumption growth throughout the country. This decrease in poverty contributed to the expansion of the Peruvian middle class and the purchasing power of Peruvian households. These solid macroeconomic fundamentals has led Peru's debt securities to be rated an investment grade by Standard & Poor's ("S&P"), Fitch Ratings, Inc. ("Fitch") and Moody's America ("Moody's"). Given that 74% of our consolidated operating revenues in 2012 came from Peru, we have benefited from this dynamic economic environment. In addition, according to a study conducted by Euromonitor in 2011, the largest percentage of consumer expenditure is directed towards "food at home" products, which represented the largest segment of our Peruvian operating revenues in 2012, 45.1%. Therefore, we are poised to benefit as the Peruvian consumer industry continues to grow in line with Peruvian economic growth.

Our Strategy

Our business strategy is to become a leading Latin American multinational ("Multilatina") consumer packaged goods company in all the markets where we compete. This strategy is based on four key principles that maximize our core competitive advantages. These principles are (i) leverage our scale and commodity purchasing platform to get the lowest input costs while hedging our commodity risk; (ii) strengthen and enhance our go-to-market strategy to effectively cover, promote, cross-sell and grow in all segments while obtaining the best possible commercial and distribution terms in all markets in which we operate; (iii) effectively manage and enhance our best-in-class portfolio of local brands in each of the countries and segments in which we conduct business; and (iv) continue our growth strategy through acquisitions via effective integration of the acquired targets while unlocking synergies. Furthermore, we believe we have the ability to expand on these principles outside of Peru, as we anticipate being able to effectively replicate our commodity purchasing capacity in the other countries in which we operate.

We plan to pursue our business strategy by focusing on the following:

Continue to expand regionally within our core and adjacent product categories. We believe that we have a solid foundation for continued organic growth, due to our consistent cash flow generation and our leading position based on operating revenues in the sectors and countries in which we operate. Additionally, we believe that further

opportunities exist to gain scale and access to attractive locations and strong local brands through opportunistic acquisitions in key markets. We intend to seek a successful integration of all of our acquisitions expecting that these will facilitate our ability to implement synergies in purchasing, supply chain, marketing, back-office operations, technology and infrastructure. We expect to focus our efforts in continuing to expand our presence in our core markets such as we have done recently in Chile, Argentina, Ecuador, Colombia and most recently Brazil (on a regional basis), gaining access to strong local brands and distribution platforms in our business segments. In addition, our predominant focus will be on our core and adjacent product categories, namely pastas, edible oils, laundry detergent and industrial baking flours. In addition, we will continue to seek market share growth in our adjacent product categories such as food service sauces, culinary products, cookies and crackers and personal care products.

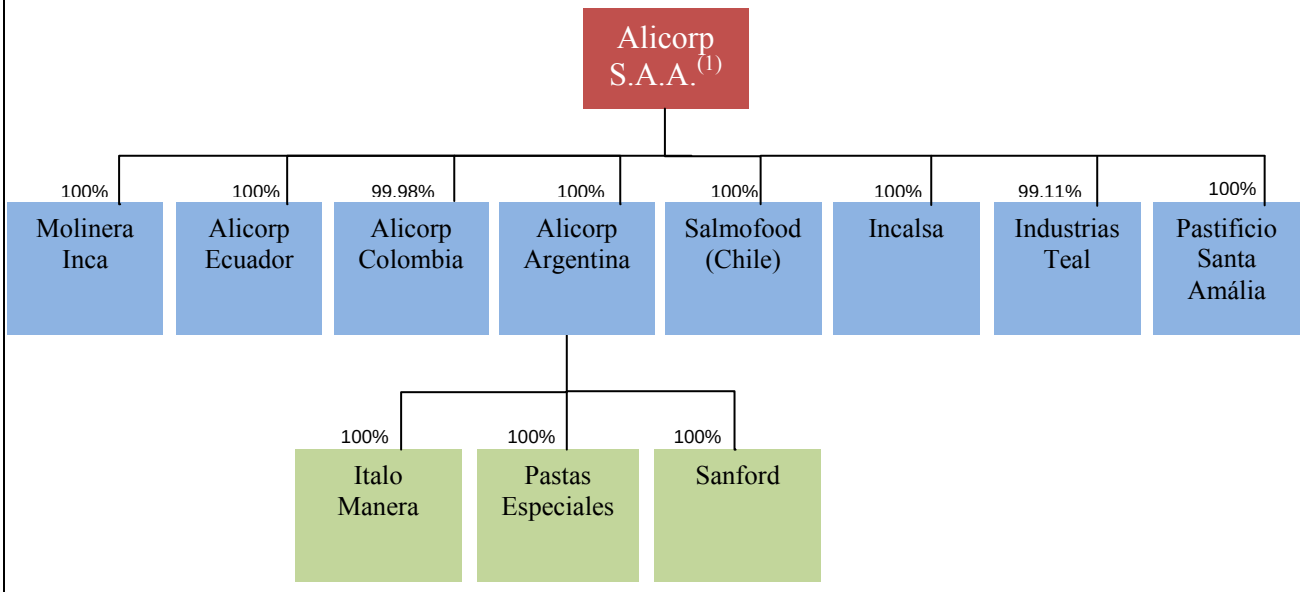
Attract, develop and retain talent. We recognize that a significant component of our growth throughout the years has been our excellent management team. We plan on continuing to offer competitive employment packages in order to retain key personnel and attract new executives as necessary.

Emphasis on a cost efficient business model. We have consistently improved our production efficiency throughout the years. Through production specialization, disciplined pricing throughout our various supply chains and constant analysis of our product markets, we plan on minimizing costs on all platforms of our business model.

Focus on our social responsibility values. We have consistently ranked among the top companies listed in the Lima Stock Exchange in terms of corporate governance. This recognition is due in large part to our commitment to strong corporate governance and best practices at all levels of our organization. One of the key areas we will continue to focus on is social responsibility through measures such as donations, volunteer programs, environmental goals targeting clean alternatives for residue management and nutrition education campaigns.

Our Corporate Structure

The following simplified corporate structure chart shows us and each of our operating subsidiaries as of the date of these listing particulars, indicating our ownership interest in each subsidiary:



(1) For the year ended December 31, 2012, 68% of our consolidated operating revenues were at the parent company level.

Recent Developments

Acquisition of the Incalsa Companies

On December 20, 2012, we completed the acquisition of the Incalsa business group for a purchase price equal to US$23.6 million. Through this acquisition, we acquired 100% of the capital stock of Incalsa and its companies Alimentos Peruanos S.A. ("Alimentos Peruanos"), Garuza Transportes S.A.C. ("Garuza Transportes") and S.G.A. & CO. S.A. ("SGA" and, together with Incalsa, Alimentos Peruanos and Garuza Transportes, the "Incalsa Companies")

The Incalsa Companies are primarily focused on the production and distribution of sauces for restaurant use. Their manufacturing operations are located in Peru and they export to the United States, Chile, Japan and Europe. Incalsa's core products, ketchup and mustard, operate under the "Alpesa" brand which has been in the market for 50 years, and, according to Ipsos Apoyo, are currently market leading products in Lima, in terms of volumes sold, with a 66% and 72% market share, respectively. We believe this acquisition will consolidate our leadership in food services and further enhance our position as the number one B2B branded products company in Peru.

Acquisition of Industrias Teal

On January 4, 2013, we completed the acquisition of 99.11% of the common shares (equivalent to 99.11% of the voting shares) and 93.68% of the investment shares in Industrias Teal for a purchase price equal to S/.413.9 million.

Industrias Teal is one of the leading players in the Peruvian market for consumer goods products with a product portfolio that includes flour, pastas, cookies, chocolates, candies and panettones that operate under the "Sayon" brand. It covers much of the Peruvian territory and has a presence abroad via exports mainly within Latin America. Its operations are 100% vertically integrated from imports through the milling, production and commercialization of wheat. Industrias Teal's primary sales channels are wholesalers and bakeries. With this acquisition, we believe we will consolidate our leadership within such core categories as bakery items, pastas and cookies and crackers, further enhancing our position as the number one consumer goods company in Peru.

Acquisition of Santa Amalia

On February 6, 2013, through our Brazilian subsidiary Industrias Alicorp do Brasil S.A., we completed the acquisition of Santa Amalia for a purchase price equal to US$95.8 million.

Santa Amalia is a Brazilian consumer goods producer that makes pasta, jelly, chocolate and juice powders and distributes consumer goods products under the Santa Amalia brand name such as sauces, cookies, panettones, among other assorted packaged food products, as well as other third-party personal and home care products, using an extensive distribution network in the southeastern region of Brazil. According to the January-February 2012 AC Nielsen report, Santa Amalia currently holds the fourth-largest market share in Brazil, in terms of volumes sold, in the pasta market, and, according to our internal estimates, it holds the largest market share, in terms of volumes sold, in the Brazilian state of Minas Gerais. Santa Amalia's extensive distribution network currently reaches 65% of all clients in Minas Gerais, according to a study by Nielsen. This acquisition will expand our reach into Brazil and consolidate our position as one of the leading consumer goods producers in Latin America.

Corporate Information

Our registered and principal executive offices are located at Av. Argentina Nº 4793, Carmen de la Legua Reynoso - Callao, Lima, Peru. Our telephone number is +(511) 315-0800. Our website address is www.alicorp.com.pe. The information included or referred to, on or otherwise accessible through our website is not included or incorporated by reference into these listing particulars.

As further set forth in Section One, Three of our bylaws, our corporate purpose is to be engaged in the industry, export, import, distribution, and commercialization of massive consumption products, mainly food and cleaning

products, particularly those manufactured within the oilseed, soap, detergent, industrial grease, coffee, cosmetic, and personal hygiene industries and other related and derivative products.

THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section entitled "Description of the Notes" in these listing particulars.

Issuer	Alicorp, S.A.A.
Notes Offered	US$450,000,000 aggregate principal amount of 3.875% senior notes due March 20, 2023.
Maturity	March 20, 2023.
Interest	The notes will bear interest at the rate of 3.875% per annum, payable semi-annually in arrears on March 20 and September 20, of each year, beginning on September 20, 2013.
Issue Price	99.836% of the principal amount thereof, plus accrued interest, if any, from March 20, 2013.
Ranking	The notes will be senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness, other than with respect to certain obligations given preferential treatment pursuant to the laws of Peru. The notes will be (i) effectively subordinated to all of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and (ii) structurally subordinated to all of the existing and future indebtedness and other liabilities of each of our subsidiaries. As of December 31, 2012, after excluding intercompany balances and intercompany guarantees, on a consolidated basis, we and our subsidiaries had S/.1,286.5 million (US$504.4 million) of indebtedness outstanding, of which none was secured indebtedness and S/.296.2 million (US$116.1 million) was indebtedness of our subsidiaries.
Optional Redemption	At any time or from time to time prior to their maturity, we may redeem the notes, in whole or in part, at a redemption price based on a "make-whole" premium plus accrued and unpaid interest, if any, to, but excluding, the redemption date.
Optional Redemption upon Tax Event	The notes are redeemable at our option, in whole but not in part, at any time, at the principal amount thereof plus accrued and unpaid interest, if any, and any additional amounts due thereon to, but excluding, the redemption date if certain changes in applicable tax laws occur. See "Description of the Notes—Optional Redemption—Optional Redemption Upon Tax Event."
Change of Control Offer	Upon the occurrence of a Change of Control Triggering Event (as defined in "Description of the Notes"), we will be required to make an offer to purchase the notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of purchase. See "Description of the Notes—Change of Control Triggering Event" and "—Certain Definitions."
Covenants	The indenture governing the notes will, among other things, limit our ability:

	• to create or assume indebtedness for borrowed money that is secured by a lien; • to enter into sale and leaseback transactions; and • to engage in mergers, consolidations and transfers of substantially all of our assets. However, these covenants are subject to a number of significant exceptions. See "Description of the Notes —Covenants."
Events of Default	For a discussion of certain events of default that will permit acceleration of the principal of the notes plus accrued interest, and any other amounts due with respect to the notes, see "Description of the Notes—Events of Default."
Book-Entry System; Delivery and Form and Denomination of the Notes	The notes will be issued only in fully registered form, without interest coupons, in the form of beneficial interests in respect of one or more global securities in denominations of US$150,000 and integral multiples of US$1,000 in excess thereof. Beneficial interests in respect of the global securities will be shown on, and transfers thereof will be effected only through, the book-entry records maintained by DTC and its direct and indirect participants, including Euroclear and Clearstream. The notes will not be issued in definitive form except under certain limited circumstances.
Use of Proceeds	The net proceeds from the offering will be available for general corporate purposes, including to pay down existing indebtedness, refinance liabilities and for general financing needs.
Governing Law	The notes and the indenture will be governed by the laws of the State of New York.
Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF Market of the Luxembourg Stock Exchange. However, we cannot assure you that the listing application will be approved.
Trustee, Registrar, Paying Agent and Transfer Agent	The Bank of New York Mellon
Luxembourg Listing, Transfer and Paying Agent	The Bank of New York Mellon (Luxembourg) S.A.
Transfer Restrictions	The notes have not been registered under the Securities Act and are subject to restrictions on transfer and resale. See "Transfer Restrictions" and "Plan of Distribution."
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in these listing particulars for a discussion of factors you should carefully consider before deciding to invest in the notes.

Peruvian SBS Registration	The notes have been provisionally registered with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the SBS in order to make the notes eligible for Peruvian pension fund investment, as required by Peruvian law. This registration was provisionally approved, and definitive registration is conditioned on the delivery of the final offering memorandum and other ancillary documents to the SBS.
Peruvian SMV Registration	The notes and these listing particulars have been registered with the SMV. We will be required to file certain information in Spanish with the SMV such as quarterly and annual reports and notices of material events (*Hechos de Importancia*). All such reports and notices are available at www.smv.gob.pe. The documents filed with the SMV are not and will not form part of these listing particulars and are not incorporated by reference herein. In Peru, this offering will be considered a public offering directed exclusively to "institutional investors" (as such term is defined under the Seventh Final Disposition of CONASEV Resolution No. 141-98-EF/94.10.1, as amended).

SUMMARY FINANCIAL AND OTHER INFORMATION

The following summary financial information as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011 and 2010 has been derived from our audited consolidated financial statements and related notes elsewhere in these listing particulars, which have been prepared in accordance with IFRS as issued by the IASB. The financial and operating data as of December 31, 2012, 2011 and 2010 and for each of the years ended December 31, 2012, 2011 and 2010 are not necessarily indicative of future performance.

This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Selected Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes thereto, which are included elsewhere in these listing particulars.

(In millions, except per share amounts)	For the Year ended December 31,			
Income statement data:	**2012**	**2012**	**2011**	**2010**
	(US$)[1][2]		**(S/.)[1]**	
Operating revenues:				
To third parties	1,749.0	4,461.9	4,236.1	3,715.0
To related entities	4.7	11.8	19.6	26.1
Total operating revenues	**1,753.7**	**4,473.7**	**4,255.7**	**3,741.1**
Cost of sales	(1,275.7)	(3,254.4)	(3,082.7)	(2,579.8)
Gross profit	**478.0**	**1,219.3**	**1,173.0**	**1,161.3**
Selling and distribution expenses	(194.2)	(495.3)	(461.0)	(466.5)
General and administration expenses	(95.1)	(242.7)	(207.2)	(191.0)
Other income (expenses), net	2.9	7.4	(16.3)	(27.0)
Operating income	**191.6**	**488.7**	**488.5**	**476.8**
Net loss on derivative financial instruments	(8.3)	(21.1)	(16.4)	(4.4)
Share in net profit of associates	(0.2)	(0.6)	1.2	(2.7)
Financial income	4.7	12.0	8.0	4.4
Financial expenses	(17.7)	(45.3)	(39.9)	(31.4)
Exchange rate differences, net	10.2	26.3	8.5	10.7
Profit before tax	**180.3**	**460.0**	**449.9**	**453.4**
Income tax expense	(65.6)	(167.4)	(141.6)	(173.8)
Net income from continuing operations	**114.7**	**292.6**	**308.3**	**279.6**
Net income from discontinued operations	23.0	58.8	22.4	5.3
Net income for the year	**137.7**	**351.4**	**330.7**	**284.9**
Net income attributable to:				
Owners of the parent	138.1	352.2	330.7	284.9
Non-controlling interests	(0.4)	(0.8)	(0.0)	(0.0)
Net income for the year	**137.7**	**351.4**	**330.7**	**284.9**
Basic and diluted earnings per common share and investment share (in *nuevos soles*)	0.161	0.411	0.387	0.333

(1) Except earnings per share and percentages.

(2) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See "Exchange Rates."

(In millions)	As of December 31,			
Balance sheet data:	**2012**	**2012**	**2011**	**2010**
	(US$)[1]		**(S/.)**	
ASSETS				
Current assets:				
Cash and cash equivalent	194.5	496.1	101.8	150.3
Trade receivables (net)	294.4	751.1	435.6	415.3
Inventories (net)	296.0	755.2	735.3	590.4
Other financial assets	1.9	4.7	4.1	11.8
Other assets	85.5	218.1	155.3	99.2
Total	872.3	2,225.2	1,432.1	1,267.0
Assets classified as held for sale	3.7	9.5	21.8	17.2
Total current assets	**876.0**	**2,234.7**	**1,453.9**	**1,284.2**
Non-current assets:				
Property, plant and equipment (net)	520.1	1,326.8	1,147.8	1,174.9
Goodwill	138.4	353.0	294.1	230.0
Other intangible assets (net)	40.1	102.4	85.9	92.6
Investments in associates	13.9	35.5	40.7	40.6
Deferred tax assets	13.4	34.2	28.3	-
Other financial assets	77.2	196.9	158.9	177.6
Other assets	0.2	0.6	2.4	0.7
Total non-current assets	**803.4**	**2,049.4**	**1,758.1**	**1,716.4**
Total assets	**1,679.4**	**4,284.1**	**3,212.0**	**3,000.6**
LIABILITIES AND EQUITY				
Current liabilities:				
Financial liabilities	211.2	538.8	77.0	214.4
Other financial liabilities	17.0	43.3	8.3	5.3
Trade payables	208.4	531.7	456.4	355.1
Current tax liabilities	3.4	8.7	19.6	32.4
Provision for employee benefits	37.1	94.6	86.0	79.0
Provisions	3.5	8.9	9.4	22.7
Other payables	17.5	44.6	51.1	39.0
Total current liabilities	**498.1**	**1,270.6**	**707.8**	**747.9**
Non-current liabilities:				
Financial liabilities	293.2	747.7	434.3	346.2
Deferred tax liabilities	58.8	150.1	136.4	132.2
Provision for employee benefits	2.2	5.7	3.0	-
Deferred revenue	0.4	1.1	1.2	1.7
Total non-current liabilities	**354.6**	**904.6**	**574.9**	**480.2**
Total liabilities	**852.7**	**2,175.2**	**1,282.7**	**1,228.0**
Equity:				
Issued capital:				
Common shares	332.1	847.2	847.2	847.2
Investment shares	2.9	7.4	7.4	7.4
Total	**335.0**	**854.6**	**854.6**	**854.6**
Legal reserves	50.7	129.3	97.1	68.5
Retained earnings	403.7	1,030.0	872.7	716.1
Other equity reserves	34.6	88.2	103.6	133.3
Equity attributable to owners of the parent	824.0	2,102.1	1,928.0	1,772.6
Non-controlling interests	2.7	6.8	1.3	0.1
Total equity	**826.7**	**2,108.9**	**1,929.3**	**1,772.6**
Total equity and liabilities	**1,679.4**	**4,284.1**	**3,212.0**	**3,000.6**

(1) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See “Exchange Rates.”

Other financial data: (in millions, except ratios)	For the Year ended December 31,			
	2012	**2012**	**2011**	**2010**
	(US$)[1]		**(S/.)**	
Net cash provided by (used in):				
Operating activities	107.1	273.1	247.9	289.3
Investing activities	(147.7)	(376.7)	(80.7)	(96.7)
Financing activities	195.7	499.3	(216.0)	(161.6)
Consolidated adjusted EBITDA[2]	219.7	560.5	561.8	543.5
Interest expense	(17.7)	(45.2)	(39.9)	(31.4)
Total debt/consolidated adjusted EBITDA[2]	-	2.3	0.9	1.0
Consolidated adjusted EBITDA/Interest expense[2]	-	12.4	14.1	17.3

(1) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See "Exchange Rates."

(2) We define "consolidated adjusted EBITDA" to mean consolidated net income for the year after adding back or subtracting, as the case may be, (1) net income from discontinued operations, (2) income tax expense, (3) net loss on derivative financial instruments, (4) share in the net profit of associates, (5) exchange rate differences, net, (6) financial expenses, net and (7) depreciation and amortization. Consolidated adjusted EBITDA is a non-IFRS accounting measure that we have prepared to present a measure of our operational economic performance from management's perspective. Consolidated adjusted EBITDA is not an accounting measure recognized by IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operations or other measures of operating performance or liquidity. Consolidated adjusted EBITDA does not have a standardized meaning and our calculation of consolidated adjusted EBITDA may not be comparable to other companies' calculation of similarly titled measures.

Although we consider the items excluded in the calculation of consolidated adjusted EBITDA to be less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us. The following table sets forth a reconciliation of consolidated adjusted EBITDA to net income under IFRS for each of the periods presented:

(In millions, except per share amounts)	For the Year ended December 31,			
	2012	**2012**	**2011**	**2010**
	(US$)[2]		**(S/.)**	
Net income for the year	137.7	351.4	330.7	284.9
Less Net income from discontinued operations	23.1	58.8	22.4	5.3
Add Income tax expense	65.7	167.4	141.6	173.8
Add Net loss on derivative financial instruments	8.3	21.1	16.5	4.4
Add Share in net profit of associates	0.3	0.6	(1.1)	2.7
Less Exchange rate differences, net	10.3	26.3	8.5	10.7
Add Financial expenses, net	13.0	33.2	31.9	27.0
Add Depreciation & amortization	28.2	71.9	73.2	66.7
Consolidated adjusted EBITDA	219.8	560.5	561.8	543.5

RISK FACTORS

Prospective purchasers of notes should carefully consider the risks discussed below, as well as the other information in these listing particulars, before deciding to purchase any notes. Our business, results of operations, financial condition or prospects could be negatively affected if any of these risks occurs and, as a result, the trading price of the notes could decline and you could lose all or part of your investment. The risk factors discussed below are not the only risks that we face, but are the risks that we currently consider to be material. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below.

Risks Relating to our Business

We operate in a highly competitive industry.

The food industry is highly competitive. We compete based on price, product innovation, product quality, brand recognition and loyalty, effectiveness of marketing, promotional activity and the ability to identify and satisfy consumer preferences. Our main competitors are regional and global market players including Kraft, Unilever, Nestle, Procter & Gamble and Carozzi. Additionally, in some categories we also compete against local players such as Molinos and Arcor.

From time to time, we may need to reduce our prices in response to competitive and customer pressures and to maintain our market share. Competition and customer pressures may also restrict our ability to increase prices in response to commodity and other input cost increases. Our results of operations will suffer if profit margins decrease as a result of a reduction in prices, increased input costs or other factors, and if we are unable to increase sales volumes to offset those profit margin decreases.

If we are not able to maintain or improve our brand image or value proposition, it could have a material effect on our market share and our profitability. We may also need to increase spending on marketing, advertising and new product innovation to protect existing market share or increase market share. The success of our investments is subject to risks, including uncertainties about trade and consumer acceptance. As a result, our increased expenditures may not maintain or enhance market share and could result in lower profitability, which could have a material adverse effect on our business.

Increased prices for commodities that we purchase, or failure of our suppliers to provide such commodities, may affect our financial performance.

We are a major purchaser of commodities, including wheat, soybean crude oil, fishmeal and vegetable oils. In addition, we use significant quantities of plastic and cardboard to package our products, and natural gas for our factories and warehouses. Price increases and volatility for commodities that we purchase have increased due to conditions outside of our control, including recent economic conditions, currency fluctuations, availability of supply, weather, consumer demand and changes in governmental agricultural programs. Although we monitor our exposure to commodity prices as an integral part of our overall risk management program, continued volatility in the prices of the commodities we purchase could increase the costs of our products, and our profitability could suffer. Our results may be adversely impacted as a result of increases in the price of raw materials, including agricultural commodities. Agricultural commodities are the principal raw materials used in our products. The principal packaging materials we use are carton board, corrugated and plastic. The cost of such commodities may fluctuate widely due to government policy and regulation, weather conditions or other unforeseen circumstances. To the extent that any of the foregoing factors affect the prices of such commodities and we are unable to increase our prices or adequately hedge against such changes in prices in a manner that offsets such changes, the results of our operations could be adversely affected.

Moreover, if any of our major suppliers are unable or unwilling to continue providing us with the commodities we require, we may face delays in obtaining alternate suppliers, and such alternate suppliers may be unwilling to supply our commodities needs on terms as favorable as those provided by our current suppliers. Any such event could result in a material adverse effect on our business results.

Disruption of our distribution chain could have a material adverse effect on our business, financial condition, results of operations or liquidity.

Our ability and that of our independent distributors and retailers, to make, move and sell products is critical to our success. Damage or disruption to our or their manufacturing or distribution capabilities due to weather, natural disaster, fire or explosion, terrorism, pandemics such as avian flu, strikes or other reasons, could impair our ability to manufacture or sell our products. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could adversely affect our business, financial condition, results of operations or liquidity, as well as require additional resources to restore our supply and distribution chain, which could have a material adverse effect on our business.

Our product sales depend on our ability to identify, interpret and predict changes in consumer preferences and demand, and our ability to develop and offer new products rapidly enough to meet those changes.

Consumer preferences for food, home and personal care products are subject to continual change. Our success depends on our ability to predict, identify and interpret the tastes, habits and preferences of consumers and to offer products that appeal to those preferences.

If we do not succeed in offering products that appeal to consumers, our sales and market share will decrease and our profitability could suffer. We must be able to distinguish among short-term fads, mid-term trends and long-term changes in consumer preferences. If we are unable to accurately predict which shifts in consumer preferences will be long-term, or if we fail to introduce new and improved products to satisfy those preferences, our sales could decline. In addition, because of our varied consumer base, we must offer a sufficient array of products to satisfy the broad spectrum of consumer preferences. If we fail to expand our product offerings successfully across product categories or if we do not rapidly develop products in faster growing and more profitable categories, demand for our products will decrease and our profitability could suffer.

Prolonged negative perceptions concerning the health implications of certain food products could influence consumer preferences and acceptance of some of our products and marketing programs. For example, recently, consumers have been increasingly focused on health and wellness, including weight management and sodium consumption. Although we strive to respond to consumer preferences and social expectations, we may not be successful in these efforts. Continued negative perceptions and failure to satisfy consumer preferences could decrease demand for our products, which could have a material adverse effect on our business.

We rely on our customers which are traditional "mom and pop" shops; and if they perform poorly or give preference to products of our competitors, our financial performance could be negatively affected.

We primarily sell our products to traditional retailers, such as small "mom and pop" shops, and modern retailers, such as supermarkets. These retailers, in turn, sell our products to end consumers. Any significant deterioration in the sales performance of our customers could adversely affect the performance of our products. Our retail customers also carry products that directly compete with our products for retail space and consumer purchases. There is a risk that our retail customers may give higher priority to products of, or form alliances with, our competitors or their own private labels. If our retail customers fail to purchase our products, or provide our products with promotional support, our business results could be materially adversely affected.

Our international operations expose us to the risk of fluctuations in currency exchange rates.

We generate operating revenues and incur operating expenses and indebtedness in local currencies in the countries in which we operate. The amount of our operating revenues denominated in a particular currency in a particular country typically varies from the amount of expenses or indebtedness incurred by our operations in that country given that certain costs may be incurred in a currency different from the local currency of that country (i.e. the U.S. dollar). This situation exposes us to potential losses resulting from currency fluctuations which could have a material adverse effect on our business results.

Increased regulation may increase our costs and affect our profitability.

Food production and marketing are highly regulated by a variety of local and foreign agencies. New regulations and changes to existing regulations are issued regularly. Increased governmental regulation of the food industry in any of the countries in which we operate, such as proposed requirements designed to enhance food safety or to regulate imported ingredients, could increase our costs and which could have a material adverse effect on our business results.

We may need to recall products and may experience product liability if food products become adulterated or misbranded.

We may need to recall some of our products if they become adulterated or misbranded. We may also be liable if the consumption of any of our products causes injury. A widespread product recall could result in significant losses due to the costs of a recall, the destruction of product inventory, and lost sales due to the unavailability of a product for a period of time. We could also suffer losses from a significant product liability judgment against us. A significant product recall or product liability case could also result in a loss of consumer confidence in our food products, which could have a material adverse effect on our business results and the value of our brands.

Increases in logistics and other transportation-related costs could materially adversely impact the results of our operations.

Logistics and other transportation-related costs have a significant impact on our earnings and results of operations. We use multiple forms of transportation to bring our products to the market, including ships and trucks. Disruption of the timely supply of these services or increases in the cost of these services for any reason, including availability or cost of fuel, regulations affecting the industry, service failures by our third party logistics service providers or natural disasters (which may impact the transportation infrastructure or demand for transportation services) could have an adverse effect on our ability to serve our customers, and could have a material adverse effect on our business results.

Contamination of ingredients or other raw materials used in our products may adversely affect our financial performance and results of operations.

We buy ingredients, commodities and other raw materials that we use in producing our products from third party suppliers. If these materials are alleged or prove to include contaminants affecting the safety or quality of our products, we may need to find alternate materials for our products, delay production of our products or discard or otherwise dispose of our products, which could adversely affect our business results. Additionally, if the presence of such contaminants are not alleged or discovered until after the affected product has been distributed, we may need to withdraw or recall the affected product and we may experience adverse publicity or product liability claims. Such claims or complaints may involve customers alleging beverage and food-related illnesses, injuries suffered on the premises or other quality, health or operational concerns. Adverse publicity resulting from such allegations may have a material adverse effect on our business results, regardless of whether such allegations are true or whether we are ultimately held liable. In addition, any litigation relating to such allegations could be costly and could divert management attention. Each of these circumstances could have a material adverse effect on our business results.

We are subject to environmental regulation and environmental risks, which may adversely affect our business.

Although the regulation of matters relating to the protection of the environment is not as developed in Peru, Argentina, Ecuador, Colombia, Chile and Brazil as in the United States and certain other countries, as a result of our operations, we are subject to some environmental laws and regulations. These laws and regulations may become more stringent and compliance with them may become more expensive in the future. Changes in environmental conditions may result in existing legislation having a greater impact on us. Additionally, we may be subject to new legislation and regulation in the future. Compliance with environmental legislation and regulations, particularly if they become more aggressive than our current sustainability measures used to monitor our emissions and improve our energy efficiency, may increase our costs. We cannot predict the extent to which any environmental law or regulation that may be enacted or enforced in the future may affect our operations.

Our copyrights, trademarks and other intellectual property rights could conflict with the rights of others, and we may be unable to protect our copyrights and other intellectual property rights.

We believe that our registered copyrights and other intellectual property rights have significant value and are critical to our ability to create and sustain demand for our products. Although we have not been inhibited from selling our products in connection with intellectual property disputes, we cannot assure you that obstacles will not arise in the future as we expand our product categories and extend our brands as well as the geographic scope of our sales and marketing.

We also cannot assure you that the actions taken by us to establish and protect our intellectual property will be adequate to prevent imitation of our products or infringement of our rights by others. The legal regimes of some foreign countries may not protect intellectual property to the same extent as the laws of the United States, Peru or the other countries in which we operate and it may be more difficult for us to successfully challenge the use of our intellectual property by others in these countries. The loss of copyrights, trademarks and other intellectual property could adversely impact our results of operations. Any litigation regarding our intellectual property could be time consuming and costly and, which could have a material adverse effect on our business.

Our growth through mergers, acquisitions or joint ventures may be impacted by challenges in integrating significant acquisitions and access to capital resources.

We have made in the past, and may make in the future, certain acquisitions in order to continue our growth. Acquisitions involve risks, including, among others, the following: failure of acquired businesses to achieve expected results; inability to retain or hire key personnel of acquired businesses; and inability to achieve expected synergies and/or economies of scale. If we are unable to successfully integrate or manage our acquired businesses, we may not realize anticipated cost savings and revenue growth, which may result in reduced profitability or losses.

Our current capital resources are estimated to be sufficient to maintain our operations for the foreseeable future. If new expansion opportunities arise, we may not have sufficient resources to take advantage of these opportunities and additional financing may not be available to us on favorable terms, or at all, causing us to forfeit such opportunities.

Any deterioration of labor relations with our employees or increase in labor costs could adversely affect our business and financial performance.

As of December 2012, our operations are labor intensive, and we employ approximately 4,915 employees. Any significant increase in labor costs, deterioration of employee relations, slowdowns or work stoppages at any of our locations, whether due to union activities, employee turnover or otherwise, could have a material adverse effect on our business, financial condition or results of operations. A strike, work slowdown or other labor unrest could, in some cases, impair our ability to supply our products to customers, which could result in reduced net sales.

Approximately 21% of our workforce is unionized. We generally negotiate collective bargaining agreements with these trade unions every year and salary increases are also applied annually. We cannot predict the outcome of these negotiations and if any significant differences arise during these negotiations, or any other significant conflicts arise, our business results of operations and financial condition could be materially and adversely affected.

We depend upon our executive management team and certain other key personnel.

Our success depends greatly on the continued service of our current executive management team and certain other key personnel, and our ability to attract and retain qualified personnel. Although we currently expect to maintain and continue to attract qualified personnel, the loss of one or more of our key personnel or our inability to attract, retain and motivate qualified personnel could have a materially adverse effect on our ability to operate our business and our financial condition and results of operations. Even if we invest significant resources to recruit, train and retain qualified personnel, we may not be successful in our efforts.

We could be harmed by a failure or interruption of our information technology or administrative systems.

We rely on our information technology and administrative systems to effectively manage our production and distribution processes. We use different world-class platforms in all countries in which we operate. Even advanced technology systems, however, are subject to defects, interruptions and breakdowns. The failure of our information technology systems to perform as we anticipate could disrupt our business and result in production errors, processing inefficiencies and the loss of sales and customers, which in turn could result in decreased revenue, increased overhead costs and excess or out-of-stock inventory levels resulting in a material adverse effect on our business results.

Further, while we have some backup data-processing systems that could be used in the event of a catastrophe or a failure of our primary systems, we cannot guarantee that our current backup systems and procedures will operate satisfactorily in the event of a regional emergency. Any substantial failure of our back-up systems to respond effectively or on a timely basis could have a material and adverse effect on our business results.

The interests of our controlling group may differ from those of the holders of the notes.

As of February 14, 2013, the date of our latest shareholders' meeting, approximately 45% of our outstanding common shares were beneficially owned directly or indirectly by Grupo Romero. Common shares are our only voting class of capital stock and the holders are entitled to elect our board of directors. As our controlling group, Grupo Romero, controls our business through the power to elect our board of directors and determine the outcome of almost all actions that require shareholder approval. Several members of our board of directors are members of Grupo Romero. There may be circumstances in which the interest of our shareholders might differ from the holders of the notes and could result in a conflict of interest.

We engage in hedging activity which may not be successful and may result in losses to us.

We have traditionally used various derivative financial instruments as part of an overall risk management policy to seek to reduce our exposure to commodity price, interest rate and foreign currency exchange fluctuations. During 2012, 2011 and 2010, we recorded losses relating to the fair value of our derivative financial instruments of S/.(21,128), S/.(16,447) and S/.(4,353), respectively. However, there can be no assurance that we will continue such hedging or that such hedging will be successful in mitigating the risk that commodity price, interest rate or foreign currency exchange fluctuations will have an adverse effect on our financial statements and/or operating results. In addition, by utilizing hedging instruments, we potentially forego benefits that might result from fluctuations in currency exchange rates, declines in short-term interest rates and declines in commodity prices.

Additionally, we are exposed to credit risk in the event of the failure of counterparties to meet their obligations under these arrangements. The theoretical risk is the cost of replacement at current market prices of these transactions in the event of defaults by counterparties. Although we seek to reduce the risk of non-performance by counterparties by maintaining a policy of entering into such arrangements only with highly rated institutions, one of our counterparties could default which could have an adverse effect on our result of operations. See Note 22 to our audited consolidated financial statements for further information on our hedging activity.

We are exposed to risks associated with operating in emerging markets.

We are exposed to uncertainty and risks derived from our operations in countries that in the recent past experienced political, economic and governmental instability. Additionally, certain countries in which we operate, such as Argentina, are governed by differing legal regimes that, in certain cases, are less favorable and stable,

maintain certain controls over the repatriation of revenues and investments, and impose taxes and certain restrictions on the activities of multinational companies. We cannot assure you that our financial condition or results of operations will not be adversely affected by an adverse change in the economic conditions in the countries in which we operate, or by a crisis in the region or any other significant regulatory change.

In addition, we are subject to substantial government regulation, customs and practice which vary from country to country, and which often change dramatically as a result of political, economic or social events. Such changes may be wide-ranging and cover cross-border trading, accounting practices, taxation, data confidentiality and protection, employment practices and environmental, health and safety issues, and involve actions such as product recalls, seizure of products and the imposition of sanctions. A number of countries in which we operate maintain controls on the repatriation of earnings and capital. Our failure to respond successfully and rapidly to the above or to changes in any or all of these factors, or to have controls and procedures in place which allow us to do so, could adversely affect our business, financial condition, results of operations and reputation.

We are subject to risks related to litigation and administrative proceedings that could adversely affect our business and financial performance in the event of an unfavorable ruling.

The nature of our business exposes us to litigation relating to product liability claims, labor, health and safety matters, environmental matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes. While we contest these matters vigorously and make insurance claims when appropriate, litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome among other matters. In the past, we have been subject to proceedings or investigations of actual or potential litigation. Although we established provisions as we deem necessary, the amounts that we reserve could vary significantly from any amounts we actually pay due to the inherent uncertainties in the estimation process. We cannot assure you that these or other legal proceedings will not materially affect our ability to conduct our business, financial condition and results of operations in the event of an unfavorable ruling.

Risks Related to Peru

Economic, political and social developments in Peru could adversely affect our business.

Approximately 74% of our operating revenues in 2012 were generated in Peru and a majority of our operations and customers are located in Peru. Our results of operations and financial condition could be affected by changes in economic and other policies of the Peruvian government, and by other economic, social and political developments in Peru, including devaluation, currency exchange controls, inflation, economic downturns, political instability, social unrest and terrorism.

In the past, Peru has experienced political instability that has included a succession of regimes with differing economic policies and programs. Previous governments have imposed controls on prices, exchange rates, local and foreign investment and international trade, restricted the ability of companies to dismiss employees, expropriated private sector assets and prohibited the remittance of profits to foreign investors. We cannot be certain whether the Peruvian government will continue to pursue business friendly and open market economic policies that stimulate economic growth and social stability.

During the 1980s and the early 1990s, Peru experienced severe terrorist activity targeted against, among others, the government and the private sector. Despite the suppression of terrorist activity, we cannot assure you that a resurgence of terrorism in Peru will not occur, or that if there is such a resurgence, it will not disrupt the economy of Peru and our business. In addition, Peru has, from time to time, experienced social and political turmoil, including riots, nationwide protests, strikes and street demonstrations. Despite Peru's ongoing economic growth and stabilization, the social and political tensions and high levels of poverty and unemployment continue. Future government policies to preempt or respond to social unrest could include, among other things, expropriation, nationalization, suspension of the enforcement of creditors' rights and new taxation policies. These policies could adversely and materially affect the Peruvian economy and our business.

The Peruvian government may not maintain recent economic policies, which could adversely affect our business.

Our business, financial condition and results of operations may also be adversely affected by changes in Peru's political climate to the extent that such changes affect the nation's economic policies, growth, stability, outlook or regulatory environment. On July 28, 2011, Ollanta Humala became president of Peru. The election of President Humala initially generated political and economic uncertainty because his presidential campaign was based on a platform of poverty reduction and wealth redistribution, including by means of interventionist policies. However, President Humala has stated that Peru will continue applying the economic policies of previous governments, a responsible fiscal policy and autonomous monetary policy, and to date, President Humala has continued the business-friendly and open-market economic policies of his predecessor. Furthermore, the appointment of cabinet ministers with government experience, along with public announcements from government officials have partially dissipated concerns that Peru's economic policy framework would change drastically. Additionally, continuity in the administration of the Central Bank was confirmed with the re-appointment of Julio Velarde as its Chairman. However, we cannot assure you that Humala's administration will not pursue significant changes in the country's economic policies and regulations, including tax increases, higher minimum wages and employee pension requirements, stricter environmental standards, greater rights for local indigenous communities and more proactive or interventionist government policies in certain sectors of the economy that have been underserved by the private sector. Such policies, if implemented, could materially and adversely affect the Peruvian economy and, as a result, our business. In addition, President Humala's political party does not hold a majority of the congressional seats, which may potentially lead to gridlock in the Peruvian Congress and create further political uncertainty.

Finally, social demands and conflicts could have an effect on the Peruvian economy. The informal sector of the Peruvian economy is large and persistent levels of poverty continue to require the deployment of significant public funds for social spending. In addition, public protests over the development of certain mining and infrastructure projects, such as the protests in mid-2012 regarding Minas Conga, a mining project in the northern state of Cajamarca, Peru, with estimated investments of approximately US$4.8 billion, could result in the cessation of certain projects.

A significant devaluation of the nuevo sol or volatility in exchange rates could adversely affect us.

A significant devaluation or depreciation of the *nuevo sol* may limit our and our subsidiaries' ability to transfer *nuevos soles* or to convert nuevos soles into U.S. dollars and other currencies and may have an adverse effect on our business by, for example, increasing in *nuevos soles* terms the amount of our foreign currency denominated liabilities. Volatility in exchange rates may also increase the costs of our products that we may not be able to pass on to our customers; impair the purchasing power of our customers in different markets; result in significant competitive benefits to certain of our competitors who incur a greater part of their costs in other currencies than we do; hamper our pricing; or increase our hedging costs and limit our ability to hedge our exchange rate exposure. Currently, 90% of our total indebtedness is in currencies other than nuevos soles.

The re-implementation of certain laws by the Peruvian government, most notably restrictive exchange rate policies, could materially and adversely affect us and our ability to make payment on the notes.

Since 1991, the Peruvian economy has experienced a significant transformation from a highly protected and regulated system to a free market economy. In 1991, President Fujimori's administration eliminated all foreign exchange controls and unified the exchange rate. Currently, foreign exchange rates are determined by market conditions, with regular operations by the Central Bank in the foreign exchange market in order to reduce volatility in the value of Peru's currency against the U.S. dollar. Since the early 1990s, protectionist and interventionist laws and policies have been gradually dismantled to create a liberal economy dominated by market forces. However, the Peruvian government may institute restrictive exchange rate policies in the future. Any such restrictive exchange rate policy could affect our ability to engage in foreign exchange activities, and could also materially and adversely affect us.

In addition, if the Peruvian government were to institute restrictive exchange rate policies in the future, we might be obligated to seek an authorization from the Peruvian government to make payments on the notes. We

cannot assure you that such an authorization would be obtained. Any such exchange rate restrictions or the failure to obtain such an authorization could materially and adversely affect our ability to make payments under the notes.

Increased inflation in Peru could adversely affect the Peruvian economy and our business.

In the past, Peru has suffered through periods of high and hyper-inflation, which has materially undermined the Peruvian economy and the government's ability to create conditions that would support economic growth. In response to increased inflation, the Central Bank, which sets the Peruvian basic interest rate, may increase or decrease the basic interest rate in an attempt to control inflation or foster economic growth. Increases in the base interest rate could adversely affect our results of operations, increasing the cost of certain funding. Additionally, a return to a high inflation environment would also undermine Peru's foreign competitiveness, with negative effects on the level of economic activity and employment, while increasing our operating costs and adversely impacting our operating margins if we are unable to pass the increased costs to our customers.

Changes in tax laws may increase our tax burden and, as a result, negatively affect our business.

The Peruvian congress and government regularly implement changes to tax laws that may increase our tax burden. These changes may include modifications in our tax rates and, on occasion, the enactment of temporary taxes that in some cases have become permanent taxes. Tax reforms related to the Peruvian income tax, value added tax ("VAT") and tax code have recently been approved, but we are unable to estimate the impacts that these reforms may have on business.

The effects of any tax reforms that could be proposed in the future and any other changes that result from the enactment of additional reforms have not been, and cannot be, quantified. However, any changes to our tax regime may result in increases in our overall costs and/or our overall compliance costs, which could negatively affect our business.

Severe weather, natural disasters and adverse climate changes may materially adversely affect our business.

Severe weather conditions and other natural disasters in areas in which we have stores or workshops or in which our customers operate may materially adversely affect our results of operations. Peru is located in an area that experiences seismic activity and occasionally is affected by earthquakes. For example, in 2007, an earthquake with a magnitude of 7.9 on the Richter scale struck the central coast of Peru, severally damaging the region south of Lima. Such conditions may result in physical damage to our properties, closure of one or more of our stores, shopping centers or distribution facilities, inadequate work forces in our markets, temporary disruptions in the supply of products, delays in the delivery of goods to our stores and a reduction in the availability of products in our stores. In addition, adverse climate conditions (due to climate change or otherwise) and adverse weather patterns, such as droughts or floods that impact growing conditions and the quantity and quality of crops, may materially adversely affect the availability or cost of certain commodities or other products within our supply chain. For example, Peru is affected by El Niño, an oceanic and atmospheric phenomenon that causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Peru and potentially flooding and the destruction of fish populations and agriculture. Any of these factors may disrupt and materially adversely affect our business.

The Peruvian economy could be adversely affected by economic developments in regional or global markets.

Financial and securities markets in Peru are influenced by economic and market conditions in regional or global markets. Although economic conditions vary from country to country, investors' perceptions of events occurring in one country may adversely affect cash flows and securities from issuers in other countries, including Peru. For example, the Peruvian economy was adversely affected by the political and economic events that occurred in several emerging economies in the 1990s, including in Mexico in 1994, which impacted the market value of securities issued by companies from markets throughout Latin America. The crisis in Asian markets beginning in 1997 also negatively affected markets throughout Latin America. Similar adverse consequences resulted from the economic crisis in Russia in 1998, the Brazilian devaluation in 1999 and the Argentine crisis in 2001. In addition, Peru's economy continues to be affected by events in the economies of its major regional partners and in developed economies that are trading partners or that affect the global economy.

The 2008-2009 global economic crisis, principally driven by the sub-prime mortgage market in the United States, has substantially affected the international financial system, including Peru's securities market and economy. Additionally, the continuing economic crisis in Europe, which began with the financial crises in Greece, Spain, Italy and Portugal, may reduce the confidence of foreign investors, which may cause volatility in the securities markets and affect the ability of companies to obtain financing globally. Meanwhile, renewed doubts about the pace of global growth, particularly in the United States, have contributed to already weak international growth in 2011 and 2012. Any interruption to the recovery of the developed economies, the continued effects of the recent global crisis, a worsening of the current crisis in Europe or a new economic and/or financial crisis could affect Peru's economy, and, consequently, materially adversely affect our business, financial condition and results of operations.

The recent market volatility generated by distortions in the international financial markets may affect the Peruvian capital markets.

The 2008-2009 global economic crisis adversely affected and increased the volatility of the performance of the Lima Stock Exchange. In recent years, the Lima Stock Exchange has experienced increased participation from local and international retail investors that react rapidly to the effects from international markets. The general index of the Lima Stock Exchange decreased by 59.8% in 2008, increased by 101.0% in 2009, increased by 65.0% in 2010, decreased by 16.7% in 2011 and increased by 5.94% in 2012. The volatility in the international markets may adversely affect the Peruvian capital markets and could therefore impact our ability to raise funds from local capital markets at a level necessary to fund our operations.

Different disclosure principles in Peru and the United States may provide you with different or less information about us than you expect.

Securities disclosure requirements in Peru differ from those applicable in the United States. Accordingly, the information about us available to you may not be the same as the information available to security holders of a U.S. company. There may be less publicly available information about us than is regularly published about companies in the U.S. and certain other jurisdictions. We are not subject to the periodic reporting requirements of the Exchange Act and, therefore, are not required to comply with the information disclosure requirements that it imposes.

Risks Relating to the Notes

Our obligations under the notes will be subordinated to certain statutory liabilities.

Under Peruvian bankruptcy law, our obligations under the notes are subordinated to certain statutory preferences. In the event of our liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the notes.

We may incur additional debt ranking equally to the notes or secured debt.

The indenture does not limit our ability to incur additional debt that ranks on an equal and ratable basis with the notes. If we incur any additional debt that ranks on an equal and ratable basis with the notes, the holders of that debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in connection with an insolvency, liquidation, reorganization, dissolution or other winding-up of us subject to satisfaction of certain debt limitations. This may have the effect of reducing the amount of proceeds paid to you. Subject to certain limitations, we also have the ability to incur collateralized debt and such debt would be effectively senior to the notes to the extent of such collateral. See "Description of the Notes—Covenants—Limitation on Liens."

The notes will be structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

The notes will not be guaranteed by any of our subsidiaries and therefore will be structurally subordinated to the outstanding indebtedness and other liabilities of our subsidiaries. As of December 31, 2012, after giving effect to the issuance and sale of the notes offered hereby and the application of the net proceeds from this offering as described under "Use of Proceeds," we would have had consolidated total indebtedness of S/.1,924.3 (US$754.4). Of this amount, S/.296.2 million (US$116.1 million) would have been indebtedness of our subsidiaries (excluding guarantees and intercompany loans). These subsidiaries generated about 18% of our consolidated operating

revenues in 2012. As of December 31, 2012, our subsidiaries held 28% of our net consolidated property, plant and equipment. If one of our subsidiaries were to be liquidated, the creditors of that subsidiary would be paid in full from the assets of the liquidated subsidiary before holders of notes would be paid from those assets.

Holders of the notes may find it difficult to enforce civil liabilities against us or our directors, officers and the Peruvian government.

We are organized under the laws of Peru. All of our directors and officers reside outside of the United States. In addition, all or a substantial portion of our assets are located outside of the United States. As a result, it may be difficult for holders of the notes to effect service of process within the United States on such persons or to enforce judgments against them or us, including in any action based on civil liabilities under the U.S. federal securities laws. There is uncertainty as to the enforceability against such persons in Peru, whether in original actions or in actions to enforce judgments of U.S. courts, of liabilities based solely on the U.S. federal securities laws. In addition, the bankruptcy, insolvency, administrative and other laws of Peru may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government entities and other third-party and related-party creditors, treatment of intercompany debt, ability to obtain post-bankruptcy filing loans or to pay interest and the duration of proceedings. The laws of Peru may not be as favorable to your interests as the laws of jurisdictions with which you are familiar. The application of these laws, or any conflict among them, could call into question what and how Peruvian laws should apply. See "Service of Process and Enforcement of Civil Liabilities."

The notes are a new issue of securities for which there is currently no public market. You may be unable to sell your notes if a trading market for the notes does not develop.

The offer and sale of the notes have not been registered under the Securities Act or the securities laws of any other jurisdiction, other than Peru, and the notes are being offered and sold only to qualified institutional buyers within the meaning of Rule 144A and in offshore transactions to persons other than U.S. persons pursuant to Regulation S. The notes will constitute a new issue of securities with no established trading market. If a trading market does not develop or is not maintained, holders of the notes may experience difficulty in reselling the new notes or may be unable to sell them at all. Although we have applied to list the notes on the Euro MTF Market of the Luxembourg Stock Exchange, we cannot assure you that this application will be accepted or that an active trading market will develop for the notes.

There are restrictions on your ability to transfer the notes.

The notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in compliance with Regulation S and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A. In Peru, the notes are subject to transfer and resale restrictions and shall not be transferred or resold except as permitted under CONASEV Resolution No. 079-2008-EF/94-01.1, as amended. For a discussion of certain restrictions on resale and transfer, see "Plan of Distribution" and "Transfer Restrictions." Consequently, a holder of notes and an owner of beneficial interests in those notes must be able to bear the economic risk of their investment in the notes for the term of the notes.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes.

Under the indenture governing the notes, if a Change of Control Triggering Event (as defined in the indenture) occurs, we must offer to purchase the notes for a price equal to 101% of the principal amount of the notes, plus any accrued and unpaid interest to the date of purchase. In the event of a Change of Control Triggering Event, we may need to refinance large amounts of our debt, including the notes and indebtedness under certain of our credit facilities or other debt instruments. We may not have sufficient funds available to us to make any required repurchases of the notes upon a Change of Control Triggering Event. If we fail to repurchase the notes in those circumstances, we will be in default under the indenture, which default may, in turn, trigger cross-default provisions

in our other debt instruments. Any future debt that we incur may also contain restrictions on repurchasing the notes upon a Change of Control Triggering Event.

We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

Developments in other countries may adversely affect the market value of the notes.

The market price of the notes may be adversely affected by developments in the international financial markets and world economic conditions. Peruvian securities markets are influenced, to varying degrees, by economic and market conditions in other countries, especially those in Latin America and other emerging markets. Although economic conditions are different in each country, investor reaction to the developments in one country may affect the securities of issuers in other countries, including Peru. We cannot assure you that the market for the securities of Peruvian issuers will not be affected negatively by events elsewhere or that such developments will not have a negative impact on the market value of the notes.

EXCHANGE RATES

The Peruvian *nuevo sol* is freely traded in the exchange market. Current Peruvian regulations on foreign investment allow foreign equity holders of Peruvian companies to receive and repatriate 100% of the cash dividends distributed by these companies. Non-Peruvian equity holders are allowed to purchase foreign currency at free market currency rates through any member of the Peruvian banking system and transfer such foreign currency outside Peru without restriction. Peruvian law in the past, however, has imposed restrictions on the conversion of Peruvian currency and the transfer of funds abroad, and we cannot assure you that Peruvian law will continue to permit such payments, transfers, conversions or remittances without restrictions.

The table below sets forth the high, low, average and period ending exchange rates, expressed in *nuevos soles* per U.S. dollar, for the years indicated.

	***Nuevos soles* per US$[1]**			
Year ended December 31,	**High**	**Low**	**Average[2]**	**Period Ending**
2008	3.157	2.693	2.924	3.140
2009	3.259	2.852	3.012	2.890
2010	2.883	2.787	2.825	2.809
2011	2.833	2.694	2.754	2.696
2012	2.571	2.547	2.638	2.551

(1) Source: SBS.
(2) The average of buying rates for U.S. dollars on the last business day of each month during the applicable period.

The table below sets forth the high, low and period ending exchange rates, expressed in *nuevos soles* per U.S. dollar, for each of the six months prior to the date of these listing particulars.

	***Nuevos soles* per US$[1]**		
Month	**High**	**Low**	**Period Ending**
October 2012	2.602	2.578	2.592
November 2012	2.616	2.579	2.579
December 2012	2.581	2.550	2.551
January 2013	2.578	2.540	2.578
February 2013	2.586	2.567	2.581
March 2013 (through March 6, 2013)	2.597	2.593	2.597

(1) Source: SBS.

The *nuevos soles* per U.S. dollar exchange rate on March 6, 2013 was S/. 2.597 = US$1.00.

The Federal Reserve Bank of New York does not report a noon buying rate for *nuevos soles*.

Our inclusion of such translations is not meant to suggest that the U.S. dollar amounts actually represent such *nuevos soles* amounts or that such amounts could have been converted into *nuevos soles* at such rate or any other rate. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

USE OF PROCEEDS

The gross proceeds from the sale of the notes are estimated to be US$449,262,000 million before deduction of offering expenses payable by us (including the fees and commissions payable to the initial purchasers). We estimate that the net proceeds from our sale of the notes will be approximately US$444,729,750 after deduction of offering expenses payable by us (including the fees and commissions payable to the initial purchasers).

We intend to use the gross proceeds from the offering of the notes for general corporate purposes, including to (i) repay the entire US$110 million owed under the loan we entered into on September 8, 2011 with Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of the initial purchasers of the notes offered hereby, and Citibank N.A., (ii) repay the entire US$90 million owed under the loan we entered into on December 28, 2012 with Banco de Credito del Peru, an affiliate of BCP Capital Financial Services S.A., one of the joint lead managers of the notes offered hereby, (iii) repay the entire US$50 million owed under the loan we entered into on January 2, 2013 with Banco Latinoamericano de Comercio Exterior S.A. (BLADEX) and (iv) repay the entire US$70 million owed under the loan we entered into on January 30, 2013 with Banco Latinoamericano de Comercio Exterior S.A. (BLADEX). Therefore, affiliates of the initial purchasers and/or the joint lead managers will receive proceeds from this offering. The remainder, if any, will be used for general financing needs.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2012 on an actual basis and as adjusted basis to give effect to this offering, including the application of the net proceeds thereof, as if such transactions had occurred on December 31, 2012. See "Use of Proceeds."

This table should be read together with "Use of Proceeds," "Selected Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited consolidated financial statements and the notes thereto, in each case, included elsewhere in these listing particulars.

	As of December 31, 2012			
	Actual	As adjusted	Actual	As adjusted
	(S/. in millions)		(US$ in millions)[1]	
Short-term debt:				
Bank debt	131.0	131.0	51.4	51.4
Bonds	8.5	8.5	3.3	3.3
Other financial liabilities	399.3	399.3	156.5	156.5
Total short-term debt	538.8	538.8	211.2	211.2
Long-term debt:				
Bank debt[2]	622.6	112.4	244.1	44.1
Bonds	125.1	125.1	49.1	49.1
Other financial liabilities	-	-	-	-
Notes offered hereby	-	1,148.0	-	450.0
Total long-term debt	747.7	1,385.5	293.2	543.2
Shareholders' equity:				
Paid-in capital	854.6	854.6	335.0	335.0
Reserves	217.5	217.5	85.3	85.3
Unrealized gains on financial instruments derivatives	-	-	-	-
Retained earnings	1,030.0	1,030.0	403.7	403.7
Minority interest	6.8	6.8	2.7	2.7
Total shareholders' equity	2,108.9	2,108.9	826.7	826.7
Total capitalization	3,395.4	4,033.2	1,331.1	1,581.1

(1) *Nuevos soles* amounts have been translated into U.S. dollars at an exchange rate of S/.2.551 per US$1.00, the observed exchange rate on December 28, 2012. See "Exchange Rates."

(2) The "As adjusted" column reflects (i) our intended repayment of the entire US$110 million owed under the loan we entered into on September 8, 2011 with Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of the initial purchasers of the notes offered hereby, and Citibank N.A. and (ii) our intended repayment of the entire US$90 million owed under the loan we entered into on December 28, 2012 with Banco de Credito del Peru, an affiliate of BCP Capital Financial Services S.A., one of the joint lead managers of the notes offered hereby.

The following is a summary of significant changes to our indebtedness since December 31, 2012:

- On January 2, 2013, we entered into a loan agreement with Banco Latinoamericano de Comercio Exterior S.A. (BLADEX) in the aggregate principal amount of US$50 million to finance our acquisition of Industrias Teal in January 2013. This loan accrues interest at three-month LIBOR plus 1.65% and matures in January 2015.

- On January 30, 2013, we entered into a loan agreement with Banco Latinoamericano de Comercio Exterior S.A. (BLADEX) in the aggregate principal amount of US$70 million to finance our acquisition of Santa Amalia in February 2013. This loan accrues interest at one-month LIBOR plus 1.65% and matures in July 2014.

We intend to use part of the proceeds of this offering to repay the entire amounts owed on these loans.

SELECTED FINANCIAL AND OTHER INFORMATION

The following selected financial information as of December 31, 2012, 2011 and 2010 and for the years ended December 31, 2012, 2011 and 2010 has been derived from our audited consolidated financial statements and related notes elsewhere in these listing particulars, which have been prepared in accordance with IFRS as issued by the IASB. The financial and operating data as of December 31, 2012, 2011 and 2010 and for each of the years ended December 31, 2012, 2011 and 2010 are not necessarily indicative of future performance.

This financial information should be read in conjunction with "Presentation of Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the related notes thereto, which are included elsewhere in these listing particulars.

(In millions, except per share amounts)	For the Year ended December 31,			
Income statement data:	**2012**	**2012**	**2011**	**2010**
	(US$)[1][2]		**(S/.)[1]**	
Operating revenues:				
To third parties	1,749.0	4,461.9	4,236.1	3,715.0
To related entities	4.7	11.8	19.6	26.1
Total operating revenues	**1,753.7**	**4,473.7**	**4,255.7**	**3,741.1**
Cost of sales	(1,275.7)	(3,254.4)	(3,082.7)	(2,579.8)
Gross profit	**478.0**	**1,219.3**	**1,173.0**	**1,161.3**
Selling and distribution expenses	(194.2)	(495.3)	(461.0)	(466.5)
General and administration expenses	(95.1)	(242.7)	(207.2)	(191.0)
Other income (expenses), net	2.9	7.4	(16.3)	(27.0)
Operating income	**191.6**	**488.7**	**488.5**	**476.8**
Net loss on derivative financial instruments	(8.3)	(21.1)	(16.4)	(4.4)
Share in net profit of associates	(0.2)	(0.6)	1.2	(2.7)
Financial income	4.7	12.0	8.0	4.4
Financial expenses	(17.7)	(45.3)	(39.9)	(31.4)
Exchange rate differences, net	10.2	26.3	8.5	10.7
Profit before tax	**180.3**	**460.0**	**449.9**	**453.4**
Income tax expense	(65.6)	(167.4)	(141.6)	(173.8)
Net income from continuing operations	**114.7**	**292.6**	**308.3**	**279.6**
Net income from discontinued operations	23.0	58.8	22.4	5.3
Net income for the year	**137.7**	**351.4**	**330.7**	**284.9**
Net income attributable to:				
Owners of the parent	138.1	352.2	330.7	284.9
Non-controlling interests	(0.4)	(0.8)	(0.0)	(0.0)
Net income for the year	**137.7**	**351.4**	**330.7**	**284.9**
Basic and diluted earnings per common share and investment share (in *nuevos soles*)	0.161	0.411	0.387	0.333

(1) Except earnings per share and percentages.

(2) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See "Exchange Rates."

(In millions)	As of December 31,			
Balance sheet data:	**2012**	**2012**	**2011**	**2010**
	(US$)[1]		**(S/.)**	
ASSETS				
Current assets:				
Cash and cash equivalent	194.5	496.1	101.8	150.3
Trade receivables (net)	294.4	751.1	435.6	415.3
Inventories (net)	296.0	755.2	735.3	590.4
Other financial assets	1.9	4.7	4.1	11.8
Other assets	85.5	218.1	155.3	99.2
Total	872.3	2,225.2	1,432.1	1,267.0
Assets classified as held for sale	3.7	9.5	21.8	17.2
Total current assets	**876.0**	**2,234.7**	**1,453.9**	**1,284.2**
Non-current assets:				
Property, plant and equipment (net)	520.1	1,326.8	1,147.8	1,174.9
Goodwill	138.4	353.0	294.1	230.0
Other intangible assets (net)	40.1	102.4	85.9	92.6
Investments in associates	13.9	35.5	40.7	40.6
Deferred tax assets	13.4	34.2	28.3	-
Other financial assets	77.2	196.9	158.9	177.6
Other assets	0.2	0.6	2.4	0.7
Total non-current assets	**803.4**	**2,049.4**	**1,758.1**	**1,716.4**
Total assets	**1,679.4**	**4,284.1**	**3,212.0**	**3,000.6**
LIABILITIES AND EQUITY				
Current liabilities:				
Financial liabilities	211.2	538.8	77.0	214.4
Other financial liabilities	17.0	43.3	8.3	5.3
Trade payables	208.4	531.7	456.4	355.1
Current tax liabilities	3.4	8.7	19.6	32.4
Provision for employee benefits	37.1	94.6	86.0	79.0
Provisions	3.5	8.9	9.4	22.7
Other payables	17.5	44.6	51.1	39.0
Total current liabilities	**498.1**	**1,270.6**	**707.8**	**747.9**
Non-current liabilities:				
Financial liabilities	293.2	747.7	434.3	346.2
Deferred tax liabilities	58.8	150.1	136.4	132.2
Provision for employee benefits	2.2	5.7	3.0	-
Deferred revenue	0.4	1.1	1.2	1.7
Total non-current liabilities	**354.6**	**904.6**	**574.9**	**480.2**
Total liabilities	**852.7**	**2,175.2**	**1,282.7**	**1,228.0**
Equity:				
Issued capital:				
Common shares	332.1	847.2	847.2	847.2
Investment shares	2.9	7.4	7.4	7.4
Total	**335.0**	**854.6**	**854.6**	**854.6**
Legal reserves	50.7	129.3	97.1	68.5
Retained earnings	403.7	1,030.0	872.7	716.1
Other equity reserves	34.6	88.2	103.6	133.3
Equity attributable to owners of the parent	824.0	2,102.1	1,928.0	1,772.6
Non-controlling interests	2.7	6.8	1.3	0.1
Total equity	**826.7**	**2,108.9**	**1,929.3**	**1,772.6**
Total equity and liabilities	**1,679.4**	**4,284.1**	**3,212.0**	**3,000.6**

(1) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See “Exchange Rates.”

Other financial data: (in millions, except ratios)	For the Year ended December 31,			
	2012	**2012**	**2011**	**2010**
	(US$)[1]		**(S/.)**	
Net cash provided by (used in):				
Operating activities	107.1	273.1	247.9	289.3
Investing activities	(147.7)	(376.7)	(80.7)	(96.7)
Financing activities	195.7	499.3	(216.0)	(161.6)
Consolidated adjusted EBITDA[2]	219.7	560.5	561.8	543.5
Interest expense	(17.7)	(45.2)	(39.9)	(31.4)
Total debt/consolidated adjusted EBITDA[2]	-	2.3	0.9	1.0
Consolidated adjusted EBITDA/Interest expense[2]	-	12.4	14.1	17.3

(1) Translated to U.S. dollars for convenience only at the rate of S/.2.551= US$1.00, the exchange rate reported on December 28, 2012 (the last business day of 2012 in Peru) by the SBS. See "Exchange Rates."

(2) We define "consolidated adjusted EBITDA" to mean consolidated net income for the year after adding back or subtracting, as the case may be, (1) net income from discontinued operations, (2) income tax expense, (3) net loss on derivative financial instruments, (4) share in the net profit of associates, (5) exchange rate differences, net, (6) financial expenses, net and (7) depreciation and amortization. Consolidated adjusted EBITDA is a non-IFRS accounting measure that we have prepared to present a measure of our operational economic performance from management's perspective. Consolidated adjusted EBITDA is not an accounting measure recognized by IFRS and should not be considered in isolation or as a substitute for net income, cash flow from operations or other measures of operating performance or liquidity. Consolidated adjusted EBITDA does not have a standardized meaning and our calculation of consolidated adjusted EBITDA may not be comparable to other companies' calculation of similarly titled measures.

Although we consider the items excluded in the calculation of consolidated adjusted EBITDA to be less relevant to evaluate our performance, some of these items may continue to take place and accordingly may reduce the cash available to us. The following table sets forth a reconciliation of consolidated adjusted EBITDA to net income under IFRS for each of the periods presented:

(In millions, except per share amounts)	For the Year ended December 31,			
	2012	**2012**	**2011**	**2010**
	(US$)[2]		**(S/.)**	
Net income for the year	137.7	351.4	330.7	284.9
Less Net income from discontinued operations	23.1	58.8	22.4	5.3
Add Income tax expense	65.7	167.4	141.6	173.8
Add Net loss on derivative financial instruments	8.3	21.1	16.5	4.4
Add Share in net profit of associates	0.3	0.6	(1.1)	2.7
Less Exchange rate differences, net	10.3	26.3	8.5	10.7
Add Financial expenses, net	13.0	33.2	31.9	27.0
Add Depreciation & amortization	28.2	71.9	73.2	66.7
Consolidated adjusted EBITDA	219.8	560.5	561.8	543.5

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion for our financial condition and results of operations for the years ended December 31, 2012, 2011 and 2010 is based on our audited consolidated financial statements and should be read in conjunction with such financial statements and the notes thereto included elsewhere in these listing particulars, as well as the information presented under "Presentation of Financial and Other Information" and "Selected Financial and Other Information." Our audited consolidated financial statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012, 2011 and 2010 have been prepared in nuevos soles and in accordance with IFRS.

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in "Forward-Looking Statements" and "Risk Factors."

Overview

We are a leading Latin American producer, distributor and marketer of branded consumer products under three business segments: consumer goods, B2B branded products and animal nutrition. Our business has a diversified portfolio of products in 33 different categories including industrial baking flour, edible oil, pasta, cookies and crackers, sauces, margarines, juice powders, laundry detergents and soaps, pet food and animal feed. These product categories are currently represented by over 100 brands in the premium, mainstream and value segments. Through our effective customer segmentation strategy along socioeconomic, demographic and consumer preference lines as well as our unique expertise in the Peruvian market, we have established leading market share positions in Peru and a strong market share in other countries such as Argentina, Ecuador and, most recently, Brazil. According to Kantar World Panel, we are the market leader in Peru, with market shares ranging from 95% to 32% in terms of volumes sold, for ten product categories, including industrial baking flour, pasta, laundry detergent, edible oil, sauces, margarines and cookies and crackers. These ten product categories in Peru together represented 66% of our consolidated adjusted EBITDA for the year ended December 31, 2012.

We are headquartered in Peru, where we operate 24 manufacturing facilities, and have international operations in Argentina, Ecuador, Colombia, Chile and Brazil. Additionally, we export our products to over 23 countries, including the United States and Canada. We have developed an extensive distribution network in each of the countries in which we operate, which provides us with a competitive advantage due to the creation of significant barriers to entry for potential industry competitors.

Throughout our 57-year history, we have experienced significant growth both organically and through strategic acquisitions. Our organic growth has been supported by key achievements such as the entry into the mayonnaise, laundry detergent and pet food markets in Peru, where we are now market leaders. Our strategic acquisitions have solidified our position as the leading consumer goods, B2B branded products and animal nutrition producer in Peru, as well as allowed us to expand our reach into the greater Latin American region by giving us access to the Argentine, Colombian, Ecuadorian, Chilean and, most recently, Brazilian markets. See "–Our History" below for a more detailed account of our growth pattern.

For the year ended December 31, 2012, we had consolidated operating revenues of S/.4,473.7 million and consolidated net income of S/.351.4 million as compared to consolidated operating revenues of S/.4,255.7 million and consolidated net income of S/.330.7 million for the year ended December 31, 2011. Our consumer goods segment was the largest contributor to our consolidated operating revenues in 2012, representing 59% of such operating revenues, followed by our B2B branded products segment with 30% and our animal nutrition segment with 11%. Our Peruvian operations represented 74% of our consolidated operating revenues in 2012. As of December 31, 2012, we had total assets of S/.4,284.1 million and our total equity totaled S/.2,108.9 million as compared to total assets of S/.3,212.0 million and equity totaling S/.1,929.3 million as of December 31, 2011.

Our common shares are traded on the Lima Stock Exchange under the symbol "ALICORC1" and our investment shares are traded on the Lima Stock Exchange under the symbol "ALICORI1." As of December 31, 2012, we had a market capitalization of S/.7,068 million.

Factors Affecting Operating Results

Our results of operations have been influenced and will continue to be influenced by the following key factors:

Developments in the Peruvian Economy

For the periods under discussion 74% of our consolidated operating revenues and 86% of our consolidated adjusted EBITDA was generated by our operations in Peru. Accordingly, our results of operations and financial condition are dependent upon economic conditions in Peru. Nevertheless, we would expect that over the next five years, the percentage of our consolidated operating revenues and consolidated adjusted EBITDA coming from Peru will fall as our strategy of regional expansion takes hold.

According to the Central Bank, Peruvian real Gross Domestic Product ("GDP") grew 6.3% in 2012, continuing a trend of high growth following growth rates of 6.9% and 8.8% in 2011 and 2010, respectively, after growing only 0.9% in 2009 due to the global financial and economic crisis. The Peruvian government adopted fiscal and monetary stimulus to mitigate the global financial and economic crisis and, as a result, growth recovered in the fourth quarter of 2009, as reported by the Central Bank. The main drivers of Peru's recent economic performance have been strong domestic demand and private investment. These solid macroeconomic fundamentals have led Peru's debt securities to be rated investment grade by Standard & Poor's, Fitch Ratings and Moody's.

The table below sets forth additional details regarding Peru's recent economic performance.

	2012	2011	2010
Peruvian real GDP growth rate	6.3%	6.9%	8.8%
Internal demand growth	7.5%	7.2%	13.1%
Private investment (real growth)	14.7%	11.7%	22.1%
Reference interest rate	4.3%	4.23%	3.0%
Fiscal balance (% of GDP)	2.0%	1.9%	(0.3)%
CPI Index	2.7%	4.7%	2.1%

Sources: Central Bank, Peruvian National Institute of Statistics and Informatics ("INEI") and the Peruvian Economy and Finance Ministry.

Given that our results of operations are heavily correlated to the increase in purchasing power of the Peruvian consumer, we have benefitted from the country's recent economic growth. Future economic, social and political developments in Peru, over which we have no control, could have a material adverse effect on us. See "Risk Factors—Risks Relating to Peru."

Commodity Prices

We use a number of commodities in the manufacture of our products, most importantly wheat for the milling of wheat flour and the manufacturing of pastas and cookies, and soybean crude oil for edible oils, margarines, shortenings and sauces. Together these two commodities constituted 53% of our cost of sales in 2012. In addition, we use plastic and other packaging materials to package our products. As a result, our consolidated results of operation are affected by changes in commodity prices. Since 2010, commodity prices have been rising. As described below, we manage our exposure to fluctuations in commodity prices through a dedicated commodity price risk hedging program. See "–Qualitative and Quantitative Disclosure about Market Risk – Commodity Price Risk." In addition, we have a brand portfolio across the premium, mainstream and value platform tiers, which allows us to pass-through increases in commodity prices more efficiently.

Product Mix

We have a diversified product portfolio across 33 product categories, as well as platform tiers (premium, mainstream and value) aiming to reach all socioeconomic levels. Our product category diversification has minimized any seasonality effects on our business. Furthermore, we believe that our socioeconomic diversification allows us to tailor our product mix volumes depending on the purchasing power changes experienced by consumers at the various socioeconomic levels. In addition, as the purchasing power of the Peruvian consumer has increased,

we have benefitted from being able to sell more products aimed at higher socioeconomic levels, which generate higher margins for us.

Price Elasticity

Price elasticity refers to the ability of companies to pass on certain cost increases to their consumers. As our cost of sales increase due to commodity price increases, we may not be able to pass on all of these costs to our consumers, which may, in turn, negatively affect our profit margins. Our margins have been negatively affected in the periods under discussion as a result of increasing commodity prices, which we have not been able to fully pass on to our customers. However, as the tiering up process to higher platform tiered products occurs (which is driven by the rising purchasing power of our final consumers) the effect of price elasticity on us decreases as consumers of such higher tiered products are less sensitive to increases in prices.

Cost of Advertising and Promotion

We support our brands and products as well as launch new product through extensive advertising and promotions tailored for our brands and targeted to the specific markets in which we operate, particularly in our premium and mainstream platform tiers. As a result, we incur significant selling expenses associated with such advertising.

Distribution and Production Efficiencies

The ability to grow our sales volume while maintaining our current cost structure is essential in order to achieve profitable results. In order to increase our productivity, we must efficiently use our production and distribution facilities and control variable costs and expenses. In addition, within fixed costs and expenses we expect to achieve economies of scale as we intend to increase our sales volumes without using increasingly more resources.

Organic Growth

One of our key strategic initiatives is to grow organically by modernizing our property, plant and equipment and by expanding our brand portfolio through the introduction of new brands or the expansion or reinforcing of our current brands.

Property, Plant and Equipment

Over the last three years, we have invested S/.424.0 million (S/.243.8 million in 2012, S/.87.4 million in 2011 and S/.92.8 million in 2010) in new plant and equipment and the modernization and expansion of our distribution centers in order to maintain our competitive advantage in the markets in which we operate and prepare ourselves for future growth.

Brand Development

We continue to strengthen our brand recognition and portfolio by launching new brands and by expanding or reinforcing our current brands in such core platforms as edible oils, pastas, bakery items, home care, cookies and crackers, sauces and personal care. For example, in 2011, our detergent brands Bolivar, Opal and Marsella became market leaders, in terms of volumes sold, in Peru. Some of our newest product launches include “Tarí,” a yellow pepper sauce, and “Crisp” crackers.

We expect these investments to continue to have a material effect on our results of operations in the near future.

Acquisitions

Another of our key strategic initiatives is to grow through acquisitions. The following is a list of the companies we have acquired in the last three years and through the date of these listing particulars:

- Sanford, a cookie producer in Argentina, in 2010, where we acquired 100% of the outstanding shares;
- Italo Manera and Pastas Especiales, pasta producers in Argentina, in 2011, where we acquired 100% of the outstanding shares;
- Salmofood, a fish feed producer in Chile, in 2012, where we acquired 100% of the outstanding shares;
- the assets and brands, such as "Nuevo Lider, "Tri-A" and "Nor-Cheff," previously owned by UCISA S.A., a producer of edible oils and shortenings in Peru, in 2012;
- the Incalsa Companies, a group of companies engaged in the production of sauces for the food service segment in Peru, in 2012, where we acquired 100% of the outstanding shares;
- Industrias Teal, a producer of flours, pastas, panettones, confectionary, cookies and crackers in Peru, in January 2013, where we acquired 99.11% of common shares and 93.68% of investment shares; and
- Santa Amalia, a producer of pastas, jelly, chocolate and juice powders and distributor of consumer packaged goods such as sauces, cookies and crackers, panettones, pre-mixes and third-party home and personal care products in Brazil, in February 2013, where we acquired 100% of the outstanding shares.

Our results of operations have been and will continue to be affected by our ability to successfully integrate newly acquired businesses. In addition, while we do not expect to continue to make acquisitions at the same pace in the near future, we will continue to explore strategic acquisitions as they present themselves. Any such acquisition will also affect our results of operations.

In addition, we have sold certain businesses which we determined no longer fit within our core product platform strategy as follows: (i) in 2011 we sold our ice cream business to Nestlé del Perú S.A. and (ii) in 2012 we sold the assets of our Omega 3 product category to ONC (Peru) S.A.C.

Foreign Exchange Rates

Our audited consolidated financial statements are stated in Peruvian *nuevos soles*. We generate revenue primarily in Peruvian *nuevos soles* and, to a lesser extent, in other local currencies in the countries in which we operate. We also carry the investment in our foreign subsidiaries in U.S. dollars. In addition, we generate expenses related to, among others, the purchase of raw materials, debt service payments and other financial obligations in other currencies, most importantly, in U.S. dollars. As a result, differences in the *nuevo sol*/U.S. dollar and other local currencies/U.S. dollar exchange rates can impact our financial statements. However, we manage our foreign currency risk exposure through a dedicated currency risk hedging program.

Results of Operations

General

The following is a brief description of the operating revenues and expenses that are included in the line items of our consolidated income statement.

Operating Revenues. Our operating revenues include principally revenue generated from sales of our consumer goods, B2B branded products and animal nutrition products net of rebates.

Cost of Sales. Our cost of sales include principally the costs of raw materials, particularly wheat and soybean crude oil, labor costs, transportation costs and depreciation and amortization of our plant and equipment.

Gross Profit. Our gross profit represents the difference between our operating revenues and our cost of sales.

Selling and distribution expenses. Selling and distribution expenses include principally distribution expenses, particularly payments to our third party distributors, salaries and commissions paid to our sales force as well as marketing expenses.

General and administration expenses. General and administration expenses include principally personnel expenses and payments provided to third parties for the provision of administrative services.

Other income (expenses), net. Other income (expenses), net includes any income or expenses that are not part of our ordinary course of business such as those related to sales of our ownership interests in certain companies.

Net loss on derivative financial instruments. Our net loss on derivative financial instruments refers to the valuation of our derivative financial instruments, which reflects the expiration of certain derivative financial instruments as well as changes in the fair value of derivative financial instruments designated as held for trading because they do not satisfy the accounting requirements for hedge accounting, including instruments with respect to Peruvian *nuevo sol* to U.S. dollar exchange rate, interest rates and, if applicable, the ineffective portion of instruments qualified as hedge accounting.

Financial income. Our financial income includes principally interest income earned on cash and cash equivalents.

Financial expenses. Our financial expenses include principally fixed and variable interest expense, which is primarily a function of the principal amount of our outstanding debt and the interest rates in effect.

Exchange rate differences, net. Exchange rate differences, net includes net gains or losses relating to foreign currency exchange rate movements.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011 and Year Ended December 31, 2011 Compared to Year Ended December 31, 2010

The following table sets forth the principal components of our consolidated net income for the years ended December 31, 2012, 2011 and 2010.

	For the year ended December 31,				
	2012	2012 v. 2011 % Change	2011	2011 v. 2010 % Change	2010
	(in millions of S/. except percentages)				
Operating revenues					
To third parties	4,461.9	5.3%	4,236.1	14.0%	3,715.0
To related entities	11.8	(39.7)%	19.6	(24.9)%	26.1
Total operating revenues	**4,473.7**	**5.1%**	**4,255.7**	**13.8%**	**3,741.1**
Cost of sales	**(3,254.4)**	**5.6%**	**(3,082.7)**	**19.5%**	**(2,579.8)**
Gross profit	**1,219.3**	**3.9%**	**1,173.0**	**1.0%**	**1,161.3**
Selling and distribution expenses	(495.3)	7.4%	(461.0)	(1.2)%	(466.5)
General and administration expenses	(242.7)	17.1%	(207.2)	8.5%	(191.0)
Other income (expenses), net	7.4	(145.1)%	(16.3)	(39.6)%	(27.0)
Operating income	**488.7**	**0.0%**	**488.5**	**2.5%**	**476.8**
Net loss on derivative financial instruments	(21.1)	28.5%	(16.4)	278.8%	(4.4)
Share in net profit of associates	(0.6)	(150.0)%	1.2	142.7%	(2.7)
Financial income	12.0	50.0%	8.0	81.8%	4.4
Financial expenses	(45.3)	13.5%	(39.9)	27.1%	(31.4)
Exchange rate differences, net	26.3	209.4%	8.5	(20.6)%	10.7
Profit before tax	460.0	2.3%	449.9	(0.8)%	453.4
Income tax expense	(167.4)	18.3%	(141.6)	(18.5)%	(173.8)
Net income from continuing operations	292.6	(5.1)%	308.3	10.2%	279.6
Net income from discontinued operations	58.8	162.8%	22.4	325.0%	5.3
Net income for the year	**351.4**	**6.3%**	**330.7**	**16.1%**	**284.9**

	For the year ended December 31,				
	2012	2012 v. 2011 % Change	2011	2011 v. 2010 % Change	2010
	(in millions of S/. except percentages)				
Net income attributable to:					
Owners of the parent	352.2	6.5%	330.7	16.1%	284.9
Non-controlling interests	(0.8)	-	-	-	-
Net income for the year	**351.4**	**6.3%**	**330.7**	**16.1%**	**284.9**

Operating Revenues

The S/.218.0 million, or 5.1%, increase in our operating revenues for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of (i) an increase in our animal nutrition sales of S/.179.6 million, or 56.0%, as prices and volumes increased by 13.1% and 37.9%, respectively, which in turn primarily reflects our consolidation of Salmofood's results into our consolidated results of operations in 2012 and (ii) an increase in our B2B branded products sales of S/.54.9 million, or 4.3%, driven primarily by a volume increase of 6.4%, which in turn primarily reflects a reclassification of part of the bulk oils category from our consumer goods segment, partially offset by our divestment of Omega 3 on January 31, 2012 and a decrease in prices of 2.0%. These increases were partially offset by a decrease in our overall consumer goods sales of S/.16.4 million, or 0.6%, as both prices and volume decreased 0.3%, which in turn primarily reflects a reclassification of part of the bulk oils category to our B2B branded products segment. Not considering the bulk oils reclassification, consumer goods sales would have increased S/.185.1 million, or 7.5%, and B2B branded products, without additionally considering the Omega 3 divestment, would have decreased S/.2.9 million, or 0.2%.

The S/.514.5 million, or 13.8%, increase in our operating revenues for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of (i) an increase in our overall consumer goods sales of S/.289.8 million, or 12.2%, as volume and prices increased 2.3% and 9.7%, respectively, (ii) an increase in our B2B branded products sales of S/.159.7 million, or 14.3%, as prices increased 18.1%, partially offset by a decrease in volume of 3.2%, and (iii) an increase in our animal nutrition sales of S/.65.0 million, or 25.4%, as prices and volume increased 2.9% and 22.0%, respectively.

The following table presents a breakdown of our operating revenues by business segment for the years indicated:

	For the year ended December 31,				
	2012	2012 v. 2011 % Change	2011	2011 v. 2010 % Change	2010
	(in millions of S/. except percentages)				
Consumer goods					
Consumer goods – Peru	1,961.7	(4.7)%	2,057.6	12.6%	1,827.9
Consumer goods – International	680.2	13.2%	600.7	11.1%	540.6
Total consumer goods	2,641.9	(0.6)%	2,658.5	12.2%	2,368.5
B2B branded products[(1)]	1,331.6	4.3%	1,276.6	14.3%	1,117.0
Animal nutrition	500.2	56.1%	320.5	25.4%	255.6
Total	**4,473.7**	**5.1%**	**4,255.7**	**13.8%**	**3,741.1**

(1) Our B2B branded products sales also include sales of our "others" category, which consists of grinding and other subproducts that are not considered part of our core business.

Consumer Goods

The S/.16.6 million, or 0.6%, decrease in our consumer goods sales in 2012 as compared to 2011 was primarily the result of the reclassification of part of the bulk oils category to our B2B branded products segment. Not considering this reclassification, our consumer goods sales would have increased by S/.185.1 million, or 7.5%, sustained primarily by (i) an increase in edible oils sales in Peru of S/.50.1 million, or 11.6%, which in turn primarily reflects an increase in volume of 18.4% partially offset by a decrease in prices of 5.8%, with the price decrease being due primarily to our tiered brand portfolio strategy and (ii) an increase in overall laundry detergent sales or S/.46.3 million, or 11%, which in turn primarily reflects (a) a 9.3% increase in volumes driven by our client coverage extension project in the main capital cities of Peru and the tiering down process to value products

occurring in Argentina, and (b) a 1.6% increase in prices. The cookies and crackers, pastas and sauces categories were among other growing categories, with sales increasing by S/.17.1 million, or 6%, S/.15.1 million, or 3.6%, and S/.22.0 million, or 19%, respectively, in all cases driven mainly by Peruvian sales. Overall, sales in our Peruvian consumer goods operations decreased by S/.95.9 million, or 4.7%, as price decreased by 0.6% and volume decreased by 4.1% (due primarily to the bulk oils reclassification), while sales in our International consumer goods operations increased by S/.79.5 million, or 13.2%, as prices increased by 3.0% and volume increased by 10.0%.

The S/.290.0 million, or 12.2%, increase in our consumer goods sales in 2011 as compared to 2010 was primarily the result of (i) an increase of S/.72.7 million, or 21.1%, in our overall laundry detergents sales, which in turn primarily reflects a 17.6% increase in sales volume, as we became the number one player in the Peruvian market, and a 3.0% increase in prices, and (ii) an increase of S/.51.9 million, or 14.2%, in our overall pasta sales, which in turn primarily reflects a 5.5% increase in sales volume and a 8.2% increase in prices. The cookies and crackers and sauces categories were among other growing categories, with sales increasing by S/.46.2 million, or 19.0%, and S/.29.5 million, or 34%, respectively. Overall, sales in our Peruvian consumer goods operations increased by S/.229.7 million, or 12.6%, as prices increased by 10.0% and volume increased by 2.4%, while sales in our International consumer goods operations increased by S/.60.1 million, or 11.1%, as prices increased by 8.7% and volume increased by 2.2%.

B2B Branded Products

The S/.55.0 million, or 4.3%, increase in our B2B branded products sales in 2012 as compared to 2011 was primarily the result of the reclassification of part of the bulk oils category from our consumer goods segment, partially offset by a decrease in sales resulting from our divestment of Omega 3 on January 31, 2012. Not considering the bulk oils reclassification and the Omega 3 divestment, sales in B2B branded products would have decreased by S/.2.8 million, or 0.2%, primarily as a result of a S/.23.9 million, or 3.9%, decrease in our industrial baking flour sales as prices decreased 4.8% due to increased competition.

The S/.159.6 million, or 14.3%, increase in our B2B branded products sales in 2011 as compared to 2010 was primarily the result of (i) an increase of S/.53.0 million, or 9.4%, in our industrial baking flour sales as prices increased 14.8%, offsetting a 4.6% decrease in volume, and (ii) an increase of S/.23.0 million, or 18.8%, in our shortenings sales as price increased 24.0%, offsetting a 4.2% decrease in volumes, with both price increases being due principally to our tiered brand portfolio price strategy.

Animal Nutrition

The S/.179.7 million, or 56.1%, increase in our animal nutrition sales in 2012 as compared to 2011 was primarily the result of higher sales in the fish feed category of S/.127.0 million, or 660.9%, due to our consolidation of Salmofood's results into our results of operations and a S/.52.7 million, or 17.5%, increase in shrimp feed sales as prices increased by 4.7% and volume increased by 12.3%, which in turn primarily reflects an increase in our market share in the Andean region, particularly in Ecuador.

The S/.64.9 million, or 25.4% increase in our animal nutrition sales in 2011 as compared to 2010 was primarily the result of an increase of S/.57.1 million, or 23.4%, in our shrimp feed sales as prices increased 2.5% and volume increased 20.4%, which in turn primarily reflects higher market penetration in Latin America.

Cost of Sales

The S/.171.7 million, or 5.6%, increase in our cost of sales for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of (i) a 6.5% sales volume increase, reflecting our consolidation of Salmofood's and Incalsa's results into our consolidated results of operations, (ii) an increase of 3.1% in wheat prices, partially offset by a decrease in soybean crude oil and palm oil prices by 1.9% and 12.2%, respectively during 2012, and (iii) a cost reduction after Omega 3 divestment on January 31, 2012.

The S/.502.9 million, or 19.5%, increase in our cost of sales for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of (i) an increase in our main raw materials prices, as wheat, soybean crude oil and palm oil prices increased 33.8%, 38.3% and 36.1%, respectively during 2011 as compared to 2010 and (ii) a 1.8% increase in our sales volume.

Gross Profit

The S/.46.3 million, or 3.9%, increase in our gross profit for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of an increase in our sales volume of 79.8 thousand metric tons, or 6.5%, partially offset by (i) a 1.3% decrease in our sales prices and (ii) an increase of S/.171.7 million, or 5.6%, in our cost of sales due to an increase in the volume and price of our main raw materials. This increase in costs in relation to our sales reduced our gross margin by 0.3 percentage points to 27.3% for 2012 from 27.6% for 2011.

The S/.11.7 million, or 1.0%, increase in our gross profit for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of an increase in our sales volume of 21.5 thousand metric tons, or 1.8% accompanied by an 11.8% increase in sales prices. This increase was partially offset by an increase in our cost of sales of S/.502.7 million, or 19.5%, due to an increase in volume and price of our main raw materials. The increase in costs in relation to our sales reduced our gross margin by 3.5 percentage points to 27.6% for 2012 from 31.0% for 2011.

Selling and Distribution Expenses

The S/.34.3 million, or 7.4%, increase in our selling and distribution expenses for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of increases in our (i) personnel expenses of 12.9%, (ii) transportation expenses of 20.7% and (iii) sales commissions to our exclusive distributors of 17.0%, all due to an increase on our client coverage range in Peru aimed at fostering sales.

The S/.5.5 million, or 1.2%, decrease in our selling and distribution expenses for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of a decrease in our advertising expenses of 9.8%, as we did not launch our ice cream campaign since we sold our ice cream operation to Nestlé del Perú S.A. in 2011 and a decrease in our allowance for impaired receivables of 73.5 after our allowance policy registered uncollectible accounts receivables in Colombia, both partially offset by higher transportation expenses by 17.6%, which in turn resulted primarily from an increase in fuel costs.

General and Administrative Expenses

The S/.35.5 million, or 17.1%, increase in our general and administrative expenses for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of (i) increases in our personnel expenses of 12.9% due to an increase in wages as well as an increase in our overall number of employees after our acquisitions in 2012, (ii) increases in our consulting expenses of 37.7% related to our acquisition strategy advisory and our process optimization project and (iii) our consolidation of Salmofood's general and administrative expenses of S/.0.9 million into our consolidated results of operations.

The S/.16.2 million, or 8.5%, increase in our general and administrative expenses for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of a 15.1% increase in our personnel expenses, due a management restructuring process as well as a S/.4.4 million, or 12.4% increase in our consulting expenses related to general business advisory.

Other Income (Expenses), Net

The reversal in our other income (expenses), net for the year ended December 31, 2012 as compared to the year ended December 31, 2011 from an expense of S./16.3 million to income of S/.7.4 million was primarily the result of a S/.12.2 million increase in our gains on our hedge instruments and an equity instrument sale gain of S/.4.6 million related to our Inversiones Pacasmayo S.A. minority stake which was classified as a marketable security.

The S/.10.7 million, or 39.6%, decrease in our other expenses, net for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of a property, plant and equipment physical audit undertaken in 2011 which resulted in additional income as well as an intangibles write-off in 2010 not repeated in 2011, both partially offset by tax assessments in 2010 which were not repeated in 2011.

Financial Income

The S/.4 million, or 50.0%, increase in our financial income for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of a 55.6% increase in interest earned on our bank deposits.

The S/.3.6 million, 81.8%, increase in our financial income for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of a 206.0% increase in interest earned on our bank deposits.

Financial Expenses

The S/.5.4 million, or 13.5%, increase in our financial expenses for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of a 151.6% increase in our borrowings, largely related to our acquisition activity in 2012 and early 2013.

The S/.8.5 million, or 27.1%, increase in our financial expenses for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of an increase in our borrowings, largely related to the first disbursement of US$70 million on our syndicated loan entered into in September 8, 2011 with Bank of America N.A. and Citibank N.A. and overdrafts to finance our subsidiaries' working capital needs.

Exchange Rate Differences, Net

The S/.17.8 million, or 209.4%, increase in our exchange rate differences, net, for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of the 5.4% devaluation of the U.S. dollar as compared to the Peruvian *nuevo sol* given that we maintained a net monetary liability in U.S. dollars at the end of 2012 and 2011.

The S/.2.2 million, or 20.6%, decrease in our exchange rate differences, net for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of an increase in exchange rate volatility in 2011.

Profit Before Taxes

As a result of the factors mentioned above, our profit before taxes increased by 2.3% for the year ended December 31, 2012 as compared to the year ended December 31, 2011.

As a result of the factors mentioned above, our profit before taxes decreased slightly by 0.8% for the year ended December 31, 2011 as compared to the year ended December 31, 2010.

Income Tax Expense

Our effective tax rate was 32.3% for the year ended December 31, 2012 as compared to 30.0% for the year ended December 31, 2011. The increase in our income tax expense was primarily the result of the 2.3% increase in our profit before tax and a 76.8% decrease in our non-taxable income. We had a nominal tax rate of 30% for the years ended December 31, 2012 and 2011.

Our effective tax rate was 31.5% for the year ended December 31, 2011 as compared to 38.3% for the year ended December 31, 2010. The decrease in our income tax expense was primarily the result of the 50.0% decrease in our non-deductible expenses for tax purposes. We had a nominal tax rate of 30% for the year ended December 31, 2010.

Net Income

The 6.3% increase in our net income for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of the factors mentioned above.

The 16.1% increase in our net income for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of the factors mentioned above.

Liquidity and Capital Resources

Overview

Historically, we have generated and expect to continue to generate positive cash flows from operations. Cash flow from operations primarily represents inflows from net earnings (adjusted for depreciation and other non-cash items) and outflows from increases in working capital needed to sustain our business growth. Cash flow used in investing activities represents our investment in property and capital equipment required for our growth, as well as our acquisition activity. Cash flow from financing activities is primarily related to changes in indebtedness borrowed to grow the business or indebtedness repaid with cash from operations or refinancing transactions as well as dividends paid. Our current dividend policy is to distribute to our shareholders at least 10% of our annual net income in dividends.

Our principal capital needs are for working capital, capital expenditures related to maintenance, expansions and acquisitions, debt service and dividend payments. Our ability to fund our capital needs depends on our ongoing ability to generate cash from operations, overall capacity and terms of financing arrangements and our access to the capital markets. We believe that our cash from operations together with our access to funds available under such financing arrangements and the capital markets will provide adequate resources to fund both short-term and long-term operating requirements, capital expenditures, acquisitions and new business development activities.

Analysis of Cash Flows

The following table summarizes our generation and use of cash for the years indicated.

	For the year ended December 31,				
	2012	2012 v. 2011 % Change	2011	2011 v. 2010 % Change	2010
			(in millions of S/.)		
Net cash provided by operating activities	273.1	10.1%	247.9	(14.3)%	289.3
Net cash used in investing activities	(376.7)	366.7%	(80.7)	(16.5)%	(96.7)
Net cash used in financing activities	499.3	331.2%	(216.0)	33.7%	(161.6)

Operating Activities

The 10.1% increase in our net cash provided by operating activities for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of a S/.218 million, or 5.1%, increase in our consolidated operating revenues.

The 14.3% decrease in our net cash provided by operating activities for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of a decrease in our operating margins of 1.3 percentage points.

Investing Activities

The 366.7% increase in our cash flows used in investing activities for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of (i) an increase of S/.156.4 million, or 78.9%, in our purchases of property, plant and equipment in order to expand capacity at our main facilities to meet our expected increased product demand in the coming years and (ii) our acquisition of Salmofood in Chile for US$62 million and the Incalsa Companies in Peru for US$23.6 million, both in 2012, partially offset by the sale of our Omega 3 operation in northern Peru in January 2012 for US$52.68 million.

The 16.5% decrease in our cash flows used in investing activities for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of the sale of our ice cream operation in Peru to Nestlé del Perú S.A. Our property, plant and equipment expenditures remained fairly constant year to year.

Financing Activities

The 331.2% decrease in our net cash used in financing activities for the year ended December 31, 2012 as compared to the year ended December 31, 2011 was primarily the result of increases in our short and long term debt to finance our capital expenditures in property, plant and equipment, our purchases of Salmofood and the Incalsa Companies in 2012 as well as the partial financing of our acquisition of Industrias Teal for S/.413.9 million in January 2013. We also paid a dividend of S/.0.19 per share (totaling S/.162,370 million) in 2012, an increase of 12% compared to the dividend of S/.0.17 per share (totaling S/.145,279 million) we paid in 2011.

The 33.7% increase in our net cash used in financing activities for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was primarily the result of an 8.8% decrease our total debt and a 32.0% increase in our dividends payment from S/.0.1287 per share (totaling S/.110,000 million) in 2010 to S/.0.17 per share (totaling S/.145,279 million) in 2011.

Capital Expenditures

In 2012, 2011 and 2010, we made capital expenditures (other than in connection with acquisitions) of S/.243.8 million, S/.87.4 million and S/.92.8, respectively. These capital expenditures were primarily used for the expansion and maintenance of productive assets.

The table below describes our capital expenditures for the given periods (other than in connection with acquisitions):

	For the Year Ended December 31,		
	2012	2011	2010
	(in millions of S/.)		
Vehicles, furniture and other assets	296.0	4.9	119.0
Work in progress and advances	219.6	64.8	90.6
Machinery and equipment	17.8	11.5	20.0
Land, constructions and buildings	6.1	6.3	2.1
Total Capital Expenditures	**243.8**	**87.4**	**92.8**

Indebtedness

Overview

As of December 31, 2012, our total consolidated short-term obligations were S/.439.9 million, and our consolidated long-term obligations totaled S/.846.6 million.

The table below sets forth the details of our outstanding debt as of December 31, 2012, 2011 and 2010:

	As of December 31,		
	2012	**2011**	**2010**
	(in millions of S/.)		
Current			
Import finance	399.3	-	84.0
Bank loans	90.4	34.2	99.5
Short-term bank loan	40.5	31.9	10.5
Corporate bonds	8.5	8.5	8.5
Finance leases	-	2.4	12.0
Total current	**538.8**	**77.0**	**214.4**

Non-current			
Bank loans	622.6	298.8	201.8
Corporate bonds	125.1	135.5	142.0
Finances leases	-	-	2.4
Short-term bank loan	-	-	-
Import finance	-	-	-
Total non-current	**747.7**	**434.3**	**346.2**
Total borrowings	**1,286.5**	**511.3**	**560.8**

Borrowings from Banks and Other Financial Institutions

The following is a brief summary of our existing loans and credit facilities.

Subsidiaries

On November 24, 2010, Molinera Inca entered into a loan agreement with The Bank of Nova Scotia in the aggregate principal amount of US$40 million where we acted as a guarantor (in order to guarantee the obligation of Molinera Inca). This loan accrues interest at six-month LIBOR plus 160 basis points and matures in November 2015. As of December 31, 2012 the total outstanding balance of the loan was US$24 million (S/.61 million). The terms of this loan contain a number of covenants and obligations, including financial maintenance covenants, and Molinnera Inca is currently in compliance with all such covenants.

On December 30, 2009, Salmofood entered into a syndicated loan agreement with a syndicate of local banks in the aggregate principal amount of US$40 million. This loan accrues interest at a fixed annual rate of 3.7494% and matures in three tranches (Tranche 1: US$16.3 million, matures on December 31, 2017; Tranche 2: US$11 million, matures on December 21, 2017; and Tranche 3: US$1.5 million, matures on January 31, 2014). As of December 31, 2012, the total outstanding balance of this loan was S/.66.8 million.

On May 20, 2010, Alicorp Argentina S.A. entered into a loan agreement with Citibank S.A. in the aggregate principal amount of US$10 million. This loan accrues interest at a fixed annual rate of 13% and matures in May 2013. As of December 31, 2012 the total outstanding balance of this loan was S/.3.4 million.

On December 15, 2010, Alicorp Argentina S.A. entered into a loan agreement with BBVA Banco Frances in the aggregate principal amount t of US$5 million. This loan accrues interest at a fixed annual rate of 15.5% and matures in December 2013. As of December 31, 2012, the total outstanding balance of this loan was S/.3.5 million.

On June 17, 2011, Alicorp Argentina S.A. entered into a loan agreement with BBVA Banco Frances in the aggregate principal amount of US$15 million. This loan accrues interest at a fixed annual rate of 17.25% and matures in June 2016. As of December 31, 2012, the total outstanding balance of this loan was S/.32 million.

On December 28, 2012, Alicorp Argentina S.A. entered into a loan agreement with Citibank N.A. in the aggregate principal amount of US$2 million. This loan accrues interest at a fixed annual rate of 15.01% and matures in December 2015. As of December 31, 2012, the total outstanding balance of this loan was S/. 5.1 million.

Alicorp S.A.A.

On September 8, 2011, we entered into a loan with Bank of America N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Citibank S.A. in the aggregate principal amount of of US$110 million. This loan is divided into two disbursements, the first for an amount of US$70 million in September 2011 and the second for an amount of US$40 million in March 2012. This loan accrues interest at six-month LIBOR plus 1.75% for the first three years, LIBOR plus 2.25% for the next two years and LIBOR plus 2.5% for the last two years. The loan matures in September 2018. As of December 31, 2012, the total outstanding balance of this loan was US$110 million. In addition to customary covenants and market terms, the loan contains several restrictive covenants and

other provisions that limit our ability to engage in specific types of transactions. These covenants and provisions include, among other limitations, the following:

- limitations on the incurrence of additional indebtedness;
- limitations on creating or suffering any lien on or with respect to any of our properties;
- limitations on our ability to make any fundamental changes, such as mergers, consolidations, reorganizations, or changes to our capital structure or line of business;
- limitations on our ability to sell assets;
- limitations on restricted payments;
- limitations on our ability to engage in certain derivative transactions with our affiliates; and
- requirement that we maintain a debt service coverage ratio of no less than 1.6.

We are currently in compliance with all such covenants.

On December 28, 2012, we entered into a loan agreement with Banco de Credito del Peru, an affiliate of BCP Capital Financial Services S.A., in the aggregate principal amount of US$90 million to finance our acquisition of Industrias Teal in January 2013. This loan accrues interest at one-month LIBOR plus 175 basis points. As of December 31, 2012, the entire amount of the loan was outstanding.

Participation in the Capital Markets

The following is a brief summary of our outstanding corporate bonds:

- Series A: On September 23, 2009, we issued a corporate bond (Series A) in the local market in the aggregate principal amount of S/.95.37 million, representing the third series under our US$100 million corporate bond program. The bonds mature in September 2014 and bear interest at an annual nominal rate of 6.6875%.
- Single Series: On March 15, 2007, we issued a corproate bond (Single Series) in the local market in the aggregate amount of S/.63.7 million, representing the second series in our US$100 million corporate bond program. The bonds will be seminannually redemeed effective March 2010 to March 2017 and bear interest at an annual nominal rate of 6.156%.

The financial instrument relating to our US$100 million corporate bond program contains restrictive covenants and other provisions that limit our ability to engage in specific types of transactions. These covenants include, among other limitations, the following:

- limitation on sale and lease-back transactions;
- limitation on our ability to make any fundamental changes, such as a mergers, consolidations, reorganizations, changes of capital structure;
- requirement that we maintain a debt service coverage ratio of no less than 1.6;
- requirement that we maintain a debt ratio of no less than 1.0;
- requirement that we maintain a minimum net worth equivalent in *nuevos soles* of no less than US$190 million as of March 31, June 30, September 30 and December 31 of each year; and
- limitation on changes to the nature of our business.

We are currently in compliance with all such covenants.

Tabular Disclosure of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2012, which has not been adjusted to give effect to this offering or the use of proceeds thereform:

	Payments due in period				
Obligation	**Total**	**Less than 1 year**	**1-2 years**	**-5 years**	**More than 5 years**
			(in millions of S/.)		
Long-term debt obligations	846.6	98.9	408.1	269.6	70.0
Short-term debt obligations	439.9	439.9	-	-	-
Total	1,286.5	538.8	408.1	269.6	70.0

Critical Accounting Policies

Below is a discussion of our most significant critical accounting policies.

Financial instruments

Financial instruments are contracts that give rise simultaneously to a financial asset in a company and a financial liability or equity instrument in another company. Financial assets and liabilities are recognized when we and our subsidiaries participate in contractual agreements of the corresponding instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Conventional purchase or sale of financial assets are recognized and removed from accounts using the accounting method of the contracting date, or the accounting method of the liquidation date. We will apply the same method in a consistent way for all purchases and sales of financial assets that are classified in the same way.

The contracting date is when an entity commits to the purchase or sale of an asset. The accounting method of the contracting date refers to: (a) the recognition of the asset to be received and liability to be paid as of the contracting date, and (b) derecognition of the asset being sold, the recognition of the eventual result of the disposition, and recognition of a receivable from the buyer as of the contracting date. In most instances, interest does not accumulate (accrue) on the asset and corresponding liability until the liquidation date, when the security is transferred.

The liquidation date is when an asset is delivered or received by the entity. The accounting by the liquidation date refers to: (a) the recognition of the asset as of the day in which the entity receives it, and (b) derecognition of the asset and the recognition of any result by disposition as of the day its delivery by the entity takes place. When the accounting of liquidation date is applied, an entity will account for any change in fair value of the asset receivable, that takes place during the period starting as of the contracting date until the liquidation date, in the same way as it accounts for the acquired asset, that is to say, the change in value will not be recognized in assets measured at amortized cost, but in the gains for the period for assets classified as financial assets measured at fair value through profit and loss and will be recognized in other comprehensive income for investments in equity instruments.

Financial assets are classified into the following specified categories:

- Financial assets at fair value through profit or loss;
- Held-to-maturity investments;
- Loans and receivables; and
- Available-for-sale financial assets.

Financial assets are classified at fair value through profit or loss when the financial asset is either held for trading or, on initial recognition, it is designated by us and our subsidiaries to be recorded at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated at financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that we have the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. The effective interest rate is the discount rate which exactly equalizes cash flows receivable or payable, estimated throughout the instrument's life. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets are non-derivative instruments that are either designated as available-for-sale or are not classified as: (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. These investments are stated at fair value. Changes in the carrying amount of AFS monetary financial assets are directly recorded in other comprehensive income, except for impairment losses, interest income calculated using the effective interest method and changes in foreign exchange rates of debt instruments denominated in foreign currency, which are recognized in profit or loss. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in other comprehensive income is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss when our right to receive the dividends is established.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices in an active market are the best evidence of fair value and should be used, where they exist, to measure the financial instrument. If a market for a financial instrument is not active, an entity establishes fair value by using a valuation technique that makes maximum use of market inputs and includes recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, and discounted cash flow analysis, applying market interest rate for similar financial instruments (same term, currency, interest rates and similar equivalent risk assessments).

Financial liabilities

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derivative financial instruments

We use derivative financial instruments such as interest rate swaps, futures prices for commodities, cross currency swaps and currency forwards to hedge our interest rate, commodity price and foreign currency exchange risks, respectively.

Our derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. The

resulting gain or loss from changes in fair value of derivatives are recognized directly in profit or loss, in the category of net loss on derivative financial instruments, except for the effective portion of cash flow hedges, which are recognized directly in equity.

At the inception of the hedge relationship, we formally designate and document the relationship between the hedging instrument and the hedged item along with the risk management objectives and strategy. The documentation includes identification of the hedging instrument, the hedged item or the nature of the risk hedged and whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges:

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in the net loss on derivative financial instruments line item of our consolidated income statement relating to the hedged item.

Hedge accounting is discontinued when we and our subsidiaries revoke the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

At December 31, 2012, 2011 and 2010, we and our subsidiaries do not have fair value hedge contracts.

Cash flow hedges:

The effective portion of changes in the fair value of derivatives that were designated and qualify as cash flow hedges is recognized directly in the other comprehensive income line item, while the gain or loss relating to the ineffective portion is recognized immediately in net loss on the derivative instruments line item of our consolidated income statement.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in periods when the hedged item is recognized in profit or loss in the income statement.

Hedge accounting is discontinued when we and our subsidiaries revoke the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

See Note 22 to our audited consolidated financial statements for a description of our cash flow hedges at December 31, 2012, 2011 and 2010.

Non-hedging contracts:

Non-hedging contracts are carried at fair value at the date of the financial statements and recorded as financial assets when fair value is positive and as financial liabilities when fair value is negative. The gain or loss from changes in fair value of derivatives not designated as hedges are included directly in the consolidated income statement on net loss of derivative financial instruments.

At December 31, 2012, 2011 and 2010, we and our subsidiaries have designated non-hedging financial instruments (See Note 22 to our audited consolidated financial statements).

Property, plant and equipment

Property, plant and equipment are recorded at cost and are presented net of accumulated depreciation and any recognized impairment loss. As of the date of transition to IFRS, we and our subsidiaries decided to consider the fair value of the main elements of property, plant and equipment as attributed cost, by the valuation of such elements. These costs should be recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the entity, and the cost of the asset can be measured reliably. Disbursements for maintenance and repairs are expensed during the period as incurred. The gain or loss arising on the sale or disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement upon realization of the sale.

Property, plant and equipment in the course of construction or acquisition are carried at cost, less any recognized impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs. Loans directly attributable to the acquisition, building or production of classed assets are capitalized. These costs are capitalized as part of the asset's cost, as long as they are likely to produce future economic benefits for the entity and can be reliably measured.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated based on the straight-line method over the remaining useful life of assets. The annual depreciation is recognized as an expense and calculated considering the estimated useful lives of the different captions:

	Year range
Buildings and other constructions	4 – 48
Machinery and equipment	1 – 27
Vehicles	3 – 7
Furniture and fixtures	10
Other equipment and computer equipment	4 – 25

The estimated useful lives, residual values and depreciation method are periodically reviewed by our management based on the economic results expected for the items comprising property, plant and equipment.

Goodwill

Goodwill, resulting from the acquisition of a subsidiary or a joint-controlled entity, is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is initially recognized at cost and subsequently presented at cost less any impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of our cash-generating segments (or groups of cash-generating segments) that is expected to benefit from the synergies of the combination. A cash-generating segment to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the segment may be impaired. If the recoverable amount of the cash-generating segment is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the segment and then to the other assets of the segment pro rata based on the carrying amount of each asset in the segment. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Accounting policies for the accounting treatment of resultant goodwill in the acquisition of associates are described in the section "—Business combinations."

Business combinations

Acquisitions are accounted using the acquisition method. The transferred compensation in a joint venture is measured by its fair value, which is calculated as the sum of fair values as of the date of acquisition of (i) the assets transferred by the acquired, (ii) liabilities assumed by its previous owners and (iii) equity interests issued by the acquired entity in exchange for its control. Costs related to acquisitions are generally recognized in profit and loss when they are incurred.

As of the acquisition date, identifiable acquired assets and liabilities assumed are recorded by their fair value, unless they are:

- deferred tax assets or liabilities and assets or liabilities regarding employee benefit agreements, which are recognized and measured in accordance with IAS 12 and IAS 19, respectively;
- liabilities or equity instruments regarding payment agreements based on shares of the acquired entity, which are measured in accordance with IFRS 2; or
- assets (or alienable groups of elements) that classify as held for sale, according to IFRS 5 Non-current Assets Held For Sale and Discounted Operations, which are measured in accordance with this standard.

Goodwill is measured as the excess from adding the transferred compensation, contribution of minority interests in the acquired entity, and fair value of our participation previously held in the acquired entity (if any) over the net as of the date of acquisition of amounts of assets in the acquired entity, identifiable and liabilities assumed. If, after revaluations, net of updated acquisition amounts of identifiable acquired assets and liabilities assumed exceeds the addition of transferred compensation, contribution of non-majority interests of the acquired entity and fair value of the acquired entity previously held in it (if any), the excess will be immediately recognized in profit or loss as a gain of purchase at low price.

Minority interests that are current interests of property and right to its holders to a proportional part of net assets in the entity can be initially measured at fair value, in case of liquidation, or by the proportionate participation by contribution of non-controlling interests recognized by net identifiable assets in the acquired entity. The choice of measurement is made on a case-by-case basis. Other kinds of non-controlling interests are measured at fair value or using another basis specified under IFRS.

When compensation transferred by us in a joint venture includes resultant assets or liabilities from a contingent compensation agreement, the contingent is measured at fair value as of the acquisition date, and is included as part of the compensation transferred in a joint venture. Changes in fair value of the contingent compensation that qualify as adjustments of measurement periods are adjusted after the fact, with corresponding adjustments against goodwill. Adjustments for the period of valuation that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) are based on facts and circumstances that existed as of the acquisition date.

Subsequent accounting of changes in fair value of the contingent compensation that do not qualify as adjustments of measurement periods depends on the way in which the contingency is classified. Contingent compensation classified as net equity is not measured again at the presentation of subsequent reports, and its subsequent liquidation is accounted in net equity. Contingent compensation classified as an asset or liability is measured again at the presentation of subsequent reports according to IAS 39 or 37, as the case may be, with the corresponding gain or loss recognized in earning or loss.

When a joint venture is done in stages, investment in equity previously held in the acquired entity is measured again at fair value as of the acquisition date (that is to say, the date in which we win control) and the gain or loss, in its case, is recognized as profit or losses. Contributions derived from the acquired entity's interests before the acquisition date that have been previously recognized in other comprehensive income, are reclassified to earning or loss in which such treatment will be adequate if these interests were deleted.

If the initial accounting of a joint venture is incomplete by the end of the measurement period in which the joint venture takes place, we will explain using an express statement in our audited consolidated financial statements.

If we are in the process of measuring the joint venture; during the measurement period, we will retroactively adjust provisional contributions recognized as of the acquisition date in order to reflect new information obtained on facts and circumstances that exist as of the acquisition date and that, if known before, would have affected the measurement of recognized contribution on that date. During the measurement period, we will also recognize additional assets or liabilities if we obtain new information regarding facts and circumstances that existed as of the acquisition date and that, if known before, would have resulted in the recognition of these assets and liabilities as of that date. The measurement period will end as soon as we receive the necessary information on the basis of facts and circumstances that existed as of the acquisition date, or we conclude that no more information can be obtained. However, the measurement period will not exceed one year as from the acquisition date.

Review on long-term assets impairment loss, except goodwill

We and our subsidiaries periodically review the carrying amounts of our tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, we and our subsidiaries estimate the recoverable amount of the cash-generating segment to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating segments, or otherwise they are allocated to the smallest group of cash-generating segments for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating segment) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating segment) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating segment) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating segment) in prior years.

Income tax

Income tax expense is comprised of estimated payable current income tax plus deferred income tax.

Current income tax is determined by applying the tax rate established in the tax legislation to the net taxable income for the year.

Deferred income tax corresponds to the tax amount expected to be recovered or paid over temporary differences between carrying amounts reported on assets and liabilities and their corresponding tax basis. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income assets are generally recognized for all deductible temporary differences and tax credit, non-utilized discounts and tax losses, until it is likely that we and our subsidiaries will have enough future tax profits to make them effective. Such assets and liabilities are not recognized if temporary differences are the result of goodwill or initial recognition (except in the case of joint ventures) of other assets and liabilities in an operation that does not affect the tax or accounting result.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except in those cases when the parent company is able to

control the moment of reversion of the temporary difference and it is likely that this difference will not revert in a foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments and participations are only recognized to the extent that it is likely that temporary differences revert in the foreseeable future and there is taxable profit in which such temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is not likely that we hold enough future tax profit to recover all, or a part, of such assets.

Deferred income tax liabilities and assets are measured at the income tax rate expected to be applied to the taxable income in the moment in which the liabilities are settled or the assets are recovered, based on rates and approved tax laws, or which approval process is basically finished at the end of the reporting period. Measurement of such deferred income reflects the taxable consequences that could result as we and our subsidiaries expect to recover or settle the carrying amount of their assets and liabilities by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

In the case of current or deferred taxes arising from the initial recognition of a joint venture, taxable effects are included in the accounting of the corresponding joint venture.

Qualitative and Quantitative Disclosure about Market Risks

The following is a discussion of the risks we are exposed to in the ordinary course of our business.

Derivative Financial Instruments

We use derivative financial instruments such as interest rate swaps, futures prices for commodities, cross currency swaps and currency forwards to hedge our interest rate, commodity price and foreign currency exchange risks, respectively.

Our derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are recorded as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. The resulting gain or loss from changes in fair value of derivatives are recognized directly in profit or loss, on the category of net loss on derivative financial instruments, except for the effective portion of cash flow hedges, which are recognized directly in equity.

At the inception of the hedge relationship, we formally designate and document the relationship between the hedging instrument and the hedged item along with the risk management objectives and strategy. The documentation includes identification of the hedging instrument, the hedged item or the nature of the risk hedged and whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

During 2012, 2011 and 2010, we recorded losses relating to the fair value of our derivative financial instruments of S/.21,128, S/.16,447 and S/.4,353, respectively. These losses were primarily related to mark-to-market losses associated with foreign currency exchange rate and interest rate derivative financial instruments which is reflected in the "financing expenses" line item of our income statement.

Foreign Currency Exchange Rate Risk

We have entered into foreign exchange derivatives with the objective of limiting our exposure to fluctuations in the Peruvian *nuevo sol* per U.S. dollar exchange rate. At December 31, 2012, the position of our exchange rate derivatives was as follows:

Type of derivative, value or contract	Notional amount	Underlying Asset		Fair Value	Maturity			Collateral
		Unit	Reference		2012	2013	2014+	
					(in millions of S/.)			
USD/PEN cross currency swap	S/.(112.600 million)	Nuevos soles/ U.S. dollars	Medium term loan for US$40 million					
				(S/.8.359)	(S/.11.260)	(S/.11.260)	(S/.56.300)	-
USD/PEN collar	US$8 million	U.S. dollars	Buy U.S. dollars in the S./2.5800 – 2.6200 range	(S/.0.232)	-	-	-	-

Commodity Price Risk

We are exposed to business risks generated by changes in the price of the raw materials required for the manufacturing of our products, which are hedged through corporate negotiations with our corresponding suppliers. We have entered into option contracts in respect of these raw materials in order to cover the effect of changes in commodity prices.

Our management believes that a 10% increase or decrease in commodity prices over the next six months would not have a significant effect on our financial results, since we maintain corresponding hedges.

Interest Rate Risk

We may obtain financing with fixed or variable interest rates. In some cases, after obtaining the funding, the interest rate is compared to current and future market rates and the necessary derivative transactions are conducted in order to mitigate the impact of fluctuations thereon. When necessary, we will enter into hedge agreements to exchange variable interest rates for fixed rates and thus reduce the risk of fluctuations in interest rates.

Additionally, our operating cash flows are substantially independent from changes in market interest rates. Accordingly, our management believes we currently have insignificant exposure to interest rate risk.

Credit Risk

We are exposed to credit-related losses related to our bank deposits and trade receivables. To manage our bank deposit credit risk, we only deposit our cash with well-known financial institutions. To manage our trade receivable credit risk, we have established strict credit guidelines requiring us to continuously monitor the credit quality of each counterparty, have an average collection period of 32 days and have requested and received guarantees in certain circumstances. In addition, we have a diversified client base where no client represented more than 2.08% of our operating revenues as of December 31, 2012. Our wide and diversified client base ranges from supermarkets to wholesalers, with the majority of our wholesale clients making their purchases from us in cash. As such, there have not been any significant issues related to questionable collections in the past.

Off-Balance Sheet Arrangements

We currently do not have transactions involving off-balance sheet arrangements.

INDUSTRY

Our revenues are substantially generated by our operations in Peru and increasingly outside Peru, particularly in Argentina, Ecuador, and Colombia. With our recent acquisitions of Salmofood and Santa Amalia in Chile and Brazil, respectively, we are strengthening our position as a regional consumer goods company; however, our core business platform remains Peru.

Our Core Business Platform: Peru

Overview of the Peruvian Economy

The Peruvian economy has been one of the fastest growing economies globally during the period from 2007 to 2012. According to the Central Bank, Peruvian real GDP grew at an average rate of 6.9% during that period, the highest rate in South America. The economic expansion was a result of robust domestic demand, increase in investment, price stability, increase in foreign direct investment, improvement in public finances, and lower external debt, among other factors.

In addition, the country's strong economic growth has led to a 73.7% increase in GDP per capita from US$3,800 in 2007 to US$6,603 in 2012. According to the INEI, the country's poverty rate (defined as the percentage of population with per capita consumption below S/.272 per month as of May 2012) fell from 42.4% in 2007 to 27.8% in 2011 and is expected, as noted by the Peruvian Ministry of Economy and Finance, to continue declining at a steady rate. Inequality as measured by the Gini coefficient improved from 0.52 in 2007 to 0.48 in 2010, according to the World Bank. Also, the proportion of middle class families, those in socioeconomic categories B and C as measured by IPSOS Apoyo, has expanded from 19.0% of the population in 2003 to 27.0% of the population in 2011.

The following table sets forth the main economic indicators of the Peruvian economy from 2007 to 2012:

In US$ billion, unless stated otherwise	2007	2008	2009	2010	2011	2012
Nominal GDP …….....	107.2	126.9	126.9	153.9	176.6	201.2
Nominal GDP / capita (US$)……..	3,800.2	4,427.6	4,362.2	5,207.6	5,886.4	6,602.6
Real growth rates (% based on local currency GDP) (1)	8.9%	9.8%	0.9%	8.8%	6.9%	6.3%
Private consumption (1)	8.3%	8.7%	2.4%	6.0%	6.4%	5.8%
Private investment (1)	23.3%	25.9%	(15.1%)	22.1%	11.7%	14.7%
Foreign direct investment (1)	58.4%	26.1%	(7.1%)	31.5%	(2.6%)	34.6%
Public expenditure (consumption and investment) (1)	8.4%	11.4%	18.1%	16.3%	(4.2%)	13.0%
Total private and public fixed investment (1)	22.6%	27.1%	(9.2%)	23.2%	5.1%	16.2%
Exports (1)	6.9%	8.2%	(3.2%)	1.3%	8.8%	5.5%
Imports (1)	21.4%	20.1%	(18.6%)	24.0%	9.8%	11.2%
Inflation (measured by change in CPI)	3.9%	6.7%	0.2%	2.1%	4.7%	2.6%
Average exchange rate (S/./US$)	3.13	2.92	3.01	2.82	2.75	2.64
End of period exchange rate (S/./US$)	3.00	3.14	2.89	2.81	2.70	2.55
Central Bank interest rate (end of period)	5.0%	6.5%	1.3%	3.0%	4.3%	4.3%
Population (million) (2)	28.2	28.7	29.1	29.6	30.0	30.5
Unemployment rate (2)	8.4%	8.4%	8.4%	7.9%	7.7%	7.5%
Total public debt (1)	31.9	30.6	34.5	36.0	38.3	40.1
Debt / nominal GDP (%)	28.5%	25.9%	26.1%	23.3%	21.2%	19.9%
Net reserves	27.7	31.2	33.1	44.1	48.8	64.0
Net reserves / nominal GDP (%)	25.8%	24.6%	26.1%	28.7%	27.6%	31.8%
Fiscal surplus (deficit) / nominal GDP (%) (1)	2.9%	2.4%	(1.3%)	(0.3%)	1.9%	2.0%

Sources: Central Bank, SBS, Ministry of Economy and Finance, INEI, and the International Monetary Fund (the "IMF").

(1) 2012 Projected by the Central Bank.

(2) 2012 Projected by the IMF.

(3) Net Debt-to GDP ratio after deducting the public sector financial assets from the gross debt is 8%.

Average annual inflation, measured by the change in the CPI index, was 3.4% for the period from 2007 to 2012. Peru's price stability has also been reflected in its currency, the *nuevo sol*, which appreciated from an average of S/.3.13 per US$1.00 in 2007 to an average of S/.2.64 per US$1.00 in 2012, an appreciation of 15.6%. Given its recent performance with regard to fiscal balance, debt/GDP ratio and net reserves and high liquidity (international reserves are higher than the equivalent of 13 months of imports of goods and services, and five-fold the following year's debt amortization, including the whole of the short-term debt), Peru's sovereign debt has been granted

investment grade rating by S&P, Fitch and Moody's Investors Service, Inc. At the end of 2012, Peruvian debt had one of the highest credit ratings in South America, rated BBB by S&P (August 2011) and Fitch (October 2011) and Baa2 by Moody's (August 2012), only surpassed by Chilean debt.

The following table sets forth real GDP by expenditure for the years indicated:

	Year ended December 31					
GDP by Expenditure (% of GDP unless otherwise stated)	**2007**	**2008**	**2009**	**2010**	**2011**	**2012[1]**
Government consumption	9.0	9.0	10.3	10.1	9.8	9.4
Private consumption	61.5	64.0	65.4	61.9	60.8	65.9
Total fixed investment	21.5	25.9	22.9	25.1	24.1	29.7
Public sector	3.4	4.3	5.2	5.9	4.5	5.6
Private sector	18.2	21.5	17.7	19.2	19.6	24.2
Change in inventories (2)	1.3	1.0	(2.1)	0.2	1.4	0.3
Exports of goods and services	29.1	27.3	24.0	25.5	28.7	17.8
Imports of goods and services	22.4	27.1	20.4	22.8	24.8	23.2
Net exports	6.7	0.2	3.6	2.7	3.9	(5.3)
GDP (in billions of US$)	107.2	126.9	126.9	153.9	176.6	201.2

Source: Central Bank.

(1) 2012 Projected by the Central Bank.

(2) Defined as the difference between the volume at the end of the period and the volume at the beginning of the period; valued at the average price over the period.

As a result of the improvement of national income and the expanding middle-income population, private consumption grew at an average annual rate of 6.3% in real terms, from 2007 to 2012 acting as the main driver of the local economy, accounting for 63.3% of the Peruvian GDP on average this period.

Key Industry Segments Relating to Our Business in Peru

Food industry

Over recent years, the Peruvian food industry has benefited from increasing domestic demand, supported by consumers' rising purchasing power and increasing taste for packaged and processed food as households improve its socioeconomic position and income level. According to Business Monitor International (BMI), food consumption in 2012 in Peru reached US$20.9 billion and is expected to grow at a compounded annual rate of 10.1% from 2012 to 2017 (calculated in local currency). Similarly, on a per capita basis food consumption is expected to increase from US$703 in 2012 to US$1,052, implying a compounded annual growth rate of 8.9%

The packaged food segment in particular has also achieved significant growth on the back of economy improvement, which translated into increased demand for value-added products, allowing consumers to pay a premium for packaged food in order to ensure a higher quality product. The current industry trend has focused on developing new products through the use of recognized local ingredients and flavors, which in turn has broadly impacted the industry characterized by eager consumers of traditional Peruvian food based products. Recent examples include products developed around ingredients such as: i) Peruvian jungle fruits, ii) Andean cereals, iii) Peruvian peppers, iv) flavors of popular dishes, among others. We are participating in this trend by launching products that utilize local traditional flavors such as Alacena's mayonnaise, Alacena's huancaina sauce and Tarí yellow pepper sauce.

In this rapidly growing environment, domestic food producers such as ourselves (specializing in pasta, oil and fats, flour, cookies, sauces and assorted packaged goods), Grupo Gloria (specializing in dairy and assorted packaged foods) and San Fernando (specializing in meats and poultry), among others, are leading the market with product offerings specifically designed to meet Peruvian consumer needs and preferences.

A unique characteristic of the Peruvian packaged food market is the low penetration of the modern distribuition channel, primarily involving supermarkets. According to CCR Audit, the penetration of supermarkets in Lima is approximately 33% (under 20% nationwide), which drives food producers to develop a specialized local distribution network to effectively reach the majority of consumers through traditional channels. Although the penetration of supermarkets is improving, "mom and pop" shops together with wholesalers shall remain the most important distribution channels in the country through their key competitive advantages, including proximity to consumers, low overhead, low maintenance and convenience stores for small-sized purchases since there are families with

limited daily or weekly budgets. Our business will benefit from the growth in the food industry, as we participate in core categories such as pasta and edible oils and fats. In the following sections we describe the development of the key sectors in which we participate and how they have performed in the recent years.

Pasta

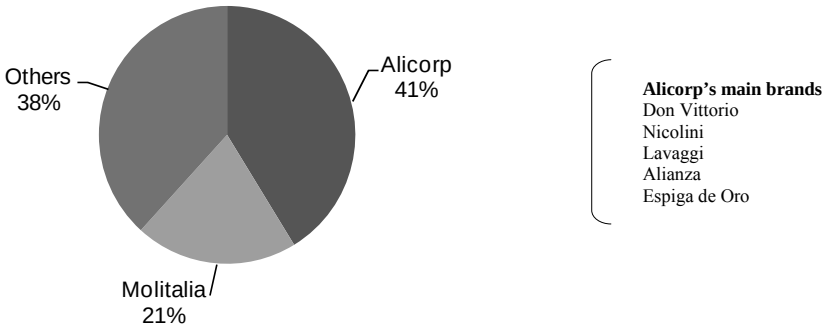
The pasta category represented 7.4% of our Peruvian consolidated operating revenues during 2012 and 12.2% of our consolidated adjusted EBITDA generated during the same year. In Peru, the pasta market is a highly penetrated industry with moderate growth projected for the next few years, given the high participation in this market by Peruvian households. Despite this, attractive rates of growth are expected within chilled/fresh pasta and other value added products. Higher disposable income will allow more Peruvians to consume this type of product, which is more expensive due to its higher quality and added convenience when preparing a meal.

Consumption of pasta in Peru is high with consumption per capita reaching 8.5kg per year, one of the highest in the region. Because of its strong participation in the consumer basket, it is a segment with very low price elasticity and brand loyalty, with little differentiation across various income levels. According to Apoyo Consultoria, pasta brand loyalty, defined as a customer going to another store or refraining from purchasing if the product is not found at the time of purchase, only 23% of socioeconomic level A, 19% of socioeconomic level B and 16% of socioeconomic level C are loyal to a particular brand. See "Business—Our Brands" for a definition of these socioeconomic levels.

According to Euromonitor, in 2012 the pasta market size in Peru was estimated at US$389.3 million. The market is primarily served by local production. We are the market leader with a 41% value share, in pasta, mainly sustained by a well-balanced brand portfolio specially designed to target all tiers. Other relevant local players are Molitalia (pasta brands Molitalia and Marco Polo), Cogorno and Anita Foods.

The following chart sets forth our market share based on sales, and that of our competition, in the Peruvian pasta market for the year ended December 31, 2012:

Pasta Company Market Shares 2012



Source: Euromonitor International (January 2013).

Segment profitability is highly dependent on the international cost of wheat, which in 2012 was affected by intense drought throughout United States and other wheat producing countries. This level of elevated commodity prices is expected to remain a factor in 2013. As a way to manage price exposure, some companies, including ourselves, have implemented dedicated commodity price risk hedging programs. We are one of the main local players with a seasoned commodity purchase team.

Edible oil and fats

As of December 2012, our edible oil and fats products line represented 10.8% of our consolidated operating revenues and 7.9% of our consolidated adjusted EBITDA. We are represented in the Peruvian edible oil market by six brands.

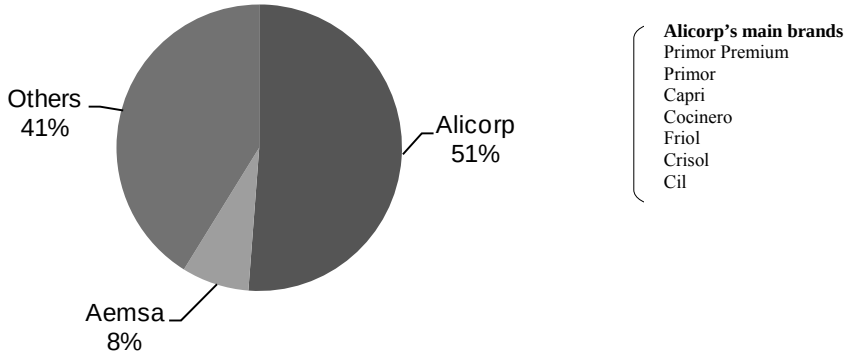
In 2012, consumption trends showed that more sophisticated consumers were willing to try new and more expensive types of edible oils. This has allowed the edible oil and fats industry to grow by 3% in terms of volume, reaching 243 thousand of tonnes, and 4% in terms of current value sales reaching S/. 1.8 billion, according to Euromonitor.

The edible oils and fats market is expected to maintain similar growth rates in the next following years, at approximately 3.7% annual growth rate from 2012 to 2017 according to Euromonitor. The strength of the economy coupled with strong health awareness campaigns is leading to more sophisticated consumption patterns from standard and value products to premium products considered healthier, such as sunflower oil and olive oil varieties, which had the highest growth rate in 2012 at 14% and 12% in volume and value respectively.

Despite increasing competition amongst domestic and foreign companies, which has made average unit prices remain stable in 2012, we are the leading edible oils and fats producer, with a 51% value share in 2012. This position is driven by (i) a strong distribution strategy, (ii) efficient marketing campaigns for brand support, (iii) valuable brands designed to fit local consumers' needs, and (iv) a well-balanced brand portfolio focused on all income levels and socioeconomic characteristics.

The following chart sets forth our market share based on sales, and that of our competition, in the Peruvian edible oils and fats market for the year ended December 31, 2012:

Oils and Fats Company Market Shares 2012



Source: Euromonitor International (January 2013).

Home and personal care

The home and personal care ("HPC") market in Peru is comprised of a series of products falling under the home care category, such as hair care, laundry care, bleach, dishwashing, home insecticides, surface care and toilet care, and another series of products falling under the personal care products, including such as bath and shower goods, deodorants and oral care. According to Euromonitor, as of 2012 the total Peruvian HPC market was valued at US$2.8 million, which represented 5.6% of the total Latin American HPC market (excluding Brazil). The Peruvian market follows the Colombian and Chilean markets which represent 10.7% and 7.4% of the regional value, respectively.

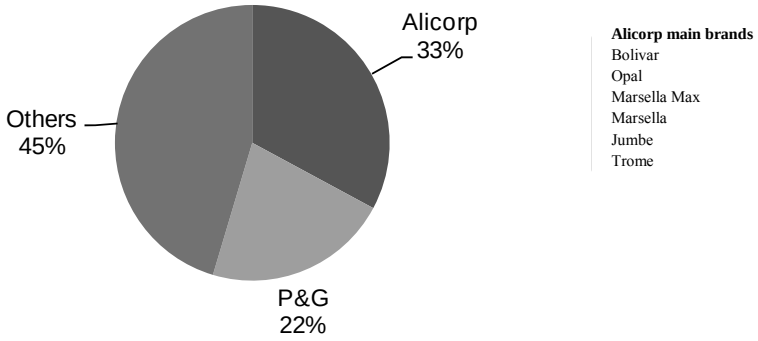
Peru's HPC market has increased in the recent years showing a larger increase than the overall mass consumption sector. According to Kantar World Panel, as of September 2012 the home and personal care segments

grew 13.9% and 13.3%, respectively, compared to the same period one year prior. This growth was larger than the growth of the food market, which grew at 6.5%, and the beverage market, which grew at 3.7%, during the same period.

We participate in the home care market through our laundry detergent and laundry soap products, which together accounted for 10.2% of our consolidated operating revenues in 2012. Our key competitors in the Peruvian laundry care market are Procter & Gamble and Intradevco (a local player), both of which are incumbents in the personal care segment.

The following chart sets forth our market share based on sales, and that of our competition, in the Peruvian home care market for the year ended December 31, 2012:

Total Home Care Market Shares 2012

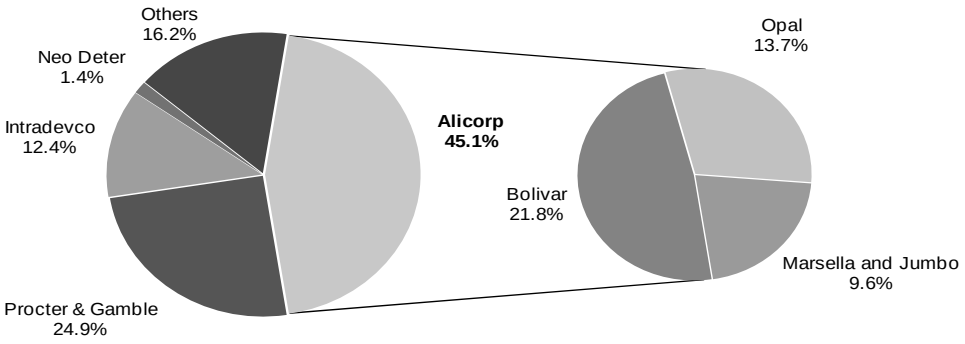


Source: Euromonitor International (January 2013).

The Peruvian HPC market is largely served by multinational companies, 63% according to information from Euromonitor. As of 2012, we were the main local player in the segment with a 45.1% value market share in laundry detergents according to data from Euromonitor. We are the leading producer in this segment with four main brands: Bolivar, Opal, Marsella, Max and Jumbo. In addition, as of 2012, our products Bolivar and Opal held the largest value market shared by brand with 21.8% and 13.7%, respectively. Our closest competitor was Ariel, owned by Procter & Gamble, with 11.8% of market share.

The following chart sets forth our market share based on sales, and that of our competition, in the Peruvian laundry detergent market for the year ended December 31, 2012:

Laundry Detergents Market Shares 2012



Source: Euromonitor International (January 2013).

BUSINESS

Overview

We are a leading Latin American producer, distributor and marketer of branded consumer products under three business segments: consumer goods, B2B branded products and animal nutrition. Our business has a diversified portfolio of products in 33 different categories including industrial baking flour, edible oil, pasta, cookies and crackers, sauces, margarines, juice powders, laundry detergents and soaps, pet food and animal feed. These product categories are currently represented by over 100 brands in the premium, mainstream and value segments. Through our effective customer segmentation strategy along socioeconomic, demographic and consumer preference lines as well as our unique expertise in the Peruvian market, we have established leading market share positions in Peru and a strong market share in other countries such as Argentina, Ecuador and, most recently, Brazil. According to Kantar World Panel, we are the market leader in Peru, with market shares ranging from 95% to 32% in terms of volumes sold, for ten product categories, including industrial baking flour, pasta, laundry detergent, edible oil, sauces, margarines and cookies and crackers. These ten product categories in Peru together represented 66% of our consolidated adjusted EBITDA for the year ended December 31, 2012.

We are headquartered in Peru, where we operate 24 manufacturing facilities, and have international operations in Argentina, Ecuador, Colombia, Chile and Brazil. Additionally, we export our products to over 23 countries, including the United States and Canada. We have developed an extensive distribution network in each of the countries in which we operate, which provides us with a competitive advantage due to significant barriers to entry for potential industry competitors.

Throughout our 57-year history, we have experienced significant growth both organically and through strategic acquisitions. Our organic growth has been supported by key achievements such as the entry into the sauces, laundry detergent and pet food markets in Peru, where we are now market leaders. Our strategic acquisitions have solidified our position as the leading consumer goods, B2B branded products and animal nutrition producer in Peru, as well as allowed us to expand our reach into the greater Latin American region by giving us access to the Argentine, Colombian, Ecuadorian, Chilean and, most recently, Brazilian markets. See "–Our History" below for a more detailed account of our growth pattern.

For the year ended December 31, 2012, we had consolidated operating revenues of S/.4,473.7 million and consolidated net income of S/.351.4 million as compared to consolidated operating revenues of S/.4,255.7 million and consolidated net income of S/.330.7 million for the year ended December 31, 2011. Our consumer goods segment was the largest contributor to our consolidated operating revenues in 2012, representing 59% of such operating revenues, followed by our B2B branded products segment with 30% and our animal nutrition segment with 11%. Our Peruvian operations represented 74% of our consolidated operating revenues in 2012. As of December 31, 2012, we had total assets of S/.4,284.1 million and our total equity totaled S/.2,108.9 million as compared to total assets of S/.3,212.0 million and equity totaling S/.1,929.3 million as of December 31, 2011.

Our common shares are traded on the Lima Stock Exchange under the symbol "ALICORC1" and our investment shares are traded on the Lima Stock Exchange under the symbol "ALICORI1." As of December 31, 2012, we had a market capitalization of S/.7,068 million.

Our History

Our predecessor was incorporated and began operations in Peru on August 1, 1956 as a producer of edible oils under the name Industrias Anderson Clayton y Compañía Sociedad Anónima, which was acquired by Grupo Romero in 1971 and continued operating under the name Consorcio de Alimentos Fabril Pacifico S.A. In 1997, after a series of acquisitions of leading domestic companies, including La Fabril, a producer of food and personal care goods, Nicolini, a pasta producer, and Compañía Molinera , a wheat milling business, we reorganized ourselves under the name Alicorp. Since then, we have experienced significant growth, both organically and through strategic acquisitions. Our key organic growth initiatives include the launch of our packaged mayonnaise product "Alacena" in 2000, which became the market leader, in terms of volumes sold, in this product category within two years; the entry into the pet food market in 2003 with the successful launch of "Mimaskot," which became the market leader,

in terms of volumes sold, in less than three years; the entry into the detergent market with the successful launch of "Bolivar" in 2004 and the subsequent consolidation of our presence in such market with the re-launch of "Opal" in 2005, a brand which we acquired from Unilever in 2005 and have transformed from a brand with limited market penetration to a market leader in terms of volumes sold.

Some of our most significant strategic acquisitions include our acquisitions of:

- Molinera Inca, a wheat milling and flour business in Peru, and Asa Alimentos, a food and beverage producer and distributor in Peru, both in 2006;
- TVBC, a producer of personal care products in Argentina, in 2008;
- Propersa, a producer of personal care products in Colombia, in 2008;
- Sanford, a cookie producer in Argentina, in 2010;
- Italo Manera and Pastas Especiales, pasta producers in Argentina, in 2011;
- Salmofood, a producer of fish feed in Chile, in 2012;
- the Incalsa business group, a group of companies which are primarily engaged in the production of sauces for restaurant use in Peru, in 2012;
- Industrias Teal, a leading Peruvian producer of confectionary, cookies and crackers in Peru, in January 2013; and
- Santa Amalia, a producer and distributor of consumer goods, including pastas, jelly and chocolate and juice powders in Brazil, in February 2013.

With these strategic acquisitions, we have consolidated our presence in the Peruvian market and accelerated our expansion to other markets in the region.

Our Competitive Strengths

Market leading brand leadership in Peru. Our brands are market leaders in each of our product categories throughout each of our product segments (premium, mainstream and value) in Peru, which represented 74% of our consolidated operating revenues in 2012. For example, according to internal company estimates based on data from Kantar World Panel, our consumer goods segment is the leading producer of pasta, laundry detergent, edible oils, mayonnaise, cookies and crackers, pet food, juice powders, margarines and laundry soap, with a 46%, 56%, 59%, 95%, 32%, 35%, 65%, 58% and 77% market share in these categories in terms of volumes sold as of December 31, 2012, respectively. In our B2B branded products segment, our industrial baking flour brands are the market leaders, with a 53% market share in terms of volumes sold as of December 31, 2012, according to internal company estimates based on data from Kantar World Panel. Similarly, one of our animal nutrition brands, "Nicovita," occupies the number one position in Peru with a 70% market share. Additionally, our market leading position has recently been leveraged by local acquisitions such as our acquisitions of Industrias Teal and its brand "Sayon," allowing us to strengthen our leading position in core categories, such as bakery products and cookies and crackers as well as in adjacent categories such as confectionary, chocolates and panettones.

Pan-regional platform. We began our international expansion in 2006 and since then have been able to replicate our success in Peru in other countries in a relatively short time span. We have accomplished this by acquiring and effectively managing local brands based on local consumer preferences such as the case of our Argentine acquisitions and recently our acquisition of Santa Amalia in Brazil as well as by exporting Peruvian brands throughout the region such as the case for Ecuador. For example, according to Household Panel KWP Argentina, we hold the number two position in hair care and personal care soap as well as the number three position in laundry detergent in the Argentine market. In Ecuador, according to IPSA Audit, we occupy the number two position in animal nutrition, pet food and mayonnaise as well as the number three position in pasta. Additionally, according to Euromonitor, we are now the fourth largest pasta producer in the region after our recent acquisition of

Santa Amalia in Brazil. Today, our operating revenues are derived from over 23 countries and our international operations represented 26% of our consolidated operating revenues in 2012.

Strong product diversification. We have a diversified product base, which results in reduced dependency on any single products category. We currently compete in 33 product categories targeting various consumer needs. For the year ended December 31, 2012, none of our product categories represented more than 16% or our consolidated adjusted EBITDA. In addition, we have sought to diversify our product offerings within business segments. For example, our consumer goods product offerings range from edible oils, pasta, sauces, cookies and crackers to laundry detergents, laundry soap and hair care products. This product diversification has allowed us to reduce our dependence on individual categories and limit seasonality and economic cycle effects on our business.

Efficient socioeconomic product segmentation. By dividing our products into premium, mainstream and value segments, we offer a range of products with an adequate price strategy for each socioeconomic level. Our socioeconomic diversification allows us to tailor our product mix volumes depending on the purchasing power changes experienced by consumers at the various socioeconomic levels. For example, in the laundry detergent category in Peru (which represented 7.9% of our consolidated operating revenues in 2012), we hold the largest market share, in terms of volumes sold, with 56% of the market through our positioning of the brands "Bolivar" in the premium segment, "Opal" in the mainstream segment and "Marsella" in the value segment. Likewise, in the edible oils category in Peru (which represented 11% of our consolidated operating revenues in 2012), we hold the largest market share in terms of volumes sold, with 59% of the market, through our positioning of the brands "Primor" and "Capri" in the premium segment, "Cocinero" in in the mainstream segment and "Cil" in value segment. Our socioeconomic diversification allows us to tailor our product mix volumes depending on the purchasing power changes experienced by consumers at the various socioeconomic levels.

Extensive and best-in-class distribution network. We have developed an extensive, distribution network in each of the countries in which we have operating facilities through which we currently reach 95,000 points of sale. We also strive to ensure a broad and multi-channeled distribution strategy that enables us to reach all socioeconomic levels with specially targeted products and brands. For example, in Peru our national distribution network includes substantially all wholesalers and supermarkets, 44 exclusive distributors and 25 sales offices throughout the country. This network allows us to reach the traditional "mom and pop" shops which currently comprise approximately 70% of the Peruvian retail market, according to CCR Audit. These extensive distribution networks provide us with a competitive advantage and create large barriers to entry for potential industry competitors.

Successful growth track record. We have a proven track record of acquiring and successfully integrating companies into our regional platform. We typically keep the brand name, the key personnel and the local customs and traditions of acquired companies, and focus on (i) improving aspects which we believe can be upgraded, such as technology, operations management and quality of service, (ii) leveraging the popularity of our brands within our various distribution networks and (ii) exploiting economies of scale and scope derived from integrating the newly acquired operations into the existing regional platform. During the last seven years, we have made ten acquisitions (Molinera Inca, Asa Alimentos, TVBC and its subsidiaries, Propersa, Italo Manera, Pastas Especiales, Salmofood, Incalsa, Industrias Teal and Santa Amalia) for more than US$490 million, which have significantly increased the size and geographic footprint of our operations, particularly in Argentina, Colombia, Chile and Brazil. For a discussion of our most recent acquisitions of Incalsa, Industrias Teal and Santa Amalia, see also "Summary Box – Recent Developments."

Effective commodity purchasing. We are one of the largest importers of wheat in South America and the largest importer of wheat and soybean crude oil in Peru. The large scale of our operations allows us to buy commodities directly from the largest vendors at reduced prices. By leveraging economies of scale and the geographic location of our operations, we are able to contract with the largest shipping vessels that transport raw materials into South America allowing us to effectively manage our inventory while maintaining low costs. Finally, we have a specialized commodity risk management team that works to hedge our trading positions to reduce our exposure to price volatility and minimize the cost of raw materials.

Experienced management team and committed controlling group. We benefit from an experienced and talented management team. Most of the members of our senior management have held executive positions across various industries in Peru and in other countries in which we operate. We also benefit from strong and ongoing support from

our controlling group, Grupo Romero, a longstanding Peruvian group that owns companies operating across a wide range of sectors. We believe that being part of this group offers us advantages over our international competitors operating in the Peruvian market because of the group's highly visible domestic presence and its rapid decision making capabilities.

Solid macroeconomic fundamentals and compelling consumer industry growth in Peru. The Peruvian economy represents one of the fastest growing economies in Latin America, with GDP growing at a rate of 6.9% and 6.3% for the years ended December 31, 2011 and 2012, respectively, and expected to grow at a rate of 6.0% for the year ended December 31, 2013, according to Euromonitor. For the year ended December 31, 2012, Peru had an inflation rate of 2.65%, according to the Central Bank, representing one of the lowest in Latin America. In addition, according to the Central Bank, the percentage of the Peruvian population living in poverty has decreased by approximately 25% since 2005, which has fueled solid consumption growth throughout the country. This decrease in poverty contributed to the expansion of the Peruvian middle class and the purchasing power of Peruvian households. These solid macroeconomic fundamentals has led Peru's debt securities to be rated an investment grade by S&P, Fitch and Moody's. Given that 74% of our consolidated operating revenues in 2012 came from Peru, we have benefited from this dynamic economic environment. In addition, according to a study conducted by Euromonitor in 2011, the largest percentage of consumer expenditure is directed towards "food at home" products, which represented the largest segment of our Peruvian operating revenues in 2012, 45.1%. Therefore, we are poised to benefit as the Peruvian consumer industry continues to grow in line with Peruvian economic growth.

Our Strategy

Our business strategy is to become a leading Multilatina consumer packaged goods company in all the markets where we compete. This strategy is based on four key principles that maximize our core competitive advantages. These principles are (i) leverage our scale and commodity purchasing platform to get the lowest input costs while hedging our commodity risk; (ii) strengthen and enhance our go-to-market strategy to effectively cover, promote, cross-sell and grow in all segments while obtaining the best possible commercial and distribution terms in all markets in which we operate; (iii) effectively manage and enhance our best-in-class portfolio of local brands in each of the countries and segments in which we conduct business; and (iv) continue our growth strategy through acquisitions via effective integration of the acquired targets while unlocking synergies. Furthermore, we believe we have the ability to expand on these principles outside of Peru, as we anticipate being able to effectively replicate our commodity purchasing capacity in the other countries in which we operate.

We plan to pursue our business strategy by focusing on the following:

Continue to expand regionally within our core and adjacent product categories. We believe that we have a solid foundation for continued organic growth, due to our consistent cash flow generation and our leading position based on operating revenues in the sectors and countries in which we operate. Additionally, we believe that further opportunities exist to gain scale and access to attractive locations and strong local brands through opportunistic acquisitions in key markets. We intend to seek a successful integration of all of our acquisitions expecting that these will facilitate our ability to implement synergies in purchasing, supply chain, marketing, back-office operations, technology and infrastructure. We expect to focus our efforts in continuing to expand our presence in our core markets such as we have done recently in Chile, Argentina, Ecuador, Colombia and most recently Brazil (on a regional basis), gaining access to strong local brands and distribution platforms in our business segments. In addition, our predominant focus will be on our core and adjacent product categories, namely pastas, edible oils, laundry detergent and industrial baking flours. In addition, we will continue to seek market share growth in our adjacent product categories such as food service sauces, culinary products, cookies and crackers and personal care products.

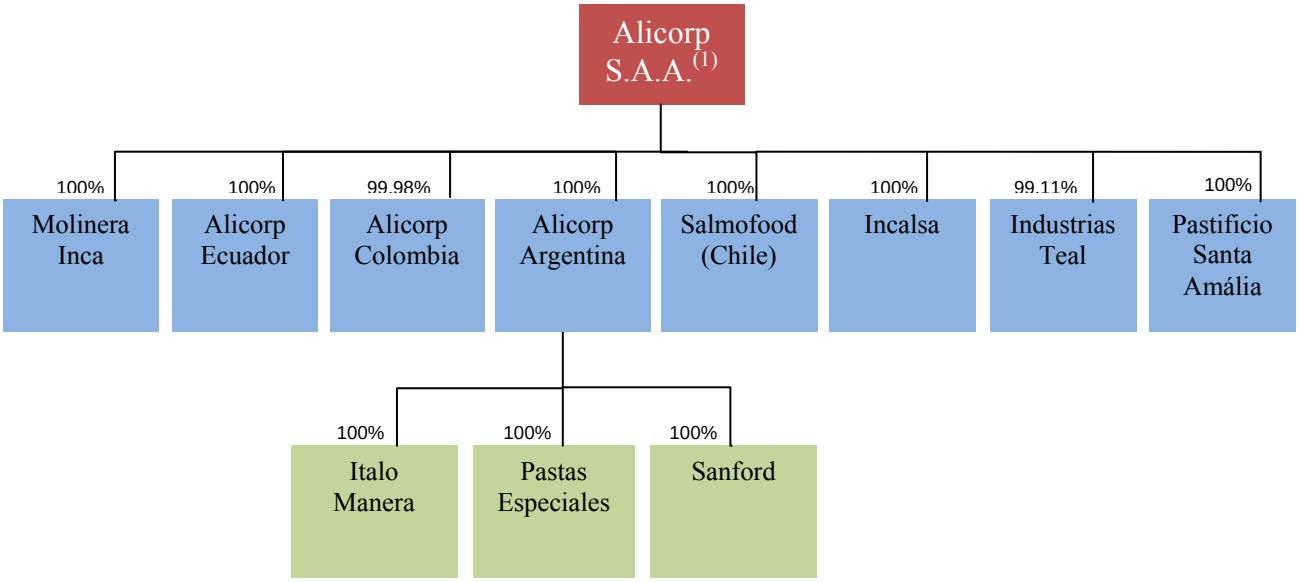
Attract, develop and retain talent. We recognize that a significant component of our growth throughout the years has been our excellent management team. We plan on continuing to offer competitive employment packages in order to retain key personnel and attract new executives as necessary.

Emphasis on a cost efficient business model. We have consistently improved our production efficiency throughout the years. Through production specialization, disciplined pricing throughout our various supply chains and constant analysis of our product markets, we plan on minimizing costs on all platforms of our business model.

Focus on our social responsibility values. We have consistently ranked among the top companies listed in the Lima Stock Exchange in terms of corporate governance. This recognition is due in large part to our commitment to strong corporate governance and best practices at all levels of our organization. One of the key areas we will continue to focus on is social responsibility through measures such as donations, volunteer programs, environmental goals targeting clean alternatives for residue management and nutrition education campaigns.

Organizational Structure

The following simplified corporate structure chart shows us and each of our operating subsidiaries as of the date of these listing particulars, indicating our ownership interest in each subsidiary:



(1) For the year ended December 31, 2012, 68% of our consolidated revenues were at the parent company level.

Our Business

We categorize our products into three main segments: consumer goods, B2B branded products and animal nutrition.

The following table presents a breakdown of the consolidated operating revenues in each of our business segments for 2012, 2011 and 2010:

	Year Ended December 31,					
Business Segment	**2012**	**Percent of Consolidated Operating Revenues**	**2011**	**Percent of Consolidated Operating Revenues**	**2010**	**Percent of Consolidated Operating Revenues**
	(in millions of S/., except percentages)					
Consumer Goods	2,641.9	59%	2,658.5	62%	2,368.5	63%
B2B branded products	1,331.6	30%	1,276.6	30%	1,117.0	30%
Animal Nutrition	500.2	11%	320.5	8%	255.6	7%
Total	4,473.7	100.0	4,255.7	100.0	3,741.1	100.0

The following is a description of each of these business segments, together with the geographical areas in which they operate.

Consumer Goods

We started in the consumer goods business segment in 1956 with the establishment of an edible oil manufacturer in Peru. Currently, this business segment consists of categories aimed at food, home and personal care products, including edible oils, pasta, detergent, cookies and crackers and shampoo, among others. Our consumer goods business operates in Peru, the Mercosur region, particularly Argentina, and the Andean and Central American region, chiefly in Ecuador and Colombia. We have also recently expanded our business operations to Brazil with the acquisition of Santa Amalia, a producer and distributor of consumer goods including pastas, jelly and chocolate and juice powders, among other assorted packaged goods. We have 120 consumer goods brands including, Alacena, Mimaskot, Bolivar, Sayón, Primor, Capri, Casino, Don Vittorio, Santa Amalia and other brands. Our consumer goods segment has been the largest contributor to our consolidated operating revenues in each of 2012, 2011 and 2010 representing 59%, 62% and 63% of our consolidated operating revenues, respectively.

Part of our growth strategy includes the diversification of our products portfolio. Accordingly, in recent years, we have increased the amount of personal and home care products in our sales mix. Since 2005 we have launched three families of detergent brands (Bolivar, Opal and Marsella) and four families of laundry soaps (Bolívar, Marsella, Jumbo and Trome), which contributed to our market leadership both in the detergent products and the Peruvian laundry market.

Peru

Through numerous acquisitions and new product launchings, we have grown to become the leading consumer products producer in Peru, having the number one position in categories (including pasta, laundry detergent, edible oil, mayonnaise, cookies and crackers, margarines, juice powders, laundry and pet food) that represent more than 62% of our earnings. Our Peruvian consumer goods sales represented 43.8%, 48.2% and 48.0% of our consolidated operating revenues attributable to our consumer goods segment in 2012, 2011 and 2010, respectively. We have leading brands in our product categories, with market shares varying between 32% and 95%. In addition, we recently acquired Industrias Teal, one of the leading players in the Peruvian market for consumer goods products with a product portfolio that includes flour, pastas, cookies and crackers, chocolates, candies and panettones that operate under the "Sayon" brand.

The following table sets forth our market share and competitive position in the Peruvian consumer goods industry as of December 31, 2012.

Product	Brand(s)	Market Share[(1)]	% of Consolidated Operating Revenues	Position	Competitors
Edible Oil	PRIMOR, Cocinero, PRIMOR, Cil, Capri	59%	10.8%	1st	MOLINOS, ADM
Laundry Detergent	Bolívar, Opal, Marsella	56%	7.9%	1st	P&G
Pasta	Don Vittorio, Lavaggi, Nicolini, Alianza, Espiga de Oro	46%	7.4%	1st	Carozzi
Cookies/Crackers	Tentación, Casino, Glacitos, Chokis	32%	5.1%	1st	KRAFT, Nestlé
Mayonnaise	AlaCena	95%	3.0%	1st	Nestlé
Laundry Soap	JUMBO, Bolívar, TROME, Marsella	77%	2.4%	1st	P&G
Margarines	Salla de Oro, Mandy	58%	2.1%	1st	Nestlé
Juice Powders	Vaps, NEGRITA, Kanú, Kanú	65%	1.7%	1st	GLORIA, AJE, tresmontes lucchetti
Pet Food	Mimaskot, Nutri Can	35%	0.9%	1st	RINTI S.A., Nestlé

Source: Internal company estimates based on Kantar World Panel.
(1) Measured in terms of volumes sold except for our juice powders category market share which is measured in terms of sales.

Argentina and the Mercosur Region

We expanded our consumer goods business segment into Argentina in 2008 through our acquisition of The Value Brand Company, a producer of personal care products. Our principal product brands in Argentina include

Plusbelle, Nutregal, Don Italo, Limazul, Zorro, Limol and Okebon. Over the last few years, we have been able to strengthen our portfolio of brands to build a strong market presence in Argentina and other Mercosur countries to which we export our products. In Argentina, in terms of volumes sold, we have the second largest market share in hair care products with 27%, the second largest market share in personal care soap with 18% and the third largest market share in laundry detergent with 6%.

Sales in our Mercosur consumer goods business include our subsidiaries' sales in Argentina and exports to Paraguay, Uruguay and Brazil, among others. Our Mercosur consumer goods sales represented 21.4%, 18% and 17% of our consolidated operating revenues attributable to our consumer goods segment in 2012, 2011 and 2010, respectively. Our portfolio in the Mercosur region includes the following products: hair care, toilet soap, detergents, cookies and crackers, pound cakes, pasta and juice powders.

The following table sets forth our market share and competitive position in the Argentine consumer goods industry as of December 31, 2011 as market data in this sub-segment for the year ended December 31, 2012 has not been released as of the date of these listing particulars.

Product	Brand(s)	Market Share[(1)]	% of Consolidated Operating Revenues	Position	Competitors
Hair Care	Plusbelle	27%	3.8%	2nd	P&G
Personal Care Soap	limol, Plusbelle	18%	2.1%	2nd	Colgate
Laundry Detergent	Limazul, Zorro	6%	2.4%	3rd	P&G
Cookies & Crackers	Okebon	3%	1.1%	9th	Arcor, Kraft
Pasta	Nutregal	2%	0.8%	11th	Kraft, Molinos

Source: Household Panel KWP Argentina.
(1) Measured in terms of volumes sold.

Ecuador and the Andean and Central American Region

We expanded our consumer goods business segment into Ecuador in 2005 when we began commercial operations in Ecuador. Our principal product brands in Ecuador include Anua, Don Vittorio, Alacena, Kanu and Mimaskot. In addition to Ecuador, we have consumer goods sales through exports to countries in the Andean and Central American region including Venezuela, Haiti, Guatemala, Dominican Republic, Panama, Puerto Rico, Costa Rica, Honduras and El Salvador, among others. Our strategy for Ecuador has focused on developing our most profitable business segments there. We have been able to gain significant market shares in several products. Our Ecuador consumer goods sales represented 1.7%, 1.2% and 1.0% of our consolidated operating revenues attributable to our consumer goods segment in 2012, 2011 and 2010, respectively.

The following table sets forth our market share and competitive position in the Ecuadorian consumer goods industry as of December 31, 2012, unless otherwise indicated.

Product	Brand(s)	Market Share[(2)]	% of Consolidated Operating Revenues	Position	Competitors
Mayonnaise	Alacena	14%	0.1%	2nd	Nestlé
Pet Food	Mimaskot	23%	0.1%	2nd	Pronaca
Pasta	Don Vittorio	14%	0.5%	3rd	Sumesa, Nestlé
Hair Care[(1)]	Anua	5%	0.1%	4th	P&G
Juice Powders[(1)]	Kanu	5%	0.0%	4th	Kraft, Quala

Source: IPSA Audit.
(1) Market share numbers for these products are as of December 31, 2011 as information for 2012 market share has not been released as of the date of these listing particulars.
(2) Measured in terms of volumes sold.

Colombia

We expanded our consumer goods business segment into Colombia in 2006 when we began commercial operations in Colombia. In 2008, we expanded our presence in Colombia with the acquisition of Propersa, a producer of personal care products. Our principal product brands in Colombia include Glacitas, Xplosion and Mimaskot. Sales in Colombia comprise part of our presence in the Andean and Central American markets. Our Colombia consumer goods sales represented 0.9%, 1.2%% and 1.9% of our consolidated operating revenues attributable to our consumer goods segment in 2012, 2011 and 2010, respectively.

The following table sets forth our market share and competitive position in the Colombian consumer goods industry as of December 31, 2012.

Product	Brand(s)	Market Share[(1)]	% of Consolidated Operating Revenues	Position	Competitors
Baby Hair Care		4%	0.2%	6th	
Pet Food		2%	-	6th	
Cookies & Crackers		2%	0.3%	7th	

Source: Nielsen.
(1) Measured in terms of volumes sold.

Business-to-Business Branded Food Products

In 2003, we separated our B2B branded products from our consumer goods segment to create a new segment. This business segment consists of categories aimed at the bread-baking, food service and large-scale industrial markets. The products in this line include flour for bakeries and food-based products for restaurants such as oils, fatty acids, sauces and pre-mixes. Sales in these markets are business-to-business, with exclusive distribution and sales channels to wholesalers. Our B2B branded products business operates in Peru and consists of 31 brands including Nicolini, Santa Rosa, Blanca Nieve, Inca, Victoria, Macbel and Torre Blanca. In 2012, we significantly increased our presence in the B2B branded products market through our acquisition of the Incalsa companies, which are primarily focused on the production and distribution of sauces for restaurant-use. Incalsa's core products, ketchup and mustard, operate under the "Alpesa" brand which has been in the market for 50 years, and are currently market leading products in Lima, in terms of volumes sold, with a 66% and 72% market share, respectively. This business segment has represented our second largest contributor to our consolidated operating revenues in each of 2012, 2011 and 2010 with 30%, 30% and 30% of consolidated operating revenues, respectively. Our industrial baking flours, shortenings, pre-mix and industrial margarines products were market leaders, in terms of volumes sold, in Peru, in 2012.

The following is a description of our main B2B branded products categories:

Bread-baking

Our bread-baking products are made with raw materials that include wheat, soy bean oil and palm oil. Our principal bread-baking brands are Nicolini, Santa Rosa, Blanca Nieve, Inca and Famosa. The primary purchasers of these products are bakeries. We use a streamlined business-to-business approach as our sales strategy for this product category. We use technical consulting and the combination of a specialized sales force, adequate price management and trade-oriented activities as key factors to optimize sales through fluctuations in the price of raw materials. We have also implemented a new regional segmentation approach to specialize and grow our sales force in distributor channels.

Industrial Baking Flours

Our industrial baking flours products are made with raw materials that include wheat and are sold primarily to bakeries, pastry shops, supermarkets and bread, pasta and cookie producers. Our brands of industrial baking flours include Nicolini, Santa Rosa, Blanca Nieve, Inca and Victoria.

Shortenings

Our shortenings are made with raw materials that include palm oil and soy bean oil and are sold mostly to bakeries, pastry shops and supermarkets. Our brands of shortenings include Famosa, Gordito, Sabropan, Ricotona and Panisuave, geographically segmented for our clients' differing needs.

Pre-Mix

We have been in the pre-mix business for five years and compete with international companies such as AB Mauri, Puratos and Lessaffre. Our pre-mix products are sold under the brand Experta and range from cake mixes to bread mixes to mixes for specialty products such as panettones. These products are made with raw materials that include wheat flour, sugar and edible oils and are sold mostly to bakeries and pastry shops.

Industrial Margarines

Our industrial margarines products are made with raw materials that include mainly palm oil and are sold mostly to bakeries, pastry shops and supermarkets. Our brands of industrial margarines include Primavera and Regia. We have also recently launched chantilly cream (whipped cream) products and confectioner's chocolate under the Primavera brand, entering for the first time the specialized inputs for confectioners segment, seeking to boost growth of our bread-baking businesses with a more complete and specialized portfolio.

Food Services

Our food services business segment focuses on providing a portfolio that meets the needs of our restaurant clients as well as providing training and education for clients in the food services industry and introducing efficiency techniques to increase their profitability. We use a specialized sales force and distribution system, in addition to culinary advisory services, in order to establish and promote relationships with clients in this business segment and strengthen our value proposal. Under the brand name "Alicorp Gran Cocina" ("Alicorp Grand Kitchen") some of our services include a platform for internet support/telephone sales and culinary consulting services. In addition we have a gastronomy innovation center where we develop new products and recipes featuring our products that can be of benefit to our customers.

Food Service Sauces

Our food service sauce products include ketchup, mayonnaise, mustard and hot sauces that are sold under the Macbel and Alpesa brands and are made with raw materials that include yellow pepper, soybean crude oil, tomatoes and mustard seed.

We market our food service sauces as the best B2B branded products option across different restaurant lines such as Chinese restaurants ("Chifas"), fixed menu shops, sandwich shops, traditional local foods parlors and, most significantly, "Pollerias" (local restaurants focused on rotisserie chicken which is in great demand in the Peruvian market). Our Macbel mayonnaise has become the number one choice for wholesale mayonnaise and received the Business Creativity Award 2012 from Universidad Peruana de Ciencias Aplicadas (UPC).

Food Service Oils

We produce specialized oils to meet the needs of our restaurant clients, which use raw materials that include soybean crude oil, cottonseed and palm oil. Our food service oil brands include Crisol, Capri, Cocinero, Primor and Cil. Our Crisol brand can be found in 50% of all Pollerias in Lima.

We also recently launched "La Receta del Éxito" ("The Recipe of Success"), a contest that focused on management and best practices training for clients. More than 1,500 clients received direct training with extensive

media coverage via the press, radio and television. This type of exposure to media and potential clients allows us to strategically position ourselves in this emerging business segment.

The following table sets forth our market share and competitive position in the Peruvian B2B branded products industry as of December 31, 2012.

B2B Branded Products	Brand(s)	Market Share[(1)]	% of Consolidated Operating Revenues	Position	Competitors
Industrial Baking Flour		53%	13.3%	1st	
Shortenings		52%	3.3%	1st	
Pre-Mix		37%	0.5%	1st	
Industrial Margarines		71%	0.6%	1st	
Food Service Oils		-	6.9%	-	
Food Service Sauces		-	0.9%	-	

Source: Internal company estimates based on Kantar World Panel.
(1) Measured in terms of volumes sold.

Animal Nutrition

We have been in the animal nutrition business segment since 1996 when we acquired Nicolini and Compañía Molinera and added Nicolini's product, Nicovita, to our portfolio. In 2012, we also acquired Salmofood, a producer of fish food in Chile through the "Salmofood" brand. This business segment consists of balanced animal feed, predominantly shrimp and fish feed. Our animal nutrition business segment operates in Peru, Ecuador and Chile with exports to several countries, primarily in Central America. Sales in this business segment are made business-to-business consolidated with exclusive distribution channels for this purpose. Our animal nutrition segment has been the third largest contributor to our consolidated operating revenues in each of 2012, 2011 and 2010 with 11%, 8% and 7% of consolidated operating revenues, respectively.

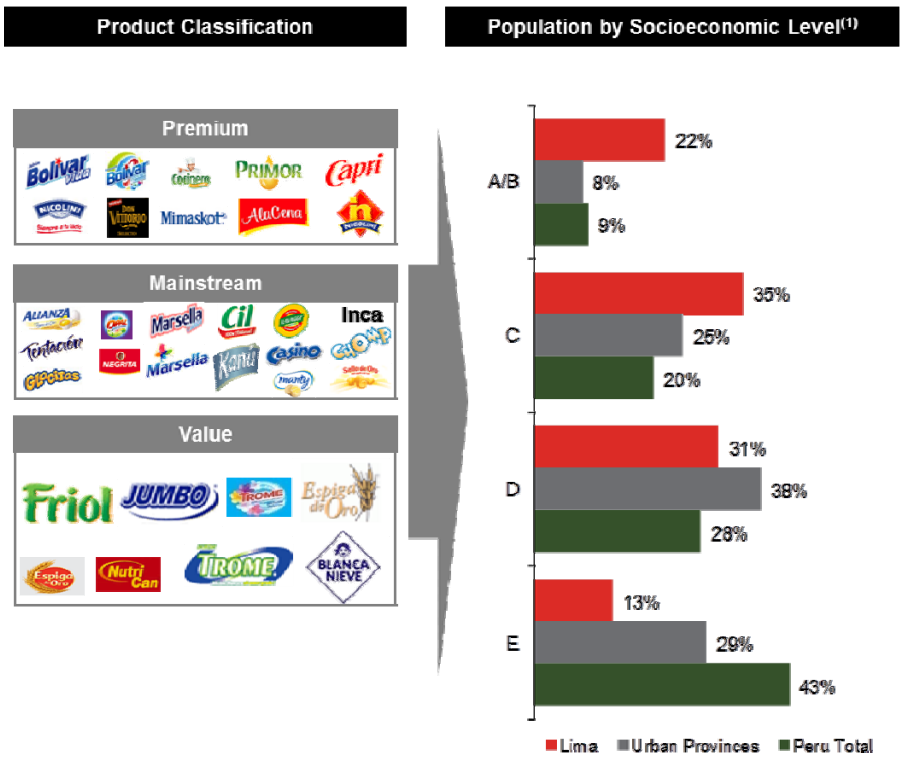
The following table sets forth our market share and competitive position in the Peruvian, Ecuadorian and Chilean animal nutrition industry as of December 31, 2012.

Animal Nutrition	Brand(s)	Market Share[(1)]	% of Consolidated Operating Revenues	Position	Competitors
Peru		70%	1.5%	1st	
Ecuador		32%	5.0%	2nd	
Chile		7.4%	3.1%	5th	

Source: Kantar World Panel, IPSA Audit and Aquabench (Chile).
(1) Measured in terms of volume sold.

Our Brands

Our brands are well-recognized by consumers and have leading or competitive market positions in each of the countries in which they operate as set forth in the operational tables above. Additionally, in Peru we seek to take advantage of economic opportunities by targeting our brands in the full range of socioeconomic markets, as set forth in the tables below:



Source: Ipsos Apoyo.

(1) These socioeconomic levels are based on a variety of factors including household surveys and family income levels. Socioeconomic level A/B represents an average family income of S/.4,256; socioeconomic level C represents an average family income of S/.2,737; socioeconomic level D represents an average family income of S/.1,737; and socioeconomic level E represents an average family income of S/.824 and below.

Sales and Marketing

We promote our products with advertising, consumer incentives and trade promotions. These programs include, but are not limited to, discounts, coupons, rebates, in-store display incentives and volume-based incentives. In Peru, we specialize in reaching "mom and pop" shops, which comprise 70% of the Peruvian retail market.

We offer consumers the highest value by focusing our efforts on strategic tools for product and process innovation, product mix, prices, advertising and promotions. Our marketing strategy was designed to impact the markets with aggressive growth and innovation with the goal of becoming one of the 250 largest companies in Latin America. To that end, we are constantly studying consumers and the markets where we operate seeking new ways to obtain better products, processes and results so as to offer products with increased value added.

Our primary advertising campaigns include television and radio commercials, product tastings and promotions in retail stores and "mom and pop" shops. In recent years, we have launched several successful commercials and promotions in Peru for our products, such as Bolivar, Opal, Marsella, Don Vittorio, Primor, Alacena and Alianza, commercials in Ecuador for our pet food product, Mimaskot, promotions in Colombia for our product, Glacitas, and commercials in Argentina for our product, Plusbelle Shampoo. Our marketing expense was $44.7 million in 2012, $48.3 million in 2011 and $52.2 million in 2010. In 2013, we expect to devote substantial resources to promoting and enhancing the image of our brands.

We seek to strengthen our already strong reputation in those areas where we are the market leader. Our aim is to accomplish this by applying high quality, health, safety and performance standards, as well as enhancing the value equation for our customers. We also focus on generating brand loyalty among existing and new customers. Our ability to execute this strategy is facilitated by the years of experience we have in our competitive industries and

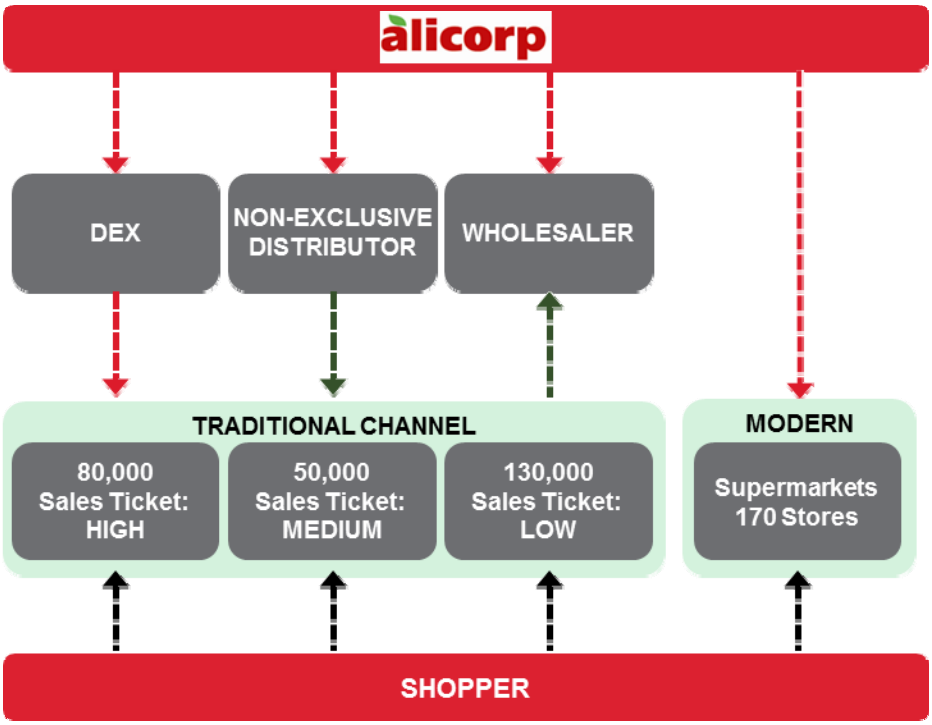
the brand loyalty we have built over the course of many years of being in consumers' homes. We will continue to employ marketing strategies that include aggressive commercial campaigns and promotions in each country where we operate.

Production and Distribution Networks

Peru

We have an extensive and hard to replicate distribution network in Peru that currently gives us access to virtually every point of sale in Peru. This distribution model begins with the 24 manufacturing plants we operate in Peru. Following production, our products are distributed to consumers through a broad and multi-channel distribution network which includes 12 distribution centers and 25 sales offices throughout the country as well as a presence in four of the most important ports.

The following diagram sets forth a breakdown of both the traditional and modern channels we currently employ to reach our final customers in Peru:



Our traditional channels of distribution include the following: (i) arrangements with 44 exclusive distributors; (ii) non-exclusive distribution agreements with nationwide distributors and (iii) arrangements with substantially all wholesalers in Peru. These traditional channels have been a key component to our success as Peru's retail market is largely traditional with only 30% of distribution controlled by large modern supermarkets, according to a study conducted by CCR Audit as of December 31, 2012. In particular, these traditional channels give us broad access to the traditional "mom and pop" shops that currently comprise approximately 70% of the Peruvian retail market, according to CCR Audit.

The terms of our exclusive distribution agreements grant us the right to require party distributors to sell our products exclusively in certain specified territories, with the distributors receiving a compensation fee which is based on sales performance. We have strict control over brand management, marketing strategies and pricing. We believe the use of these exclusive distributors reduces our distribution costs, increases flexibility to efficiently add points of sale while at the same time maintaining the quality of our services and allows us to have greater bargaining power by setting and adjusting market prices and creating barriers for potentially new competitors.

Our modern channel of distribution is comprised of our arrangements with substantially all supermarkets in Peru.

Based on our production and sales levels, visits to each client may be daily, every three days, two times a week or weekly. We classify our customers according to their purchase volume, type of distribution channel and by their individual characteristics.

To facilitate our access to these distribution networks, we operate local distribution centers throughout the country. We have two large distribution centers in Lima with a storage capacity of 36,000 pallets and 15,000 pallets, respectively, and ten others in various parts of Peru. Each distribution center has a total storage capacity of 110,800 pallets representing 77,500 tons of finished products. We are planning to expand the capacity for three of our distribution centers in Peru by an additional 35,900 pallets each, representing an additional 25,500 tons of finished products for a total capacity of 146,700 pallets (103,000 tons of finished products) in each of these three distribution centers. Our distribution centers utilize automatic warehousing management systems, such as SAP, to track inbound and outbound inventory.

Argentina

We have a fully owned distribution network in key regions of Argentina that starts with our six manufacturing plants and multiple arrangements with distributors and wholesalers throughout the country. We have an especially strong presence in rural areas. We currently have plans to expand our modern channels of distribution in Argentina by increasing our presence in supermarkets.

Additionally, we have 11 distribution centers throughout Argentina each with storage capacities of 27,200 pallets representing 20,000 tons of finished products.

Ecuador

In Ecuador, we have one production plant and have a distribution network in key regions through local distributors. Although this distribution occurs mainly through local distributors, we also have strong relationships with wholesalers and retailers in the country and currently have plans to further increase our participation in the Ecuadorian wholesale market. We are also in the process of constructing an animal nutrition plant to help strengthen our position in the local animal nutrition industry.

Additionally, we have four distribution centers throughout Ecuador each with storage capacities of 6,000 pallets representing 7,400 tons of finished products.

Colombia

We have one production plant in Colombia and a distribution network in key regions through arrangements with local distributors, wholesalers and supermarkets.

Additionally, we have one distribution center in Colombia with a storage capacity of 500 pallets representing 200 tons of finished products.

Chile

We operate one industrial plant on the island of Chiloe where we produce balanced animal feed and we employ a specialized sales force in the aquaculture business. Currently, most of our clients are located in the surrounding areas and most our sales are direct sales to our final customers.

Customers

We distribute our products to more than 95,000 customer locations throughout the countries in which we have operations. We believe we have a healthy balance of customers between our traditional and modern distribution channels. During 2012, our sales were segmented as follows: 90% from “mom and pop” shops, wholesalers and exclusive and non-exclusive distributors (traditional distribution channel); and 10% from supermarkets (modern distribution channel).

We have established and maintained stable and long-term relationships with our customers, including all of the wholesalers and supermarkets in Peru, such as Cencosud S.A., Supermercados Peruanos and Tottus.

Currently none of our customers represent more than 2.08% of our consolidated operating revenues.

Raw Materials and Supplies

We use large quantities of commodities, including wheat, soybean crude oil, soybean meal, tallow, sugar and eggs to manufacture our products. In addition, we use significant quantities of plastics to package our products and natural gas to operate our factories and warehouses. For commodity inputs that we use across many of our product categories, such as corrugated paper and energy, we coordinate sourcing requirements and centralize procurement to leverage our scale. In addition, some of our product categories and brands separately source raw materials that are specific to their operations.

We purchase from numerous sources, from large, international producers to smaller, local independent sellers. We have preferred purchaser status and/or have developed strategic partnerships with many of our suppliers, and consequently enjoy favorable pricing and dependable supply for many of our inputs. The prices of raw materials and agricultural materials that we use in our products are affected by external factors such as global competition for resources, currency fluctuations, severe weather or global climate change, consumer or industrial demand and changes in governmental regulation and trade, alternative energy and agricultural programs.

The most significant cost components of our consumer goods business segment are wheat and soybean crude oil. We purchase these raw material requirements from independent third parties such as Cargill Refined Oils and The Canadian Wheat Board and our subsidiary Alicorp Uruguay S.A. Market supply and demand, as well as government programs, substantially influence the prices for wheat and soybean crude oil and other products.

The most significant cost components of our B2B branded products segment are wheat, soybean crude oil and palm oil, which we purchase from independent third parties such as Cargill Refined Oils and The Canadian Wheat Board.

Significant cost components in our animal nutrition business segment include fish oil, soybean meal and wheat, which we purchase in foreign markets, including Argentina (soybean crude oil), Chile (fish oil), Canada, the United States and Russia. We also purchase raw materials from Alicorp Uruguay S.A., Horizon S.A. and Pesquera Exalmar S.A.

Our risk management group works with our procurement teams to continuously monitor supply and cost trends so we can act quickly to obtain ingredients and packaging needed for production on favorable terms. Although the prices of our principal raw materials can be expected to fluctuate, we believe there will be an adequate supply of the raw materials we use and that they will be generally available from numerous sources. Our risk management group uses a range of hedging techniques to limit the impact of price fluctuations in our principal raw materials. However, we do not fully hedge against changes in commodity prices, and our hedging strategies may not protect us from increases in specific raw materials costs. We closely monitor any exposure we have to increased input costs so that we can quickly adjust our pricing to offset any higher costs.

Property

We own our headquarters, located at Av. Argentina Nº 4793, Carmen de la Legua Reynoso - Callao, Lima, Peru. In addition, we own 24 manufacturing facilities in Peru and 12 manufacturing facilities outside of Peru, including nine in Argentina and a manufacturing plant in each of Colombia, Ecuador and Chile. We believe that all of our facilities are adequate for our present need and suitable for their intended purposes.

The following table sets forth certain information on our principal properties as of December 31, 2012:

Property Owner	Description	Location
Peru		
Alicorp S.A.A.	Cookies Production Plant	Arequipa
Alicorp S.A.A.	Pasta Production Plant	Arequipa

Property Owner	Description	Location
Alicorp S.A.A.	Flour Production Plant	Arequipa
Alicorp S.A.A.	Premixes Production Plant	Arequipa
Alicorp S.A.A.	Flour Production Plant	Arequipa
Alicorp S.A.A.	Flour Production Plant	Callao
Alicorp S.A.A.	Pasta Production Plant	Callao
Alicorp S.A.A.	Premixes Production Plant	Callao
Alicorp S.A.A.	Edible oils Production Plant	Callao
Alicorp S.A.A.	Soap Production Plant	Callao
Alicorp S.A.A.	Margarines Production Plant	Callao
Alicorp S.A.A.	Sauces Production Plant	Callao
Alicorp S.A.A.	Cookies Production Plant	Callao
Alicorp S.A.A.	Pet food Production Plant	Callao
Alicorp S.A.A.	Flour Production Plant	Lima
Alicorp S.A.A.	Flour Production Plant	Lima
Alicorp S.A.A.	Juice Powders and Gelatin Production Plant	Lima
Alicorp S.A.A.	Pasta Production Plant	Lima
Alicorp S.A.A.	Detergents Production Plant	Lima
Industria Nacional de Conservas Alimenticias S.A.	Sauces Production Plant	Lima
Molinera Inca S.A.	Flour Production Plant	Paita
Molinera Inca S.A.	Flour Production Plant	Trujillo
Molinera Inca S.A.	Cookies Production Plant	Trujillo
Alicorp S.A.A.	Animal Nutrition Production Plant	Trujillo
Argentina		
Alicorp Argentina S.A.	Detergents and Soap Production Plant	Buenos Aires
Alicorp Argentina S.A.	Puddings Production Plant	Buenos Aires
Alicorp Argentina S.A.	Deodorants Production Plant	Buenos Aires
Alicorp Argentina S.A.	Softeners and Shampoo Production Plant	Buenos Aires
Alicorp Argentina S.A.	Cookies Production Plant	Buenos Aires
Alicorp Argentina S.A.	Pasta Production Plant	Buenos Aires
Alicorp Argentina S.A.	Juice Powders Production Plant	Buenos Aires
Alicorp Argentina S.A.	Pasta Production Plant	Buenos Aires
Alicorp Argentina S.A.	Shampoo and Dish Detergents Production Plant	San Juan
Colombia		
Alicorp Colombia S.A.	Personal Care Products Production Plant	Bogota
Ecuador		
Alicorp Ecuador S.A.	Animal Nutrition Production Plant	Guayaquil
Chile		
Salmofood S.A.	Animal Nutrition Production Plant	Chiloe

Manufacturing Processes

Our plants use state-of-the-art technology and equipment. We have adopted and implemented modern automated production processes for each of our lines of business, and we maintain strict operations and control systems, resulting in efficiencies throughout our production processes within a competitive cost structure. Some of our manufacturing plants can be programmed to manufacture a variety of products also contributing to production efficiencies. The production process for each of our products varies slightly from one product to another, but it generally includes the mixing of ingredients, baking, slicing, packaging and distribution of the products.

As part of our strategy to respond to the changing needs of the market, we have implemented and continuously update innovative systems to increase the capacity, quality, and production potential of our manufacturing lines. To

that end, we have redesigned our current facilities and incorporated new technology (either developed by us or acquired from third parties), significantly increasing capacity and reducing production costs.

As a result of productivity improvements, and to take advantage of the resources of our production plants, each plant carries out its own analysis of its production processes and, together with the corporate support areas, we implement appropriate improvements.

In 2012, we invested S/.153.8 million (US$60.3 million) in systems to improve our manufacturing processes.

Safety and Quality Control System

Quality is essential for us. We have implemented a quality control system tailored to our individual needs and have adopted the highest international standards, driven by our commitment to ensure the satisfaction of our customers and consumers. This system involves quality control assurance and food safety, providing enhanced customer service, promoting and preserving a healthy labor environment and respecting the environment in order to contribute to the overall development of the community. Given the importance of food quality and safety, one part of our quality control system is aimed at controlling and continuously improving the quality of consumables, processes and finished products.

We have earned the loyalty of our customers and consumers by our adherence to the most rigorous international standards in the food industry, certified by independent organizations and agencies with a recognized international reputation. Our most important manufacturing facility in Peru ("Predio Central") has an effluent treatment plant with a processing capacity of 100,000 m^3 per year, in compliance with international standards. We also currently comply with the following international standards and certifications: International Organization for Standardization 9001-2000 (ISO 9001-2000), Hazard Analysis and Critical Control Points (HACCP), Business Alliance for Secure Commerce (BASC), Occupational Health & Safety Advisory Services (OHSAS) and KASHRUT, a Kosher certification. ISO 9001-2000 is a series of international standards that provide guidelines for a quality management system and HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw materials production, procurement and handling, to manufacturing, distribution and consumption of finished products. BASC certification addresses and seeks to prevent the risks associated with narcotics, terrorism and merchandise smuggling, by controlling operating processes, personnel, access, infrastructure, suppliers, and even customers.

In 2012, we invested S/.840,028 (US$329,294) in systems to improve our quality control processes.

Competition

We face competition in all aspects of our business. Our major competitors in our consumer goods segment of business include global players such as Unilever, P&G, Kraft and Nestle as well as more local producers, among others. Competitors in our B2B branded products segment include Molitalia (Carozzi), Molino el Triunfo, Anita Foods and Molino Santa María. Our major competition in the animal nutrition line of business comes from Nutreco, Alimentsa, Purina and Alcon. We also compete with retailer brands, wholesalers and other entities. We compete primarily on the basis of product quality and innovation, brand recognition and loyalty, marketing effectiveness, advertising and promotional activity, the ability to identify and satisfy consumer preferences and price demands.

The following table provides a brief overview of our competitive position in each of our principal products as of December 31, 2012:

	Peru	Argentina	Ecuador
Pasta	#1	-	#3
Mayonnaise	#1	-	#2
Juice Powders	#1	-	#4
Industrial Baking Flour	#1	-	-
Shortenings	#1	-	-
Pre-Mix	#1	-	-
Industrial Margarines	#1	-	-
Food Service Oils	-	-	-

	Peru	Argentina	Ecuador
Food Service Sauces	#1	-	-
Laundry Detergent	#1	#3	-
Cookies and Crackers	#1	#9	-
Pet Food	#1	-	#2

Source: Kantar World Panel, Household Panel ICWP Argentina, IPSA Audit and Nielsen.

See "Industry" for more information about the markets in which we compete.

Research and Development

Innovation is a fundamental part of our business growth and development. We seek to generate new products each year that provide nutritional and health benefits to consumers. In order to support this objective, in 2012, we invested 0.1% of our annual total sales in research and development. In 2012, 3.6% of our total sales were derived from new products introduced in that year and 27.8% of our total sales were derived from new products introduced since 2005.

Our research and development specialists have historically focused on both major product innovation and more modestly scaled line extensions, such as the introduction of new flavors, colors or package designs for established products. We have approximately 40 food scientists, chemists and engineers, with teams dedicated to particular brands and products.

Our research and development expense was $1.7 million in 2012, $1.3 million in 2011 and $1.3 million in 2010. We expense costs as incurred for product research and development. We record marketing and research and development expenses within selling, general and administrative expenses.

Intellectual Property

Our intellectual property consists principally of our portfolios of trademarks for our brands and certain patents, including by licensing. We consider our trademarks to be material to our business. We protect our trademarks through registration and other means in Peru and other markets where we sell our products. Protection of a trademark continues in some of the countries in which we operate for as long as the mark is used and in other countries where we operate for as long as it is registered. Trademark registrations generally are for renewable, fixed terms. Our trademarks include Opal, Nicovita, Cil, Bolivar, Nicolini, Don Vittorio, Victoria, Alacena, Primor, Blanca Flor, Manty, Favorita and Cocinero, among others.

We believe that our main trademarks, categorized according to line of business, are: (i) consumer goods: Bolivar, Alacena, Primor, Opal, Nicolini, Mimaskot and Don Vittorio; (ii) B2B branded products: Nicolini, Blanca Nieve, Macbel, Famosa and Crisol; and (iii) animal nutrition: Nicovita and Salmofood.

Additionally, we own numerous patents in Peru and elsewhere. We have patent applications pending that relate to a number of current and potential products. Patents issued or applied for cover inventions ranging from basic packaging techniques to processes relating to specific products and to the products themselves. Our issued patents extend for varying periods according to the date of patent application filing or grant and the legal term of patents in the various countries where patent protection is obtained. The actual protection afforded by a patent, which can vary from country to country, depends upon the type of patent, the scope of its coverage as determined by the patent office or courts in the country, and the availability of legal remedies in the country. We consider that in the aggregate our patent applications, patents and licenses under patents owned by third parties are of material importance to operations.

In addition to trademarks and patents, our intellectual property also includes proprietary trade secrets, technology, know-how processes and related intellectual property rights that are not registered.

Employees

At December 31, 2012, we had a total of 4,915 employees, of which 71.6% were in Peru, 18.9% in Argentina, 3.0% in Ecuador, 1.4% in Colombia and less than 5.0% in Chile. Approximately 21% of our employees were represented by unions under several collective bargaining agreements.

Regulatory and Environmental

In each of Peru, Argentina, Ecuador, Colombia and Chile, we are subject to the full range of governmental regulation and supervision generally applicable to companies engaged in business in each country, including labor laws, social security laws, public health, consumer protection and environmental laws, securities laws and antitrust laws. These include regulations to ensure sanitary and safe conditions in facilities for the sale and distribution of foodstuffs and requirements to obtain construction permits for our new facilities. We believe that we are in compliance in all material respects with all applicable statutory and administrative regulations with respect to our business in each of the countries in which we operate, including applicable environmental regulations.

The regulation of matters relating to the protection of the environment is not as well developed in Peru, Argentina, Ecuador, Colombia and Chile as in the United States and certain other countries. Accordingly, we anticipate that additional laws and regulations will be enacted over time in these countries with respect to environmental matters. We believe that there are no material judicial or administrative proceedings pending against us with respect to any environmental matter and that we are in compliance in all material respects with all applicable environmental regulations in Peru, Argentina, Ecuador, Colombia and Chile. We cannot assure you that future legislative or regulatory developments will not impose restrictions on us that would be material.

Legal Proceedings

We are party to certain legal proceedings in Argentina, Ecuador, Chile, Colombia and Peru arising in the normal course of our business, which we believe are routine in nature and incidental to the operation of our business. We do not believe that the outcome of the proceedings to which we currently are party will have a material effect upon our operations or financial condition. See Note 36 to our audited consolidated financial statements for more information on our legal proceedings.

MANAGEMENT

Directors

The board of directors is the body responsible for our administration. The members of our board of directors are appointed by our shareholders at the general shareholders meeting for a term of three years and are eligible for re-election. Our board of directors currently consists of nine members, four of whom are independent under the parameters established by our Good Corporate Governance Committee, and two substitutes. The business address of each of our directors is Av. Argentina Nº 4793, Carmen de la Legua Reynoso - Callao, Lima, Peru. The following table sets forth certain information about our directors.

Name	Position	Age	Year Appointed
Dionisio Romero Paoletti	Chairman	47	2002
Luis Enrique Romero Belismelis	Vice-chairman	51	2006
José Antonio Onrubia Holder	Director	57	2006
Calixto Romero Guzmán	Director	56	2002
José Raimundo Morales Dasso*	Director	67	2008
Óscar Alfredo Romero Vega*	Director	65	2005
Arístides de Macedo Murgel*	Director	58	2010
José Alberto Haito Moarri*	Director	58	2007
Ángel Manuel Irazola Arribas	Director	65	2005
Manuel Antonio Romero Belismelis	Substitute Director	56	2006
Rafael Ernesto Romero Guzmán	Substitute Director	55	2006

* Indicates independent member of the board of directors.

Dionisio Romero Paoletti. Mr. Romero has been a member of our board of directors since 2001 and has served as our chairman since 2002. He also sits on the board of several different companies in the services, commercial and industrial sectors. He holds a Bachelor's degree of Economics and International Relations from Brown University and a Master's degree in Business Administration from Stanford University.

Luis Enrique Romero Belismelis. Mr. Romero has served as our vice-chairman since August 2006. He also sits on the board of several different companies in the services, commercial and industrial sectors. He served as alternate director for Mr. Ronald Campbell García from 2001 to 2006. He has been the central manager for administration and finance since 1992, and he served as the central manager for finance, administration and systems from 2002 to 2005. He holds a Bachelor's degree from Boston University.

José Antonio Onrubia Holder. Mr. Onrubia has been a member of our board of directors since August 2006. He served as alternate director for Mr. Ernesto Romero Belismelis from 2001 to 2004 and as alternate director for Mr. Javier Beeck Onrubia from 2004 to 2006. He also sits on the board of several different companies in the services, commercial and industrial sectors. He has served as the central manager for sale and distribution since 1995 and was the central manager for sales from 2002 to 2005. He holds a Bachelor's degree of Business Administration from Saint Michaels College and a Master's degree from Babson College.

Calixto Romero Guzmán. Mr. Romero has been a member of our board of directors since 2002. He also sits on the board of several different companies in the services, commercial and industrial sectors.

José Raimundo Morales Dasso. Mr. Morales has been a member of our board of directors since March 2008. He is the vice-chairman of the board of directors of Credicorp Ltd. and Banco de Crédito del Perú, as well as a member of the board of directors for Atlantic Security Bank, Banco de Crédito de Bolivia, El Pacífico-Peruano Suiza Compañía de Seguros y Reaseguros, Pacífico Vida Seguros and Cementos Pacasmayo. He was the chief executive officer of Banco de Crédito BCP until 2008. He holds a Bachelor's degree of Economics and Administration from Pacífico University and has a Master's degree in Business Administration from the Wharton School of the University of Pennsylvania.

Óscar Alfredo Romero Vega. Mr. Romero has been a member of our board of directors since March 2005. He is chairman of the board for Profit Consultoría e Inversiones SAC, and he also sits on the board of several different companies in the industrial sector. He holds a Bachelor's degree of Economics from Pacífico University and a Master's degree from ESAN, as well as a Ph.D. in Business Administration from The Pennsylvania State University. He also attended PAD (Top Management Program) at Piura University.

Arístides de Macedo Murgel. Mr. Macedo has been a member of our board of directors since March 2010. He served as chief executive officer of Kraft Perú from 1999 to 2001 and as chief executive officer of Kraft Venezuela from 2001 to 2003. He also served as chairman of Kraft Brazil from 2003 to 2006 and as chairman of Kraft Andina from 2007 to 2009. He holds a degree in Business Administration from the Business Administration School of Sao Paulo - Getulio Vargas Foundation.

José Alberto Haito Moarri. Mr. Haito has been a member of our board of directors since March 2007. He also serves as advisory manager of Arellano Marketing. He served as chief executive officer of Snacks América Latina for the south Andean region until 2006. He holds a Bachelor's degree of Economics from Lima University and has a Master's degree in Business Administration from ESAN. He also studied at Northwestern University's Kellogg School of Management.

Ángel Manuel Irazola Arribas. Mr. Irazola has been a member of our board of directors since March 2005. He also sits on the board of several different companies in the services, commercial and industrial sectors. He was chief executive officer of Industrias del Espino S.A. and of Palmas del Espino S.A. until 2006. He is an agriculturist at La Molina Agrarian University. He holds a Master's degree in Business Administration from ESAN and Stanford University.

Manuel Antonio Romero Belismelis. Mr. Romero has served as our substitute director since August 2006. He served as alternate director for Mr. Javier Beeck Onrubia from 2001 to 2004 and as alternate director for Mr. Ernesto Romero Belismelis from 2004 to 2006. He also sits on the board of several different companies in the services, commercial and industrial sectors.

Rafael Ernesto Romero Guzmán. Mr. Romero has served as our substitute director since August 2006. He also served as alternate director for Mr. Calixto Romero Guzmán from 2004 to 2006. He holds a Bachelor's degree in Administration and Finance from Northeastern University in Boston.

Executive Officers

The business address of each of our executive officers is Av. Argentina Nº 4793, Carmen de la Legua Reynoso – Callao, Lima, Peru.

The following table sets forth certain information about our executive officers.

Name	Position	Age	Year Appointed
Paolo Sacchi Giurato	Chief Executive Officer	46	2012
Diego Rosado Gómez de la Torre	Chief Financial Officer	38	2011
Jaime Eduardo Butrich Velayos	Vice President—Corporate Supply Chain	55	2009
Hugo Carrillo Goyeneche	Vice President—B2B Branded Products	47	2011
Mario Claudio Alberto Rossi Velasco	Vice President—Consumer Goods Marketing	54	2011
Salvador Renato Falbo	Vice President—International Consumer Goods	52	2012
Anthony Middlebrook Schofield	Vice President—Corporate Human Resources	55	2009
Martín Carrión Lavalle	Vice President—Animal Nutrition Business	49	2009

Paolo Sacchi Giurato. Mr. Sacchi became our chief executive officer in January 2012. Prior to that, Mr. Sacchi served as our deputy chief executive officer and chief financial officer for three years, during which time he oversaw finance, risk management, investor relations, administration and IT. Mr. Sacchi joined us in 1996 and

served as business planning, SCM and IT manager from 1997 to 2002. He was the flour business manager from 2002 to 2003 and from 2003 to 2009 he served as the B2B branded products business manager. Prior to joining us, Mr. Sacchi was the chief financial officer of Nicolini and a chief financial officer at Generali Insurance. Mr. Sacchi began his career at Banca Commerciale in Italy. Mr. Sacchi holds a Bachelor's degree in Finance from Adelphi University in New York, New York.

Diego Rosado Gómez de la Torre. Mr. Rosado has served as our chief financial officer since April 2011. He joined us in 2009 as corporate financial director responsible for mergers and acquisitions, financial planning and analysis and corporate treasury. Prior to joining us, Mr. Rosado held leading U.S.-based management positions in financial planning and corporate development at Amazon.com and Medtronic Inc. from 2005 to 2009. Earlier in his career, from 1998 to 2003, Mr. Rosado was an investment banker with Latin Pacific Capital and J.P. Morgan—Flemmings, advising companies in Latin America. He holds a Master's degree in Business Administration from the Stephen M. Ross School of Business at the University of Michigan and a Bachelor's degree in Economics from Universidad del Pacifico in Peru.

Jaime Eduardo Butrich Velayos. Mr. Jaime Eduardo Butrich Velayos has served as our vice president of the corporate supply chain since July 1, 2009. Before that, he served as our director of the manufacturing unit from 2005 to 2009. He previously served as director of balanced food from 1998 to 2002 and director of planning and logistics from 2002 to 2005. He holds a Bachelor's degree in Industrial Engineering from Universidad Nacional de Ingenieria and a Master's degree in Business Administration from Universidad ESAN.

Hugo Carrillo Goyeneche. Mr. Carrillo has been vice president of our B2B branded products segment since 2011. He previously held a position as a marketing manager with us. He holds a Master's degree in Business Administration from Universidad del Pacifico in Peru and a Bachelor's degree in Industrial Engineering from Universidad Nacional de Ingeniería in Peru.

Mario Claudio Alberto Rossi Velasco. Mr. Rossi has been vice president of consumer goods marketing since 2011. Prior to joining us, he served as a manager, director and senior consultant of Prisma Consultores. He was a corporate director with Ajegroup in Mexico and chief executive officer of Paraiso del Peru. He holds a Master's degree of Science from Carnegie-Mellon University in Pittsburgh, Pennsylvania.

Salvador Renato Falbo. Mr. Renato has been vice president of consumer goods - Mercosur since 2012. Prior to joining us, he was the chief executive officer of TVBC in Argentina, chief executive officer of The Dial Corp in Argentina and was a commercial manager with Molinos Rio de la Plata in Argentina. He holds a Bachelor's degree in Business Administration from Universidad Argentina de la Empresa.

Anthony Middlebrook Schofield. Mr. Middlebrook has been our vice president of corporate human resources since 2009. Prior to that, he served as a marketing manager with us. Before joining us, he was an associate director of advertising services with P&G in Peru and in Brazil. He holds a Master's degree in Business Administration from ESAN in Peru and a Bachelor's degree in Industrial Engineering from Universidad de Lima.

Martín Carrión Lavalle. Mr. Carrión has been vice president of the animal nutrition business since 2009. He has more than 25 years of experience in the food and animal nutrition products business. He holds a Bachelor's degree in Business Administration from Universidad de Piura in Peru.

Board Committees

Our board of directors has formed three committees: an Audit Committee, a Risk Committee and a Good Corporate Governance Committee. Each of these committees meets at least three times a year and consists of three independent directors, one director from our Controlling Group and our Chief Executive Officer.

Audit Committee

Our Audit Committee is responsible for reviewing and overseeing our internal audit function and approves our internal audit work plans and budgets on an annual basis. Its members also oversee our external auditors and approve any non-audit services to be conducted by them. The Audit Committee reviews any external auditor reports

and significant findings as well as management's responses to such reports and findings. Additionally, the Audit Committee reviews our financial statements and recommends them for approval to our board of directors. The current members of our Audit Committee are Messrs. Óscar Alfredo Romero Vega, Luis Enrique Romero Belismelis, José Alberto Haito Moarri, Paolo Sacchi Giurato and Arístides de Macedo.

Risk Committee

Our Risk Committee is responsibility for evaluating and supervising our risk management policies in areas such as the acquisition of raw materials, exchange and interest rate risk, derivative transactions, off-balance sheet arrangements and tax contingencies. The current members of our Risk Committee are Messrs. Óscar Alfredo Romero Vega, Luis Enrique Romero Belismelis, José Alberto Haito Moarri, Paolo Sacchi Giurato and Arístides de Macedo Murgel.

Good Corporate Governance Committee

Our Good Corporate Governance Committee is responsible for overseeing that our corporate practices are in accordance with applicable Peruvian law. This function includes assessing and issuing recommendations and opinions in connection with related party transactions and the appointment, evaluation and dismissal of our executive officers. The current members of our Good Corporate Governance Committee are Messrs. Óscar Alfredo Romero Vega, Luis Enrique Romero Belismelis, José Alberto Haito Moarri, Paolo Sacchi Giurato and Arístides de Macedo Murgel.

Compensation

Compensation of our directors is approved annually at our annual shareholders meeting. Total compensation to members of our board of directors during 2012 was US$360,000. In 2012, the aggregate amount of compensation paid to executive officers was S/.5.3 million. We do not disclose to our shareholders or otherwise make public information as to the compensation of any individual executive officer. See Note 3 to our audited consolidated financial statements for more information.

PRINCIPAL SHAREHOLDERS

Our only class of outstanding capital stock consists of shares of our fully paid-up common stock. Our common stock is listed for trading on the Lima Stock Exchange.

The following table sets forth certain information concerning actual ownership of our common stock as of December 31, 2012 with respect to our largest shareholders.

Shareholder	Number of Shares of Common Stock	Percentage Beneficial Ownership
Grupo Romero[1]	384,141,047	45.34286 %
Prima AFP S.A.	84,217,350	9.94077 %
AFP Integra S.A.	83,297,373	9.83217%
AFP Horizonte S.A.	54,764,713	6.46426%
Atlantic Security Bank	47,023,667	5.55053%
Others[2]	193,747,581	22.86941%
Total	847,191,731	100.0%

(1) Represents shares held by individuals and companies associated with the Romero and Onrubia families.
(2) Includes all other shareholders, which individually hold less than 5.0% of our common stock.

We also have outstanding approximately 7.4 million investment shares (*acciones de inversion*), which are shares that were issued to our employees during the period of military rule in Peru in the 1970s. These investments shares are entitled to receive a share of our profits, but they do not represent part of our capital stock and they have no voting rights.

Our Controlling Group

Our controlling group, Grupo Romero, owns and operates one of the largest business conglomerates in Peru, with over 120 years of operations in more than 20 different countries worldwide. Presently, Grupo Romero's companies span a diversified group of industries which include consumer goods, industrial production, logistics, infrastructure, trading and services. Some of the other Grupo Romero member companies include Romero Trading S.A., a Peruvian company dedicated to the commercialization and provisioning of services related to agribusiness activity; Primax S.A., a Peruvian company in retail fuel distribution; Multimercados Zonales S.A., a lessor of premises for a supply center which is operated by wholesalers and retailers, involving the sale of food, groceries, clothing and other items; Grupo Ransa, a group of companies operating in several countries in the Latin American region engaged in the provisions of logistics services, including storage, customs and transportations services; Terminal Internacional del Sur S.A., a company that operates the Matarani Port in Peru; Tramarsa S.A., a leading company in the port operation business in Peru, offering a group of port services nationwide in Peru; Corporación Pesquera Giuliana S.A., a company engaged in the extraction, processing and marketing of aquatic resources for human consumption; Grupo Palmas, a Peruvian conglomerate with over 25 years of experience in the cultivation, industrialization and sale of palm oil and other agricultural products; and Grupo Chira, a group dedicated mainly to the cultivation of agricultural products, the sale and marketing of these products, the industrialization, manufacturing and marketing of sugar, alcohol, ethanol and any other derivative of sugar cane and the production and sale of electric generation from biomass. Our affiliation with Grupo Romero allows us to exploit cross selling and synergy opportunities with the other member companies.

RELATED PARTY TRANSACTIONS

Related Party Transactions

In the ordinary course of business, we engage in a variety of transactions with our subsidiaries, affiliates and related parties. As a general policy, we do not enter into transactions with our subsidiaries, affiliates and related parties on terms more favorable to them than what we would offer third parties.

During the last three fiscal years and through the date of these listing particulars, we have engaged in a variety of transactions with related parties in the ordinary course of business. For example, we purchased and sold products and services from or to our related parties, such as raw materials, warehousing services, file documentation services and distribution services. We believe that the prices, interest rates and the terms and conditions set forth in those agreements are comparable to those that would be obtained at arms-length with unrelated parties. The following table sets forth our material transactions with related parties for the periods indicated:

	Year Ended December 31,		
Related Party	**2012**	**2011**	**2010**
	(in millions of S/.)		
Industrias del Espino S.A.[(1)]	41.8	16.4	17.5
Ransa Comercial S.A. [(2)]	21.4	21.5	21.6
Romero Trading S.A. [(3)]	20.1	20.6	12.7

(1) Industrias del Espino S.A. mainly provides raw materials such as palm oil to us.
(2) Ransa Comercial S.A. mainly provides file documentation services, storage and transportation of products between plants to us.
(3) Romero Trading S.A. mainly provides raw materials such as soybean meal to us.

For more information regarding our related party transactions, see Note 29 to our audited consolidated financial statements.

DESCRIPTION OF THE NOTES

We will issue the Notes under an indenture (the "Indenture") to be entered into among us and The Bank of New York Mellon, as trustee (the "Trustee"), paying agent, registrar and transfer agent. We summarize below certain provisions of the Indenture, but do not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, defines your rights. You may obtain a copy of the Indenture in the manner described under "Available Information" and, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, at the office of the Luxembourg paying agent.

You can find the definition of capitalized terms used in this section of these listing particulars under "—Certain Definitions." In this section:

- the "Company" means Alicorp, S.A.A.; and
- the "Notes" means the Notes offered pursuant to these listing particulars and, unless the context otherwise requires, any Additional Notes, as described under "—General."

General

The Notes will:

- be senior unsecured obligations of the Company;
- rank equally in right of payment with all other existing and future senior unsecured indebtedness of the Company (subject to certain labor, tax and tax-like obligations for which preferential treatment is given under Peruvian law);
- rank senior in right of payment to all existing and future subordinated indebtedness of the Company, if any; and
- be effectively subordinated to all existing and future secured indebtedness of the Company to the extent of the value of the assets securing such indebtedness, and structurally subordinated to all existing and future indebtedness and other liabilities of the Company's Subsidiaries.

As of December 31, 2012, the Company had S/.1,286.5 million (US$504.4 million) of consolidated indebtedness outstanding, of which none was secured indebtedness and S/.296.2 million (US$116.1 million) was indebtedness of Subsidiaries. As of the same date, after giving effect to the issuance and sale of the Notes and the application of the net proceeds from this offering as described under "Use of Proceeds," the Company would have had S/.1,924.3 million (US$754.4 million) of consolidated indebtedness outstanding. Of this amount, S/.296.2 million (US$116.1 million) would have been indebtedness of Subsidiaries.

The Company will initially issue US$450,000,000 aggregate principal amount of Notes, but may issue an unlimited principal amount of Notes under the Indenture. The Company may, without the consent of Holders, issue additional Notes ("Additional Notes") in one or more transactions, which have substantially identical terms (other than issue price, issue date and date from which the interest will accrue) as the Notes issued on the Issue Date. Any Additional Notes will be consolidated and form a single class with the Notes issued on the Issue Date, so that, among other things, Holders of any Additional Notes will have the right to vote together with Holders of Notes issued on the Issue Date as one class.

The Notes will be issued in the form of one or more global notes without coupons, registered in the name of a nominee of DTC, as depositary. The Notes will be issued in minimum denominations of US$150,000 and integral multiples of US$1,000 in excess thereof. See "Book-Entry, Delivery and Form."

Principal, Maturity and Interest

The Notes will mature on March 20, 2023 and be repaid on such date at 100% of the principal amount outstanding, unless earlier redeemed in accordance with the terms of the Notes. See "—Optional Redemption."

The Notes will not be entitled to the benefit of any mandatory sinking fund.

Interest on the Notes will accrue at the rate of 3.875% per year and will be payable semi-annually in arrears on March 20 and September 20 of each year, beginning on September 20, 2013. Payments will be made to the persons who are registered Holders at the close of business on March 5 and September 5, as the case may be (whether or not a Business Day), immediately preceding the applicable interest payment date.

Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including the date on which such Notes are originally issued. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Initially, the Trustee will act as registrar, transfer agent and paying agent for the Notes. The Company may change the registrar, transfer agent and paying agent, without notice to Holders. If a Holder of Notes in definitive, non-global form in an aggregate principal amount of at least US$1,000,000 has given wire transfer instructions to the Company or a paying agent, the Company or the paying agent, as applicable, will make all principal, premium, if any, and interest payments in respect of those Notes in accordance with those instructions. All other payments on definitive, non-global Notes will be made at the office or agency of the paying agent in New York City unless the company elects to make interest payments by check mailed to the registered Holders at their registered addresses. All payments on global Notes will be made to DTC by wire transfer.

The Company will, as long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, maintain a transfer agent and a paying agent in Luxembourg. Initially, The Bank of New York Mellon (Luxembourg) S.A. will act as Luxembourg paying and transfer agent. To the extent the paying agent in Luxembourg is obliged to withhold or deduct tax on payments of interest or other similar income, the Company will, to the extent permitted by law, maintain an additional paying agent in a Member State of the European Union (the "EU") that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC (the "Savings Directive") or any other Directive implementing the conclusions of the European Union Council of Economic and Finance ("ECOFIN") council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Under New York's statute of limitations, any legal action for breach of the Indenture, including non-payment of interest or principal, must be commenced within six years after any such breach.

Additional Amounts

All payments of principal, premium or interest by the Company in respect of the Notes will be made free and clear of, and without deduction or withholding for or on account of any present or future taxes, penalties, fines, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of any jurisdiction in which the Company is then resident for tax purposes or any jurisdiction by or through which payment is made (each, a "Tax Jurisdiction"), or any political subdivision thereof or any authority therein having power to tax ("Applicable Taxes"), unless such deduction or withholding is required by law, or the official interpretation thereof or by the administration thereof.

In any such event, the Company will pay such additional amounts ("Additional Amounts") in respect of Applicable Taxes as may be necessary to ensure that the amounts received by Holders of such Notes after such deduction or withholding will equal the respective amounts that would have been receivable in respect of such Notes in the absence of such deduction or withholding, except that no such Additional Amounts will be payable:

(1) to or on behalf of a Holder or beneficial owner of a Note that is liable for Applicable Taxes in respect of such Note by reason of having a present or former connection with the relevant Tax Jurisdiction imposing or levying the Applicable Taxes other than the mere holding or owning of such Note or the enforcement of rights with respect to such Note or the receipt of income or any payments in respect thereof;

(2) to or on behalf of a Holder or beneficial owner of a Note in respect of Applicable Taxes that would not have been imposed but for the failure of the Holder or beneficial owner of a Note to comply with any certification, identification, information, documentation or other reporting requirement within 30 calendar days following a written request from the Company to the Holder for compliance, if such compliance is required by applicable law, regulation, administrative practice or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Applicable Taxes;

(3) to or on behalf of a Holder or beneficial owner of a Note in respect of any estate, inheritance, gift, sales, transfer, personal assets or similar tax, assessment or other governmental charge;

(4) to or on behalf of a Holder or beneficial owner of a Note in respect of Applicable Taxes payable otherwise than by withholding from payment of principal of, premium, if any, or interest on the Notes;

(5) to or on behalf of a Holder or beneficial owner of a Note in respect of Applicable Taxes that would not have been imposed but for the fact that the Holder presented such Note for payment (where presentation is required) more than 30 days after the later of (x) the date on which such payment became due and (y) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect will have been given to the Holders by the Trustee;

(6) to or on behalf of a Holder or beneficial owner of a Note in respect of any tax, duty, assessment or government charge that is imposed on or with respect to a Note presented for payment in the European Economic Area by or on behalf of a Holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union;

(7) to or on behalf of a Holder or beneficial owner of a Note in respect of any Applicable Taxes that are imposed pursuant to European Union Council Directive 2003/48/EC or any other Directive on the taxation of savings income implementing the conclusions of the ECOFIN council meeting of 26 and 27 November 2000, or any law implementing or complying with, or introduced in order to conform to, any such Directive; or

(8) any combination of items (1) to (7) above,

nor will Additional Amounts be paid with respect to any payment of the principal of, or any premium or interest on, any Notes to any Holder or beneficial owner of a Note who is a fiduciary, or partnership, or limited liability company or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the relevant Tax Jurisdiction to be included in the income for tax purposes of a beneficiary, or settlor with respect to such fiduciary, or a member of such partnership or limited liability company or a beneficial owner who would not have been entitled to such Additional Amounts had it been the Holder of such Notes.

In addition, we will pay and indemnify the Holders against any Peruvian value-added tax that is imposed on a payment of interest on the Notes, except to the extent that such Peruvian value-added tax would be excluded from payment of Additional Amounts pursuant to items (1) through (8) above.

All references in these listing particulars to principal, premium or interest payable hereunder will be deemed to include references to any Additional Amounts payable with respect to such principal, premium or interest. The Company will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of any amounts deducted or withheld promptly upon the Company's payment thereof, and copies of such documentation will be made available by the Trustee to Holders upon written request to the Trustee.

The Company will pay promptly when due any present or future stamp, court or documentary taxes or any excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each Note or any other document or instrument referred to in the Indenture or such Note, excluding

any such taxes, charges or similar levies imposed by any jurisdiction that is not a Tax Jurisdiction (except to the extent such taxes, charges or similar levies result from, or are required to be paid in connection with, the enforcement of such Note or any other such document or instrument and such taxes, charges or similar levies would not have been imposed but for the enforcement of such Note or any other such document or instrument in connection with the occurrence of any Event of Default).

The Company intends to withhold Peruvian taxes from interest payments on the Notes at a rate of 4.99% and to pay Additional Amounts, subject to the conditions above, with respect thereto for so long as the Notes are held through DTC or its nominee. See "Taxation—Peruvian Tax Considerations."

Optional Redemption

Optional Make-Whole Redemption

The Company will have the right, at its option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity at a redemption price calculated by an Independent Investment Bank equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semi annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 30 basis points, plus, in each case, any accrued and unpaid interest, plus Additional Amounts, on the principal amount of the Notes so redeemed to (but not including) the redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Bank as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such quotations.

"Independent Investment Bank" means one of the Reference Treasury Dealers appointed by the Company.

"Reference Treasury Dealer" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P Morgan Securities LLC, or their respective affiliates which are primary United States government securities dealers, and not less than two other leading primary United States government securities dealers in New York City (a "Primary Treasury Dealer") designated by the Company from time to time; provided that if any of the foregoing cease to be a Primary Treasury Dealer, the Company will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by an Independent Investment Bank, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Bank by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the third Business Day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) (as computed on the third Business Day immediately preceding that redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Optional Redemption Upon Tax Event

The Company may redeem the Notes, in whole but not in part, at its discretion at any time at a redemption price equal to the principal amount thereof, together with accrued and unpaid interest to, but excluding, the date fixed by

the Company for redemption if (1) on the next date on which any amount would be payable in respect of the Notes, the Company is or would be required (i) to pay Additional Amounts with respect to the Notes in excess of the Additional Amounts that it would pay if payments in respect of the Notes were subject to deduction or withholding at a rate of 4.99% generally (excluding any value added taxes) determined without regard to any interest, fees, penalties or other additions to tax, or (ii) to make a payment to indemnify a Holder of Notes or any other Person in respect of Peruvian value added taxes, or if payment of principal of or premium, if any, on interest on the Notes is subject to value-added taxes and, in each case, the Company is not entitled to a tax credit with respect to such value-added taxes paid due to an action or event not attributable to the Company, as a result of any change in, expiration of or amendment to, the law of the relevant Tax Jurisdiction or any regulations or rulings promulgated thereunder or any change in the official interpretation or official application of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the relevant Tax Jurisdiction is a party, which change, expiration, amendment or treaty becomes effective on or after the later of the date of the Indenture and the date the relevant jurisdiction became a Tax Jurisdiction and (2) such requirement cannot be avoided by the Company taking reasonable measures; *provided* that for this purpose reasonable measures shall not include any change in the Company's jurisdiction of organization or location of its principal executive office. For the avoidance of doubt, reasonable measures may include a change in the jurisdiction of a paying agent; *provided* that such change shall not require the Company to incur material additional costs or legal or regulatory burdens.

The Company will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Company would be obligated to make such payment or withholding if a payment in respect of the Notes were then due. Prior to giving any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee (a) an Officers' Certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right to so redeem have been satisfied and that it cannot avoid the obligations to pay Additional Amounts by taking reasonable measures available to it; and (b) and an opinion of an independent tax counsel reasonably satisfactory to the Trustee to the effect that there has been such change, expiration, amendment or treaty which would entitle the Company to redeem the Notes pursuant to the Indenture.

Optional Redemption Procedures

In the event that less than all of the outstanding Notes are to be redeemed at any time, selection of Notes for redemption will be made by the Trustee in compliance with the requirements governing redemptions of the principal securities exchange, if any, on which Notes are listed or if such securities exchange has no requirement governing redemption or the Notes are not then listed on a securities exchange, on a pro rata basis, by lot or by any other method as the Trustee deems fair and appropriate or as otherwise may be required by the depositary. No Notes of a principal amount of US$150,000 or less may be redeemed in part and Notes of a principal amount in excess of US$150,000 may be redeemed in part in multiples of US$1,000 only.

Notice of any redemption will be given, at least 30 but not more than 60 days before the redemption date to Holders of Notes to be redeemed as described under "—Notices." If Notes are to be redeemed in part only, the notice of redemption will state the portion of the principal amount thereof to be redeemed. A new Note in a principal amount equal to the unredeemed portion thereof, if any, will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global Note will be made, as appropriate).

Notes called for redemption will become due on the date fixed for redemption. The Company will pay the redemption price for any Note together with accrued and unpaid interest thereon to (but not including) the redemption date. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption as long as the Company has deposited with a paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture. Upon redemption of any Notes by the Company, such redeemed Notes will be cancelled.

Open Market Purchases

The Company and any of its Subsidiaries or Affiliates may, subject to applicable laws and regulations, at any time purchase Notes in the open market or otherwise at any price, which Notes may be delivered to the Trustee to be

promptly cancelled by it. Any such Note not delivered to the Trustee to be cancelled may be resold only in compliance with all relevant laws, regulations and directives.

Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event, unless the Company has previously exercised its right to redeem all of the outstanding Notes as described above under "—Optional Redemption," each Holder will have the right to require that the Company purchase all or a portion (in integral multiples of US$1,000, provided that the principal amount of such Holder's Note will not be less than US$150,000) of the Holder's Notes at a purchase price equal to 101% of the principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the purchase date (the "Change of Control Payment").

Within 30 days following the date upon which the Change of Control Triggering Event occurs, the Company will send a notice to each Holder, with a copy to the Trustee as described under "—Notices," offering to purchase the Notes as described above (a "Change of Control Offer"). The Change of Control Offer will state, among other things, the purchase date, which must be at least 30 days but not more than 60 days from the date the notice is given, other than as may be required by law (the "Change of Control Payment Date"), and if given prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control occurring on or prior to the Change of Control Payment Date.

On the Business Day immediately preceding the Change of Control Payment Date, the Company shall deposit with a paying agent funds in an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

If only a portion of a Note is purchased pursuant to a Change of Control Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global Note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Change of Control Offer will be cancelled and cannot be reissued.

The Company will comply with the requirements of Rule 14e-l under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with this "Change of Control Triggering Event" provision, the Company will comply with such securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by doing so.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company, and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Other existing and future indebtedness of the Company may contain prohibitions on the occurrence of events that would constitute a Change of Control Triggering Event or require that Indebtedness be purchased upon a Change of Control Triggering Event. Moreover, the exercise by the Holders of their right to require the Company to repurchase the Notes upon a Change of Control Triggering Event may cause a default under such indebtedness even if the Change of Control Triggering Event itself does not.

If a Change of Control Offer occurs, the Company may not have available funds sufficient to make the Change of Control Payment for all the Notes that might be delivered by Holders seeking to accept the Change of Control Offer. In the event the Company is required to purchase outstanding Notes pursuant to a Change of Control Offer, the Company expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations in respect of senior Indebtedness. However, there can be no assurance that the Company would be able to obtain necessary financing, and the terms of the Indenture may restrict the ability of the Company to obtain such financing. See "Risk Factors—Risks Relating to the Notes—We may not have the ability to raise the funds necessary to finance the change of control offer required by the indenture governing the notes."

Holders will not be entitled to require the Company to purchase their Notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction which is not a Change of Control Triggering Event.

One of the events that constitutes a Change of Control, which is one of the components of a Change of Control Triggering Event, under the Indenture is the disposition of "all or substantially all" of the Company's assets under certain circumstances. This term varies based upon the facts and circumstances of the subject transaction and has not been interpreted under New York State law (which is the governing law of the Indenture) to represent a specific quantitative test. As a consequence, in certain circumstances there may be uncertainty in ascertaining whether a particular transaction involved a disposition of "all or substantially all" of the assets of a Person. In the event that Holders elect to require the Company to purchase the Notes and the Company contests such election, there can be no assurance as to how a court interpreting New York State law would interpret the phrase under certain circumstances.

Covenants

The Indenture provides that the following restrictive covenants will be applicable to the Company and its Subsidiaries.

Limitation on Liens

The Company will not, nor will it permit any Subsidiary to, issue, assume or suffer to exist any Indebtedness or Guarantee, if such Indebtedness or Guarantee is secured by a Lien of any kind upon any property or assets of the Company or any Subsidiary, unless, concurrently with the issuance or assumption of such Indebtedness or Guarantee or the creation of such Lien, the Notes are secured equally and ratably with (or prior to) such Indebtedness or Guarantee for so long as such Indebtedness or Guarantee is so secured; *provided*, *however*, that the foregoing restriction will not apply to:

(1) any Lien on (a) any property constructed, developed, extended or improved by the Company or any Subsidiary (individually or together with other Persons) after the date of the Indenture or any property reasonably incidental to the use or operation of such property, or (b) any shares or other ownership interest in, or any Indebtedness of, any Person which holds, owns or is entitled to such property, products, revenue or profits, in each of clauses (a) and (b) to the extent such Lien is created, incurred or assumed (x) during the period such property was being constructed, developed, extended or improved, or (y) contemporaneously with, or within 360 days after the completion of such construction, development, extension or improvement in order to secure or provide for the payment of all or any part of the purchase price or other consideration of such property or the other costs of such acquisition, construction, development, extension or improvement (including costs such as escalation, interest during construction and financing and refinancing costs);

(2) any Lien on any property (a) existing at the time of acquisition thereof which (x) is not created as a result of or in connection with or in anticipation of such acquisition and (y) does not attach to any other property other than the property so acquired or (b) acquired by the Company or any Subsidiary (individually or together with other Persons) after the date of the Indenture or any property reasonably incidental to the use or operation of such property, to the extent such Lien is created, incurred or assumed contemporaneously with, or within 360 days after such acquisition in order to secure or provide for the payment of all or any part of the purchase price or other consideration of such property or the other costs of such acquisition (including costs such as financing and refinancing costs);

(3) any Lien on any property acquired from a Person which is merged with or into the Company or any Subsidiary or any Lien existing on property of any Person at the time such Person becomes a Subsidiary, in either such case which (a) is not created as a result of or in connection with or in anticipation of any such transaction and (b) does not attach to any other property other than the property so acquired;

(4) any Lien which secures Indebtedness or a Guarantee owing by a Subsidiary to the Company or any other Subsidiary;

(5) any Lien existing on the date of the Indenture;

(6) Liens securing Hedging Obligations of the Company or any Subsidiary (a) that are incurred for the purpose of fixing, limiting, managing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), in the ordinary course of business and not for speculative purposes, or (b) securing letters of credit that support such Hedging Obligations;

(7) any Lien on receivables which secures any line of credit used for working capital purposes by the Company or any Subsidiary in the ordinary course of business;

(8) any Lien which secures any trade finance facility used for working capital purposes by the Company or any Subsidiary in the ordinary course of business; and

(9) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (8); *provided*, *however*, that the principal amount of Indebtedness or Guarantee secured thereby will not exceed the principal amount of Indebtedness or Guarantee so secured at the time of such extension, renewal or replacement plus an amount necessary to pay any fees and expenses, including premiums and defeasance costs related to such transaction, and that such extension, renewal or replacement will be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property).

Notwithstanding the foregoing, the Company or any Subsidiary may issue or assume Indebtedness or a Guarantee secured by a Lien which would otherwise be prohibited under the provisions of the Indenture described in this "Limitation on Liens" section; *provided, however*, that the aggregate amount of such Indebtedness or Guarantee secured by a Lien of the Company and its Subsidiaries measured at the time of its incurrence (without duplication) together with the aggregate amount (without duplication) of Indebtedness and Guarantees secured by a Lien outstanding at such time previously incurred pursuant to this paragraph by the Company and its Subsidiaries and the Attributable Value of Sale and Leaseback Transactions entered into (without duplication) pursuant to the second paragraph under "—Limitation on Sale and Leaseback Transactions" outstanding at such time, will not exceed 20% of Consolidated Net Tangible Assets.

Limitation on Sale and Leaseback Transactions

The Company will not, nor will it permit any Subsidiary to, enter into any Sale and Leaseback Transaction with respect to any property of the Company or any Subsidiary, unless, concurrently with such Sale and Leaseback Transaction, the Notes are secured equally and ratably with (or prior to) such Sale and Leaseback Transaction, unless after giving effect thereto:

(10) the Company or such Subsidiary would be entitled pursuant to the provisions of the Indenture described under "—Limitation on Liens" to issue or assume Indebtedness or a Guarantee (in an amount equal to the Attributable Value with respect to such Sale and Leaseback Transaction) secured by a Lien on such property without equally and ratably securing the Notes; or

(11) the Company or such Subsidiary applies or causes to be applied, in the case of a sale or transfer for cash, an amount equal to 100% of the net cash proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to 100% of the Fair Market Value of the property so leased,

(a) to the retirement, within 12 months after the effective date of such Sale and Leaseback Transaction, of (i) Indebtedness of the Company ranking at least on a parity with the Notes or (ii) Indebtedness of any Subsidiary, in each case owing to a Person other than the Company or any Affiliate of the Company, (b) to the acquisition, purchase, construction, development, extension or improvement of any fixed or capital assets or other real and tangible property, plant or equipment of the Company or that of any Subsidiary to be used by or for the benefit of the Company or any Subsidiary, in each case, in the ordinary course of business or (c) to the acquisition of a majority of the Voting Stock of any Person engaged in a Permitted Business that will become on the date of acquisition thereof a Subsidiary.

Notwithstanding the foregoing, the Company or any Subsidiary may enter into a Sale and Leaseback Transaction which would otherwise be prohibited under the provisions of the Indenture described in this "Limitation on Sale and Leaseback Transactions" section; provided, however, that the Attributable Value of such Sale and Leaseback Transaction (without duplication) of the Company and its Subsidiaries measured at the closing date of such Sale and Leaseback Transaction together with the Attributable Value of Sale and Leaseback Transactions previously incurred (without duplication) pursuant to this paragraph by the Company and its Subsidiaries and the aggregate amount (without duplication) of Indebtedness and Guarantees incurred pursuant to the second paragraph under "—Limitation on Liens" outstanding at such time, will not exceed 20% of Consolidated Net Tangible Assets.

Limitation on Consolidation, Merger, Sale or Conveyance

The Company will not consolidate with or merge into, or sell, convey or transfer all or substantially all of its properties and assets to, any Person, unless:

(12) either (a) the Company is the successor Person (the "Surviving Entity") or (b) the Surviving Entity (if other than the Company) is a corporation or limited liability company or similar entity organized and existing under the laws of Peru, Chile, Colombia, Brazil, the United States (or any State thereof or the District of Columbia) or any country that is a member of the EU and expressly assumes, by a supplemental indenture, the due and punctual payment of the principal of and interest on all the Notes, and the performance of every covenant in the Indenture on the part of the Company, as the case may be, to be performed or observed;

(13) in the case of a Surviving Entity that is a corporation organized and validly existing under the laws of Chile, Colombia, Brazil, the United States or a country that is a member of the EU, such Surviving Entity expressly assumes the obligation to pay Additional Amounts on account of any taxes, duties, assessments or other governmental charges imposed with respect to payments on the Notes by that country (or any political subdivision or taxing authority thereof or therein) as described in, and subject to the limitations set forth in, "—Additional Amounts" (substituting that country for Peru where appropriate);

(14) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing; and

(15) the Company delivers to the Trustee an Officers' Certificate and independent opinions from each of United States and Peruvian counsels stating that such consolidation, merger, sale, conveyance or transfer and such supplemental indenture comply with the provisions in the Indenture relating to such transaction.

In case of any such consolidation, merger, sale, conveyance or transfer, such Surviving Entity will succeed to and be substituted for the Company as obligor on the Notes with the same effect as if it had been named in the Indenture as the Company.

For purposes of this "Limitation on Consolidation, Merger, Sale or Conveyance" covenant, the sale, conveyance or transfer of all the property of one or more Subsidiaries of the Company which property, if held by the Company instead of such Subsidiaries, would constitute all or substantially all the property of the Company on a consolidated basis, will be deemed to be the transfer of all or substantially all the property of the Company.

Reporting Requirements

The Company will provide the Trustee, and the Trustee will provide the Holders, with:

(16) copies in English of its (A) annual consolidated financial statements audited by an internationally recognized firm of independent public accountants, which may be its current independent public accountants, within 120 days after the end of each fiscal year and; (B) consolidated quarterly financial statements within 90 days after the end of each of the first three fiscal quarters of each fiscal year. These annual and quarterly financial statements will be prepared in accordance with IFRS; and

(17) so long as the Company is not subject to Section 13 or Section 15(d) of the Exchange Act and not exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, upon request, to any Holder and any prospective purchaser of the Notes, the information required pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Company will make available the information specified in the foregoing clauses (1) and (2) at the specified office of the Luxembourg paying agent.

Delivery of such reports and information to the Trustee is for informational purposes only and the Trustee's receipt thereof will not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Other Covenants

The Indenture will contain certain other covenants relating to, among other things, the maintenance of corporate existence and maintenance of books and records. Copies of the Indenture will be available at the offices of the Company, the Trustee and the Luxembourg paying agent.

Notices

As long as the Notes are issued in global form, notices to be given to Holders will be given to DTC, in accordance with its applicable policies as in effect from time to time. If the Notes are issued in definitive, non-global form, notices to Holders of Notes will be mailed to them at their registered addresses.

In addition, from and after the date the Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market and so long as it is required by the rules of such exchange, all notices to Holders of Notes will be published in English:

(18) in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or

(19) on the website of the Luxembourg Stock Exchange at *http://www.bourse.lu*.

Notices will be deemed to have been given on the date notice is given or on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication. If publication as provided above is not practicable, notices will be given in such other manner, and will be deemed to have been given on such date, as the Trustee may approve.

Events of Default

The following are "Events of Default" with respect to the Notes:

(20) default in the payment when due of the principal of or premium, if any, on (including, in each case, any related Additional Amounts) any Notes, including the failure to make a required payment to purchase Notes tendered pursuant to a redemption or Change of Control Offer;

(21) default for 30 days or more in the payment when due of interest (including any related Additional Amounts) on any Notes;

(22) the failure to perform or comply with any of the provisions described under "—Covenants—Limitation on Consolidation, Merger, Sale or Conveyance";

(23) the failure by the Company to comply with any other covenant or agreement contained in the Indenture or the Notes for 60 days or more after written notice to the Company from the Trustee or after written notice to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes;

(24) default by the Company or any Material Subsidiary under any Indebtedness which:

(a) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of any applicable grace period provided in such Indebtedness on the date of such default; or

(b) results in the acceleration of such Indebtedness prior to its Stated Maturity;

and the principal or accreted amount of Indebtedness covered by clause (a) or (b) at the relevant time, aggregates US$30,000,000 (or the equivalent in other currencies) or more;

(25) failure by the Company or any Material Subsidiary to pay one or more final judgments against any of them, aggregating US$30,000,000 (or the equivalent in other currencies) or more, which are not paid, discharged or stayed for a period of 60 days or more (to the extent not covered by a reputable and creditworthy insurance company that has acknowledged liability therefor in writing); or

(26) certain events of bankruptcy affecting the Company or any Material Subsidiary or group of Subsidiaries that, taken together, would constitute a Material Subsidiary.

If an Event of Default (other than an Event of Default specified in the foregoing clause (7)) has occurred and is continuing, the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes may declare the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes to be immediately due and payable by notice in writing to the Company and the Trustee (if given by the Holders) specifying the Event of Default and that it is a "notice of acceleration." If an Event of Default specified in the foregoing clause (7) occurs, then the unpaid principal of and premium, if any, and accrued and unpaid interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

At any time after a declaration of acceleration with respect to the Notes as described in the preceding paragraph, the Holders of a majority in principal amount of the outstanding Notes may rescind and cancel such declaration and its consequences:

(i) if the rescission would not conflict with any judgment or decree;

(ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of such declaration of acceleration; and

(iii) if the Company has paid the Trustee its reasonable compensation and reimbursed the Trustee for its reasonable expenses, disbursements and advances.

No rescission will affect any subsequent Default or impair any rights relating thereto.

The Holders of a majority in principal amount of the outstanding Notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any Notes.

In the event of a declaration of acceleration of the Notes because an Event of Default described in the foregoing clause (5) has occurred and is continuing, the declaration of acceleration of the Notes and the related Event of

Default will be automatically annulled if the default triggering such Event of Default pursuant to clause (5) is remedied or cured by the Company or a Material Subsidiary or waived by the holders of the relevant Indebtedness within 20 days after the declaration of acceleration with respect thereto and if:

(i) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction; and

(ii) all existing Events of Default, except nonpayment of principal of or premium, if any, or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

The Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee indemnity reasonably satisfactory to it. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding Notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

No Holder of any Notes will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless:

(27) such Holder gives to the Trustee written notice of a continuing Event of Default;

(28) Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to institute such proceeding or pursue such remedy;

(29) the Holders of the Notes provide to the Trustee satisfactory indemnity;

(30) the Trustee does not comply with such request within 60 days after the receipt of the request and offer of indemnity; and

(31) during such 60-day period the Holders of a majority in principal amount of the outstanding Notes do not give the Trustee a written direction which, in the opinion of the Trustee, is inconsistent with the request;

provided that a Holder of a Note may institute suit for enforcement of payment of the principal of and premium, if any, or interest on such Note on or after the respective due dates expressed in such Note.

The Company is required, within five Business Days upon becoming aware of any Default or Event of Default, to deliver to the Trustee an Officer's Certificate notifying the Trustee of such Default or Event of Default. In addition, the Company is required to deliver to the Trustee, within 135 days after the end of each fiscal year, an Officers' Certificate indicating whether the signatories know of any Default or Event of Default that occurred during the previous fiscal year. The Indenture provides that if a Default or Event of Default occurs, is continuing and a responsible officer of the Trustee has received written notice thereof, the Trustee must give to each Holder notice of the Default or Event of Default within 60 days after the Trustee receives written notice of such Default or Event of Default. Except in the case of a Default or Event of Default in the payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold such notice if and so long as a committee of its trust officers in good faith determines that withholding notice is in the interests of the Holders.

Legal Defeasance and Covenant Defeasance

The Company may, at its option and at any time, elect to have its obligations discharged with respect to the outstanding Notes ("Legal Defeasance"). Legal Defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes on the 91st day after the deposit specified in clause (1) of the second following paragraph, except for:

(32) the rights of Holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes (including any Additional Amounts) when such payments are due from the trust referred to below;

(33) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(34) the rights, powers, trusts, duties, indemnities and immunities of the Trustee and the Company's obligations in connection therewith; and

(35) the Legal Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations released with respect to the covenants that are described under "—Covenants" (other than that described under "—Limitation on Consolidation, Merger, Sale or Conveyance") ("Covenant Defeasance") and thereafter any omission to comply with such obligations will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (other than non-payment and bankruptcy, receivership, reorganization and insolvency events) described under "—Events of Default" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(36) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;

(37) in the case of Legal Defeasance, the Company has delivered to the Trustee an Opinion of Counsel from U.S. counsel reasonably acceptable to the Trustee and independent of the Company to the effect that:

(a) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel states that, the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(38) in the case of Covenant Defeasance, the Company has delivered to the Trustee an Opinion of Counsel from U.S. counsel reasonably acceptable to the Trustee and independent of the Company to the effect that the Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(39) in the case of Legal Defeasance or Covenant Defeasance, the Company has delivered to the Trustee (a) an Opinion of Counsel from Peruvian counsel reasonably acceptable to the Trustee and independent of the Company to the effect that, based upon Peruvian law then in effect, Holders will not recognize income, gain or loss for Peruvian tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Peruvian taxes, if applicable, on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance or Covenant

Defeasance, as the case may be, had not occurred or (b) a ruling directed to the Trustee received from tax authorities of Peru to the same effect as the Opinion of Counsel described in clause (4)(a);

(40) no Default or Event of Default has occurred and is continuing on the date of the deposit pursuant to clause (1) of this paragraph;

(41) the Company has delivered to the Trustee an Officers' Certificate stating that such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any of its Subsidiaries is bound;

(42) the Company has delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over any other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(43) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel from U.S. counsel and independent of the Company, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes and the rights, powers, trusts, immunities and indemnities of the Trustee and the Company's obligations in connections therewith, as expressly provided for in the Indenture) as to all outstanding Notes when:

(44) either:

(a) all the Notes theretofor authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofor been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofor delivered to the Trustee for cancellation (i) have become due and payable or will become due and payable within one year or (ii) are to be called for redemption within one year under irrevocable arrangements for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and, in each case, the Company has irrevocably deposited or caused to be deposited with the Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment to pay and discharge the entire Indebtedness on the outstanding Notes not theretofor delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit (in the case of Notes that have become due and payable) or to the maturity or redemption date, as the case may be, together with irrevocable instructions from the Company directing the Trustee to apply such funds to the payment;

(45) the Company has paid all other sums payable under the Indenture and the Notes by it; and

(46) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Modification of the Indenture

From time to time, the Company and the Trustee, without the consent of the Holders, may amend, modify or supplement the Indenture and the Notes for the following purposes:

(47) to cure any ambiguity, defect or inconsistency contained therein;

(48) to provide for the assumption by a successor Person of the obligations of the Company under the Indenture;

(49) to add Guarantees with respect to the Notes;

(50) to secure the Notes;

(51) to add to the covenants of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company;

(52) to provide for the issuance of Additional Notes in accordance with the Indenture;

(53) to evidence the replacement of the Trustee as provided for under the Indenture;

(54) in connection with any release of any security permitted under the Indenture;

(55) to comply with the covenant described under "—Covenants—Limitation on Consolidation, Merger, Sale or Conveyance";

(56) to conform the terms of the Indenture or the Notes with the description thereof set forth in this "Description of the Notes" to the extent that such description was intended to be a verbatim recitation of a provision of the Indenture or the Notes; or

(57) to make any other change that does not adversely affect the rights of Holders of the Notes in any material respect.

In executing any such supplement or amendment, the Trustee will be entitled to rely on such evidence as it deems appropriate, including, without limitation, solely on an Opinion of Counsel and an Officers' Certificate stating that such supplement or amendment is authorized or permitted by the Indenture.

Other modifications to, amendments of, and supplements to, the Indenture or the Notes may be made with the consent of the Holders of a majority in principal amount of the then outstanding Notes, except that, without the consent of each Holder affected thereby, no amendment may:

(58) reduce the percentage of the principal amount of the Notes whose Holders must consent to an amendment, supplement or waiver;

(59) reduce the rate of or change or have the effect of changing the time for payment of interest on any Notes;

(60) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption, or reduce the redemption price therefor;

(61) make any Notes payable in money other than that stated in the Notes;

(62) make any change in provisions of the Indenture entitling each Holder to receive payment of principal of, premium, if any, and interest on such Notes on or after the due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of outstanding Notes to waive Defaults or Events of Default;

(63) amend, change or modify in any material respect the obligation of the Company to make and consummate a Change of Control Offer in respect of a Change of Control Triggering Event that has occurred; and

(64) make any change in the provisions of the Indenture described under "—Additional Amounts" that adversely affects the rights of Holders or amend the terms of the Notes in a way that would result in a loss of exemption from any applicable taxes.

Governing Law; Jurisdiction

The Indenture and the Notes will be governed by, and construed in accordance with, the law of the State of New York.

The Company will submit to the non-exclusive jurisdiction of the U.S. federal and New York state courts located in the Borough of Manhattan in New York City and will appoint an agent for service of process with respect to any actions brought in these courts arising out of or based on the Indenture or the Notes.

The Trustee

The Bank of New York Mellon is the Trustee under the Indenture. Its address is 101 Barclay Street, Floor 4 East New York, New York 10286.

Except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture and no implied duties or obligations shall be read into the Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No Personal Liability

No past, present or future incorporator, director, officer, employee, shareholder or controlling person, as such, of the Company or any Subsidiary will have any liability for any obligations of the Company under the Notes or the Indenture or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the U.S. federal securities laws or under Peruvian corporate law, and it is the view of the SEC that such a waiver may be contrary to public policy.

Currency Indemnity

The Company will pay all sums payable under the Indenture and the Notes solely in U.S. dollars. Any amount that any recipient receives or recovers in a currency other than U.S. dollars in respect of any sum expressed to be due to such recipient from the Company will only constitute a discharge to the Company, to the greatest extent permitted under applicable law, to the extent of the U.S. dollar amount which such recipient is able to purchase with the amount received or recovered in that other currency on the date of the receipt or recovery or, if it is not practicable to make the purchase on that date, on the first date on which such recipient is able to do so. If the U.S. dollar amount which such recipient is able to purchase with the amount received or recovered in another currency is less than the U.S. dollar amount expressed to be due to such recipient, to the greatest extent permitted under applicable law, the Company will indemnify such recipient against any loss sustained by such recipient as a result. In any event, the Company will indemnify the recipient against the cost of making any purchase of U.S. dollars. For the purposes of this paragraph, it will be sufficient for the recipient to certify in a satisfactory manner that such recipient would have suffered a loss had an actual purchase of U.S. dollars been made with the amount received in that other currency on the date of receipt or recovery or, if it was not practicable to make the purchase on that date, on the first date on which such recipient is able to do so. In addition, such recipient will also be required to certify in a satisfactory manner the need for a change of the purchase date.

The indemnities described above:

- constitute a separate and independent obligation from the other obligations of the Company;
- will give rise to a separate and independent cause of action;
- will apply irrespective of any indulgence granted by any recipient; and
- will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note.

Listing

In the event that the Notes are listed as anticipated on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, the Company will use its reasonable best efforts to maintain such listing; provided that if, as a result of the EU regulated market amended Directive 2004/109/EC (the "Transparency Directive") or any legislation implementing the Transparency Directive or other directives or legislation, the Company could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which the Company would otherwise use to prepare its published financial information, the Company may delist the Notes from the Luxembourg Stock Exchange in accordance with the rules of that exchange and seek an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Luxembourg Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the EU as the Company's Board of Directors may decide.

Certain Definitions

The following sets forth certain of the defined terms used in the Indenture. Reference is made to the Indenture for full disclosure of all such terms, as well as any other terms used herein for which no definition is provided.

"*Additional Amounts*" has the meaning set forth under "—Additional Amounts."

"*Additional Notes*" has the meaning set forth under "—General."

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. Solely for purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Attributable Value*" means as to any particular lease under which the Company or any Subsidiary is at any time liable as lessee and any date as of which the amount thereof is to be determined, the total net obligation of the lessee for rental payments during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended) discounted from the respective due dates thereof to such date at a rate per annum equivalent to the interest rate inherent in such lease (as determined in good faith by the Company in accordance with generally accepted financial practice).

"*Board of Directors*" means, with respect to any Person, the board of directors or similar governing body of such Person.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by an Officer of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification.

"*Business Day*" means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in New York City, United States or in Lima, Peru.

"*Capital Stock*" means:

(65) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;

(66) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and

(67) any warrants, rights or options to purchase any of the instruments or interests referred to in the foregoing clauses (1) or (2), but excluding any debt securities convertible into such equity.

"*Change of Control*" means the occurrence of one or more of the following events:

(68) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d) of the Exchange Act)) other than to the Company, one of its Subsidiaries or the Permitted Holders;

(69) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as those terms are used for purposes of Section 13(d)(3) of the Exchange Act), other than the Company, one of its wholly-owned Subsidiaries or the Permitted Holders, (A) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of the Company's Voting Stock, measured by voting power rather than number of shares, or (B) appoints or acquires the ability to appoint a majority of the members of the Company's Board of Directors;

(70) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property; or

(71) the approval by the holders of Capital Stock of the Company of any plan or proposal for the liquidation or dissolution of the Company, whether or not otherwise in compliance with the Indenture.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (i)(A) the Company becomes a wholly-owned Subsidiary of a holding company and (B) the holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Company's Voting Stock immediately prior to that transaction, (ii) pursuant to a transaction in which the shares of the Company's Voting Stock outstanding immediately prior to the transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person immediately after giving effect to such transaction or (iii) the "person" or "group" referenced in clause (1) or (2) of the preceding sentence previously became the beneficial owner of the Company's Voting Stock so as to have constituted a Change of Control in respect of which a Change of Control Offer was made (or otherwise would have required a Change of Control Offer in the absence of the waiver of such requirement by the Holders of the Notes).

"*Change of Control Payment*" has the meaning set forth under "—Change of Control Triggering Event."

"*Change of Control Payment Date*" has the meaning set forth under "—Change of Control Triggering Event."

"*Change of Control Triggering Event*" means the occurrence of a Change of Control and a Rating Downgrade Event.

"*Common Stock*" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common equity interests,

whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

"*Consolidated Net Tangible Assets*" of any person means, as of any date, (a) all amounts that would be shown as assets on a consolidated balance sheet of such person and its Subsidiaries prepared in accordance with IFRS, less (b) the amount thereof constituting goodwill and Intangible Assets as calculated in accordance with IFRS, less (c) current liabilities (other than current maturities of long-term debt).

"*Covenant Defeasance*" has the meaning set forth under "—Legal Defeasance and Covenant Defeasance."

"*Default*" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Event of Default*" has the meaning set forth under "—Events of Default."

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Fair Market Value*" means, with respect to any asset, the price (after taking into account any liabilities relating to such assets) which could be negotiated in an arm's-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction. The Fair Market Value of any such asset or assets will be determined conclusively by the Board of Directors of the Company acting in good faith, and will be evidenced by a Board Resolution; provided that, with respect to a value of less than US$2,000,000 (or the equivalent in other currencies), such determination may be made by two or more Officers of the Company and only an Officers' Certificate will be required.

"*Fitch*" means Fitch, Inc., or any successor thereto.

"*Guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

(72) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise; or

(73) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part;

provided that "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. "Guarantee," when used as a verb, has a corresponding meaning. The term "Guarantee" will not apply to a guarantee of intercompany Indebtedness among the Company and the Subsidiaries or among the Subsidiaries.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement or arrangement;

(2) any commodity forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement; or

(3) any foreign exchange contract, currency swap agreement, futures contract, option agreement or other similar agreement or arrangement.

"*Holder*" means the Person in whose name a Note is registered in the note register pursuant to the terms of the Indenture.

"*IFRS*" means the International Financial Reporting Standards as adopted by the International Accounting Standards Board which are in effect from time to time.

"*Indebtedness*" means, with respect to any Person (without duplication):

(74) any obligation of such Person (a) for borrowed money, under any reimbursement obligation relating to a letter of credit (other than letters of credit payable to suppliers in the ordinary course of business), under any reimbursement obligation relating to a financial bond or under any reimbursement obligation relating to a similar instrument or agreement, (b) for the payment of money relating to any obligations under any capital lease of real or personal property or (c) under any agreement or instrument in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction (other than (i) any such agreements or instruments directly related to Indebtedness otherwise incurred in compliance with the Indenture and (ii) any such agreements as are entered into in the ordinary course of business and are not for speculative purposes or the obtaining of credit); and

(75) any amendment, supplement, modification, deferral, renewal, extension or refunding of any liability of the types referred to in clause (1).

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. For the purpose of determining any particular amount of Indebtedness under this definition, guarantees of Indebtedness (or obligations with respect to letters of credit) otherwise included in the determination of such amount shall not be included.

"*Intangible Assets*" means, with respect to the Company and its consolidated Subsidiaries, unamortized deferred charges, patents, trademarks, service marks, trade names, copyrights, write-ups of assets over their carrying value at the end of each fiscal year, and all other items which would be treated as intangibles on the balance sheet of the Company and its consolidated Subsidiaries (except unamortized debt discount and expense), according to IFRS.

"*Investment Grade Rating*" means a rating equal to or higher than Baa3 by Moody's (or the equivalent under any successor rating categories of Moody's), BBB- by S&P (or the equivalent under any successor rating categories of S&P) or BBB- by Fitch (or the equivalent under any successor rating categories of Fitch), and the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by the Company.

"*Issue Date*" means the original date of issuance of Notes under the Indenture.

"*Legal Defeasance*" has the meaning set forth under "—Legal Defeasance and Covenant Defeasance."

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); provided that the lessee in respect of a Sale and Leaseback Transaction will be deemed to have incurred a Lien on the property leased thereunder.

"*Material Subsidiary*" means a Subsidiary that represented 15% or more of the Company's consolidated assets or net sales in the preceding fiscal year.

"*Moody's*" means Moody's Investors Service, Inc., or any successor thereto.

"*Officer*" means, when used in connection with any action to be taken by the Company, the Chairman of the Board, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, any Vice President, the Treasurer or the Controller of the Company (or, in each case, the officers of the Company with equivalent positions).

"*Officers' Certificate*" means, when used in connection with any action to be taken by the Company, a certificate signed by two Officers or by an Officer and an Assistant Treasurer of the Company, and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion of counsel, who may be an employee of or counsel for the Company (except as otherwise provided in the Indenture) and who is reasonably acceptable to the Trustee.

"*Permitted Business*" means any business conducted or proposed to be conducted (as described in these listing particulars) by the Company and the Subsidiaries on the Issue Date and other businesses ancillary thereto, including, without limitation, the manufacture, distribution or sale of consumer goods.

"*Permitted Holders*" means (i) members of the Romero or Onrubia families, (ii) any spouse, descendant, heirs or estate of the individuals referred to in the preceding clause (i) and (iii) any non-natural Person that is an Affiliate of any of the Persons referred to in the preceding clauses (i) and (ii) and with respect to which a Person or Persons listed in the preceding clauses (i) and (ii) owns the majority of the aggregate of the total voting power of the Voting Stock in such non-natural Person, on a fully diluted basis.

"*Person*" means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"*Peru*" means the Republic of Peru.

"*Preferred Stock*" means, with respect to any Person, any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*Rating Agencies*" means each of Moody's, S&P and Fitch and, if any of Moody's, S&P and Fitch ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-l(c)(2)(vi)(F) under the Exchange Act selected by the Company (as certified by a resolution of the Company's Board of Directors) as a replacement agency for Moody's, S&P or Fitch, or any of them, as the case may be.

"*Rating Downgrade Event*" means the rating on the Notes is lowered from their rating then in effect by one or more notches below an Investment Grade Rating by any of the Rating Agencies on any date during the period (the "Trigger Period") commencing 60 days prior to the earlier of (i) the first public announcement by the Company of any Change of Control (or pending Change of Control) and (ii) the Change of Control, and ending 60 days following consummation of such Change of Control (which Trigger Period will be extended following consummation of a Change of Control for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change); *provided* that a Rating Downgrade Event otherwise arising by virtue of a particular lowering in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Rating Downgrade Event for purposes of the definition of Change of Control Triggering Event hereunder) if the Rating Agency making the lowering in rating to which this definition would otherwise apply does not announce or publicly confirm that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Rating Downgrade Event). Notwithstanding the foregoing, no Rating Downgrade Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

"*Sale and Leaseback Transaction*" means an arrangement relating to property now owned or hereafter acquired by the Company or any Subsidiary whereby the Company or such Subsidiary transfers such property to a Person with the intention of taking back a lease pursuant to which rental payments are calculated to amortize the purchase price of such property substantially over the useful life thereof and the Company or such Subsidiary leases such property for a period greater than three years from such Person, other than leases between the Company and a Subsidiary or between Subsidiaries.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*SMV*" means the *Superintendencia del Mercado de Valores* (Peruvian Securities Markets Superintendency), or any successor entity.

"*Stated Maturity*" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency unless such contingency has occurred).

"*Subsidiary*" means any Person of which the Company owns, directly or indirectly, more than 50% of the voting power of the other Person's outstanding Voting Stock.

"*S&P*" means Standard & Poor's Rating Services, or any successor thereto.

"*Voting Stock*" means, with respect to any Person, securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

BOOK-ENTRY, DELIVERY AND FORM

The certificates representing the notes will be issued in fully registered form without interest coupons. Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by permanent notes in global, fully registered form without interest coupons (each, a "Restricted Global Note"). The notes sold in offshore transactions in reliance upon Regulation S under the Securities Act will initially be represented by permanent notes in global, fully registered form without interest coupons (each, a "Regulation S Global Note," together with the Restricted Global Notes, the "Global Notes"). The Global Notes will be deposited with the trustee as a custodian for DTC, as depositary, and registered in the name of a nominee of such depositary.

The Global Notes (and any notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth therein and in the indenture and will bear the applicable legend regarding such restrictions set forth under the heading "Transfer Restrictions—Legends" herein. QIBs or non–U.S. purchasers may elect to take a Certificated Security (as defined below under "Certificated Securities") instead of holding their interests through the Global Notes (collectively referred to herein as the "Non–Global Purchasers"), which Certificated Notes will be ineligible to trade through DTC, only in the limited circumstances described below. For a description of the restrictions on transfer of Certificated Securities and any interest in the Global Notes, see "Transfer Restrictions" and "Plan of Distribution—Notes Are Not Being Registered."

The Global Notes

We expect that, pursuant to procedures established by DTC, (i) upon the issuance of the Global Notes, DTC or its custodian will credit, on its internal system, the principal amount at maturity of the individual beneficial interests represented by such Global Notes to the respective accounts of persons who have accounts with such depositary ("participants") and (ii) ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Such accounts initially will be designated by or on behalf of the initial purchasers and ownership of beneficial interests in the Global Notes will be limited to participants or persons who hold interests through participants. Holders may hold their interests in the Global Notes directly through DTC if they are participants in such system, or indirectly through organizations that are participants in such system.

So long as DTC or its nominee is the registered owner or holder of the notes, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such Global Notes for all purposes under the indenture governing the notes. No beneficial owner of an interest in the Global Notes will be able to transfer that interest except in accordance with DTC's procedures, in addition to those provided for under the indenture with respect to the notes.

Payments of the principal of, and premium (if any) and interest on, the Global Notes will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither we, the trustee, any paying agent, any transfer agent or the registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

We expect that DTC or its nominee, upon receipt of any payment of principal of, and premium (if any) and interest on the Global Notes, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Notes as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the Global Notes held through such participants will be governed by standing instructions and customary practice, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way through DTC's same–day funds system in accordance with DTC rules and will be settled in same–day funds. If a holder requires physical delivery of a Certificated Security, such holder must transfer its interest in a Global Note, in accordance with the normal procedures of DTC and with the procedures set forth in the Indenture.

DTC has advised us that it will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the indenture, DTC will exchange the Global Notes for Certificated Securities, which it will distribute to its participants and which will be legended as set forth under the heading "Transfer Restrictions" and "Plan of Distribution—Notes Are Not Being Registered."

DTC has advised us as follows: DTC is a limited–purpose trust company organized under New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for issues of U.S. and non–U.S. equity, corporate and municipal debt issues that participants deposit with DTC. DTC also facilitates the post–trade settlement among participants of sales and other securities transactions in deposited securities through electronic computerized book–entry transfers and pledges between participants' accounts. This eliminates the need for physical movement of securities certificates. Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the DTC system is also available to indirect participants such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Although DTC has agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, it is under no obligation to perform such procedures, and such procedures may be discontinued at any time. None of us, the trustee, any paying agent, any transfer agent or the registrar will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Certificated Securities

A Global Note is exchangeable for certificated notes in fully registered form without interest coupons ("Certificated Securities") only in the following limited circumstances:

- DTC notifies us that it is unwilling or unable to continue as depositary for the Global Note and we fail to appoint a successor depositary within 90 days of such notice, or
- there shall have occurred and be continuing an event of default with respect to the notes under the indenture and DTC shall have requested the issuance of Certificated Securities.

Certificated Securities may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the trustee a written certificate (in the form provided in the indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such notes. See "Transfer Restrictions" and "Plan of Distribution—Notes Are Not Being Registered."

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer the notes will be limited to such extent.

Exchanges Between Regulation S Notes and Restricted Global Notes

Beneficial interests in one Global Note may generally be exchanged for interests in another Global Note. Depending on whether the transfer is being made during or after the 40-day period commencing on the original issue date of the notes, and to which Global Note the transfer is being made, the seller may be required to provide certain written certifications in the form provided in the indenture. A beneficial interest in a Global Note that is transferred to a person who takes delivery through another Global Note will, upon transfer, become subject to any transfer restrictions and other procedures applicable to beneficial interests in the other Global Note.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Restricted Global Notes will be effected by DTC by means of an instruction originated by the trustee through the DTC deposit/withdrawal at custodian system. Accordingly, in connection with any such transfer, appropriate adjustments

will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Restricted Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

TAXATION

The following discussion summarizes certain Peruvian and U.S. federal income tax considerations that may be relevant to you if you invest in the notes. This summary is based on laws, regulations, rulings and decisions now in effect in Peru and the United States, which, in each case, may change. Any change could apply retroactively and could affect the continued validity of this summary.

This summary does not describe all of the tax considerations that may be relevant to you or your situation, particularly if you are subject to special tax rules. You should consult your tax advisors about the tax consequences of holding the notes, including the relevance to your particular situation of the considerations discussed below, as well as of state, local and other tax laws.

Peruvian Tax Considerations

The discussion in these listing particulars regarding Peruvian tax considerations is not intended or written to be used, and cannot be used or relied upon by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of this offering. Prospective investors should consult an independent tax advisor with respect to the Peruvian tax consequences of acquiring, owning or disposing of the notes.

The following is a general summary of certain material Peruvian tax consequences that may be relevant with respect to the ownership or disposition of the notes by non-Peruvian holders. This summary is not intended to be a comprehensive description of all of the Peruvian tax considerations that may be relevant to a decision by non-Peruvian holders to make an investment in the notes.

For purposes of this section, "non-Peruvian holder" means (i) any individual who is not domiciled in Peru; and (ii) any legal entity incorporated outside of Peru, provided that it does not conduct any trade or business through a permanent establishment in Peru or hold the notes through a Peruvian branch. A non-Peruvian individual will be deemed domiciled in Peru for tax purposes if such individual has resided or has remained in Peru for more than 183 calendar days during any twelve-month period.

Income tax

Payment of interest

Interest paid on the notes to non-Peruvian holders will be treated as Peruvian-source income and will be subject to a Peruvian withholding income tax at a rate of 4.99%. However, if the non-Peruvian holder of the notes is considered to be related to us under Peruvian tax laws or if the non-Peruvian holder is an individual and the interest derive from "or through a tax haven" the withholding income tax rate will be of 30%.

We are required to act as withholding agent for income tax payable in connection with interest paid on the notes to non-Peruvian holders.

Sale of the notes

Proceeds received by a non-Peruvian holder on a sale, exchange or disposition of a beneficial interest in the Global Notes held through a clearing system will not be subject to any Peruvian withholding or capital gains tax. In the event that the beneficial interests in the Global Notes are exchanged for definitive notes, any capital gain arising from the sale, exchange or other disposition of these definitive notes by non-Peruvian holders would be subject to Peruvian income tax at a preferential rate of 5% if the following requirements are satisfied: (i) the definitive notes are registered with the Peruvian Securities Public Registry, and (ii) the definitive notes are negotiated in a Peruvian Stock Market. Otherwise, capital gains will be taxable at a 30% rate.

A capital gain will be equal to the difference between (i) the amount realized on the sale, exchange or disposition of the definitive notes, and (ii) the purchase price paid for the notes, which must be certified by the Peruvian tax administration pursuant to a form submitted by the seller along with back-up documentation

evidencing, among others, that the purchase price has been paid in a Peruvian bank account, unless the sale, exchange or disposition is made through the Peruvian Stock Market.

Redemption of the notes

Any premium received upon an early redemption of the notes will be subject to a withholding tax at a rate of either 4.99% or 30% depending on whether the premium is characterized as interest or capital gain. However, a 30% withholding tax rate will apply to any premium received if the non-Peruvian holder of the notes is considered to be related to us.

We have agreed, subject to specific exceptions and limitations, to pay Additional Amounts to the holders of the notes in respect of certain Peruvian income taxes mentioned above. See "Description of the Notes—Payment of Additional Amounts."

Non-Peruvian holders of the notes should consult an independent tax advisor regarding the specific Peruvian income tax considerations of acquiring, owning or disposing of the notes.

Value added tax

Interest paid on the notes is subject to Peruvian value added tax (*Impuesto General a las Ventas*, or "VAT") at a rate of 18% if the proceeds from the offering of the notes are used in Peru. Under Peruvian tax laws, we are responsible and sole obligors before the Peruvian tax administration for any VAT applicable to interest payments on the notes and will be entitled to VAT credit for such payments.

Notwithstanding the above, according to Supreme Decree No. 099-2011-EF, interest paid on securities, such as the notes, issued pursuant to an international offering by a legal entity incorporated or established in Peru will be exempt from VAT if (i) the notes and the corresponding offering memorandum are registered with the SMV; (ii) the international offering has a 'placement tranche' in Peru, and (iii) the international offering is made pursuant to Supreme Decree No. 093-2002-EF (*Texto Único Ordenado de la Ley del Mercado de Valores*) or Legislative Decree No. 862 (*Ley de Fondos de Inversión y sus Sociedades Administradoras*). The aforementioned exemption will be in effect until December 31, 2015. Although it is customary to extend these VAT exemptions, there can be no guarantee that the exemption will be renewed after December 31, 2015. We expect to comply with the VAT exemption requirements and, therefore, expect that interest payments on the notes will be exempted from VAT until the exemption expires.

The sale, exchange or disposition of the notes is not subject to VAT.

Financial transaction tax

In Peru, there is a financial transactions tax ("FTT"), which taxes at a rate of 0.005% any debit or credit made in an account opened with a Peruvian bank or any other financial institution, either in Peruvian or foreign currency. Likewise, if the issue price paid for the notes is deposited in a Peruvian Financial System ("PFS") bank account, such credit will also be levied at the corresponding FTT rate. The taxpayer of the FTT is the holder of the PFS bank account.

U.S. Federal Income Tax Considerations

TREASURY DEPARTMENT CIRCULAR 230 DISCLOSURE

PURSUANT TO U.S. INTERNAL REVENUE SERVICE ("IRS") CIRCULAR 230, WE HEREBY INFORM YOU THAT ANY DISCUSSION IN THESE LISTING PARTICULARS OF U.S. FEDERAL TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DISCUSSION CANNOT BE USED, BY ANY HOLDER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"). SUCH DISCUSSION IS INCLUDED TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. EACH HOLDER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a summary of certain U.S. federal income tax consequences of acquiring, owning and disposing of the notes. Except where otherwise noted, this discussion applies only to U.S. Holders (as defined below) of notes that purchase the notes at the initial issue price indicated on the cover of these listing particulars and that hold the notes as "capital assets" (generally, property held for investment). This discussion is based on the Code, its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the IRS and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. This discussion assumes that the notes will not be issued with more than a de minimis amount of original issue discount for U.S. federal income tax purposes.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder and holders are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the US dollar;
- U.S. expatriates; or
- holders that hold the notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, or alternative minimum tax consequences, or the Medicare tax on net investment income, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the notes.

As used herein, the term "U.S. Holder" means a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of acquiring, owning and disposing of the notes.

Treatment of the Notes

In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the notes. For example, in the event of a change of control, we would generally be required to offer to repurchase the notes at 101% of their principal amount plus accrued and unpaid interest (see "Description of Notes—Change of Control Triggering Event"). We intend to take the position that the notes should not be treated as "contingent payment debt instruments" for U.S. federal income tax purposes because of these additional payments. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the notes, that such additional payments will be paid. Our position is binding on all holders, unless a holder discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which a note was acquired. The IRS, however, may take a contrary position from that described above, which could affect the timing and amount of income included and the character of gain recognized with respect to the notes. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

U.S. Holders

Stated Interest

Stated interest paid to a U.S. Holder on a note, including any amount withheld in respect of any taxes and any Additional Amounts, will be includible in such U.S. Holder's gross income as ordinary interest income at the time such payments are received or accrued in accordance with such U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, interest on the notes will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale, Exchange or Other Taxable Disposition

Upon the sale, exchange or other taxable disposition (including a redemption) of a note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid stated interest which will be taxable as ordinary income to the extent not previously included in gross income) and the U.S. Holder's adjusted tax basis in the note. A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder. Any such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale, exchange or other taxable dispositions. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of notes is subject to foreign income tax (such as the Peruvian capital gains tax described above under "—Peruvian Tax Considerations—Income Tax—Sale of the notes "), U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

U.S. Backup Withholding and Information Reporting

Backup withholding and information reporting requirements generally apply to payments of principal of, and interest on, a note and to proceeds of the sale or redemption of a note, to U.S. Holders. Information reporting generally will apply to payments of principal of, and interest on, notes (including Additional Amounts, if any), and to proceeds from the sale or redemption of notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on payments made within the United States, or by a U.S. payor or U.S. middleman, on a note to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

In addition, for taxable years beginning after March 18, 2010, legislation requires certain U.S. Holders who are individuals to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of the notes.

The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular situations.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement among us and the initial purchasers, we have agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from us, the principal amount of notes set forth opposite its name below.

Initial Purchasers	Principal Amount of Notes
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$242,308,000
J.P. Morgan Securities LLC	$207,692,000
Total	US$450,000,000

BCP Capital Financial Services S.A. is not an initial purchaser nor has it conducted any placement activities within the U.S. or to U.S. persons.

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased or the purchase agreement may be terminated.

We have agreed to indemnify the initial purchasers and their affiliates against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The initial purchasers may offer and sell the notes through any of their affiliates.

Commissions and Discounts

The initial purchasers propose initially to offer the notes at the offering price set forth on the cover page of these listing particulars. After the initial offering, the offering price or any other term of the offering may be changed. The initial purchasers may offer and sell the notes through certain of their affiliates.

Notes Are Not Being Registered

The notes have not been registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales to non-U.S. persons that occur outside of the United States within the meaning of Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

New Issue of Notes

The notes are a new issue of securities with no established trading market. Although we expect to apply to have the notes listed on Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market, we cannot assure you that an active market for the notes will develop. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no

obligation to do so and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

No Sales of Similar Securities

We have agreed that we will not, for a period of 60 days after the date of these listing particulars, without first obtaining the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, directly or indirectly, sell, offer, contract or grant any option to sell, pledge, transfer or establish an open "put equivalent position," or otherwise dispose of or transfer, or announce the offering of, or file any registration statement under the Securities Act in respect of, any of our debt securities or securities exchangeable for or convertible into our debt securities, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

Short Positions

In connection with the offering of the notes, the initial purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions involve bids to purchase the notes in the open market for the purpose of pegging, fixing or maintaining the price of the notes. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may have the effect of preventing or retarding a decline in the market price of the notes or cause the price of the notes to be higher than it would otherwise be in the absence of those transactions.

Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. If the initial purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

The initial purchasers and/or their affiliates may enter into derivative and/or structured transactions with clients, at their request, in connection with the notes, and the initial purchasers and/or their affiliates may also purchase some of the notes to hedge their risk exposure in connection with such transactions. Also, the initial purchasers and/or their affiliates may acquire the notes for their own proprietary accounts. Such acquisitions may have an effect on demand for and the price of the notes.

Notice to Prospective Investors in the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), no offer of notes may be made to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives of the Company; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall require the Company or its representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

These listing particulars have been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. Accordingly any person making or intending to make an offer in that Relevant Member State of notes which are the subject of the offering contemplated in these listing particulars may only do so in circumstances in which no obligation arises for the Company or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Company nor any of the initial purchasers have authorized, nor do they authorize, the making of any offer of notes in circumstances in which an obligation arises for the Company or the initial purchasers to publish a prospectus for such offer.

For the purpose of the above provisions, the expression "an offer to the public" in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

These listing particulars do not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and the notes will not be listed on the SIX Swiss Exchange. Therefore, these listing particulars may not comply with the disclosure standards of the listing rules (including any additional listing rules or prospectus schemes) of the SIX Swiss Exchange. Accordingly, the notes may not be offered to the public in or from Switzerland, but only to a selected and limited circle of investors who do not subscribe to the notes with a view to distribution. Any such investors will be individually approached by the initial purchasers from time to time.

Notice to Prospective Investors in Hong Kong

This prospectus has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. The securities will not be offered or sold in Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or will be issued in Hong Kong or elsewhere other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the securities are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, then securities, debentures and units of securities and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for the transfer; or (iii) by operation of law.

Notice to Prospective Investors in Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Peru

In Peru, this offering will be considered a public offering directed exclusively to institutional investors under CONASEV Resolution No. 079-2008-EF/94.01.1, as amended. Prior to the issuance of the Notes, it is intended that the notes and these listing particulars will be registered with the SMV in accordance with the procedure set forth in SMV Resolution No. 004-2011-EF/94.01.1, applicable to international offerings with a placement tranche in Peru executed in reliance with Rule 144A of the Securities Act. In order to purchase the notes, institutional investors in Peru must sign a statement representing that they understand (i) differences which exist among the accounting and tax treatment in Peru and the country or countries where the notes will be traded, and (ii) the terms and conditions of the notes.

Notice to Prospective Investors in Brazil

The offer and sale of the notes will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, and under CVM Rule (*Instrução*) No. 400, of December 29, 2003, as amended. The offer and sale of the notes have not been and will not be registered with the *Comissão de Valores Mobiliários* in Brazil. Any representation to the contrary is untruthful and unlawful. Any public offering or distribution, as defined under Brazilian laws and regulations, of the interests in Brazil is not legal without such prior registration. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, as the offering of the notes is not a public offering of securities in Brazil, nor may they be used in connection with any offer for sale of the notes to the public in Brazil.

This offer of the notes is addressed to you personally, upon your request and for your sole benefit, and is not to be transmitted to anyone else, to be relied upon by anyone else or for any other purpose either quoted or referred to in any other public or private document or to be filed with anyone without our prior, express and written consent.

Notice to Prospective Investors in Chile

The offer of the notes will begin on March 7 , 2013 and is subject to General Rule No. 336 of the Chilean Securities Commission (*Superintendencia de Valores y Seguros de Chile*, or the "SVS"). The notes being offered are not registered in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the notes are not subject to the supervision of the SVS. As unregistered securities, we are not required to disclose public information about the notes in Chile. The notes may not be publicly offered in Chile unless they are registered in the corresponding securities registry.

La oferta de los valores comienza el 7 de marzo del 2013 y está acogida a la NCG 336 de fecha 27 de junio de 2012 de la Superintendencia de Valores y Seguros de Chile (la "SVS"). La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, por lo que los valores no están sujetos a la fiscalización de dicho organismo. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Estos valores no pueden ser objeto de oferta publica a menos que sean inscritos en el registro de valores correspondiente.

Other Relationships

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, the initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In addition, the initial purchasers and/or their affiliates are or may be lenders, and in some cases agents or managers for the lenders, under credit facilities made to us.

On September 8, 2011, we entered into a loan with Bank of America N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, one of the initial purchasers of the notes offered hereby, and Citibank S.A. in the aggregate principal amount of US$110 million (divided into two disbursements, the first for an amount of US$70 million in September 2011 and the second for an amount of US$40 million in March 2012). Additionally, on December 28, 2012, we entered into a loan agreement with Banco de Credito del Peru, an affiliate of BCP Capital Financial Services S.A., in the aggregate principal amount of US$90 million to finance our acquisition of Industrias Teal in January 2013. We anticipate applying part of the proceeds of this offering to repay the entire amounts due on these loans. Therefore, affiliates of the initial purchasers and/or the joint lead managers will receive proceeds of this offering. See "Use of Proceeds."

TRANSFER RESTRICTIONS

The notes have not been registered, and will not be registered, under the Securities Act or any state securities laws, and the notes may not be offered or sold except pursuant to an effective registration statement or pursuant to transactions exempt from, or not subject to, registration under the Securities Act. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A under the Securities Act; and

- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Regulation S under the Securities Act.

Purchasers' Representations and Restrictions on Resale and Transfer

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;

(2) it acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any state and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(3) it understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by a Restricted Global Note and that notes offered outside the United States pursuant to Regulation S will also be represented by a Regulation S Global Note;

(4) it will not resell or otherwise transfer any of such notes except (a) to us or any of our subsidiaries, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions;

(5) it agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;

(6) it acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture, including with respect to notes sold or transferred pursuant to Rule 144A or Regulation S;

(7) it acknowledges that the trustee, registrar or transfer agent for the notes may not be required to accept for registration or transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;

(8) it acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchasers; and

(9) if it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

Representations and Restrictions on Resale and Transfer of Peruvian Purchasers

The notes are being offered in Peru only to "institutional investors" (as such term is defined in the Seventh Final Disposition of CONASEV Resolution No. 141-98-EF/94.10.1, as amended). Each purchaser of notes in Peru must represent in writing that it is an "institutional investor" (as such term is defined under the Seventh Disposition of CONASEV's Resolution No. 141-98-EF/94.10, as amended) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed to comply with the transfer and resale restrictions set forth under CONASEV's Resolution No. 079-2008-EF/94.01.1, as amended.

Legends

The following is the form of restrictive legend which will appear on the face of the Restricted Global Note and which will be used to notify transferees of the foregoing restrictions on transfer. This legend will only be removed with our consent. If we so consent, it will be deemed to be removed.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ("RULE 144A")) OR (B) IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S, OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

THIS LEGEND MAY ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH PARAGRAPH 2A(V) ABOVE, THE ISSUER RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS, OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The following is the form of restrictive legend which will appear on the face of the Regulation S Global Note and which will be used to notify transferees of the foregoing restrictions on transfer:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE. THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Shearman & Sterling LLP, our U.S. counsel, and for the initial purchasers by Milbank, Tweed, Hadley & McCloy LLP, U.S. special counsel to the initial purchasers.

Certain matters of Peruvian law relating to the notes will be passed upon for us by Miranda & Amado Abogados, our Peruvian counsel and for the initial purchasers by Rubio Leguía Normand Peruvian counsel to the initial purchasers.

INDEPENDENT AUDITORS

Our audited consolidated financial statements included in these listing particulars have been audited by Beltran, Gris & Asociados S. Civil de R.L., a member firm of Deloitte Touche Tohmatsu Limited, independent auditors, as indicated in their reports appearing herein.

LISTING AND GENERAL INFORMATION

1. The creation and issuance of the notes has been authorized by the resolutions of our board of directors, dated March 6, 2013.

2. Except as disclosed herein, there are no litigation or arbitration proceedings against or affecting us or any of our assets and we are not aware of any pending or threatened proceedings, which are or might reasonably be expected to be material in the context of the issuance of the notes.

3. Except as disclosed herein, there has been no adverse change, or any development reasonably likely to involve an adverse change, in our condition (financial or otherwise) or general affairs since December 31, 2012 (the end the most recent fiscal year for which audited consolidated financial statements have been prepared) that is material in the context of the issuance of the notes.

4. For so long as any notes remain outstanding, copies of the indenture under which the notes will be issued may be inspected during normal business hours at the offices of the Luxembourg paying agent and our principal office, at the addresses listed on the inside back cover page of these listing particulars.

5. For so long as any notes remain outstanding, copies of the following documents (together, where necessary, with English translations thereof) may be obtained during normal business hours at the offices of the Luxembourg paying agent and our principal office, at the addresses listed on the inside back cover page of these listing particulars:

- our latest published audited year-end consolidated financial statements; and
- our by-laws.

6. The Global Notes representing the notes have been accepted into the systems used by DTC. The CUSIP and ISIN numbers, as applicable, for the notes are as follows:

Restricted Global Note CUSIP: 016234 AA4	Restricted Global Note ISIN: US016234AA44	Restricted Global Note Common Code: 86528550
Regulation S Global Note CUSIP: P0161K DN0	Regulation S Global Note ISIN: USP0161KDN02	Regulation S Global Note Common Code: 86528509

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of
Alicorp S.A.A. and Subsidiaries

1. We have audited the accompanying consolidated financial statements of **Alicorp S.A.A. and Subsidiaries**, which comprise the consolidated statements of financial position as of December 31, 2012, 2011 and 2010, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility with respect to the consolidated financial statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements of the Company and its Subsidiaries in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its Subsidiaries. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

6. In our opinion, the consolidated financial statements referred to above, present fairly, in all material aspects, the consolidated financial position of **Alicorp S.A.A. and Subsidiaries** as of December 31, 2012, 2011 and 2010, and of their consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Beltran, Gris & Asociados, S. Civil de R.L.
Countersigned by:

(Partner)
Héctor Gutiérrez Durand
CPC Register No. 37527

February 18, 2013

ALICORP S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012, 2011 AND 2010
(Expressed in thousands of nuevos soles (S/.000))

	NOTES	12/31/2012	12/31/2011	12/31/2010
		S/.000	S/.000	S/.000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**5**	496,070	101,818	150,258
Trade receivables (net)	**6**	751,086	435,599	415,428
Inventories (net)	**7**	755,224	735,276	590,371
Other financial assets	**8**	4,757	4,080	11,801
Other assets	**9**	218,054	155,263	99,183
		2,225,191	1,432,036	1,267,041
Assets classified as held for sale	**10**	9,473	21,834	17,158
Total current assets		2,234,664	1,453,870	1,284,199
NON-CURRENT ASSETS				
Property, plant and equipment (net)	**11**	1,326,827	1,147,827	1,174,853
Goodwill (net)	**12**	352,968	294,114	229,968
Other intangible assets (net)	**13**	102,435	85,875	92,601
Investments in associates	**14**	35,471	40,681	40,619
Deferred tax assets	**29(d)**	34,224	28,280	-
Other financial assets	**8**	196,865	158,898	177,729
Other assets	**9**	637	2,463	671
Total non-current assets		2,049,427	1,758,138	1,716,441
TOTAL ASSETS		4,284,091	3,212,008	3,000,640

	NO
LIABILITIES AND EQUITY	
CURRENT LIABILITIES	
Financial liabilities	
Other financial liabilities	
Trade payables	
Current tax liabilities	29
Provision for employee benefits	
Provisions	
Other payables	
Total current liabilities	
NON-CURRENT LIABILITIES	
Financial liabilities	
Deferred tax liabilities	29
Provision for employee benefits	
Deferred revenue	
Total non-current liabilities	
Total liabilities	
EQUITY	
Issued capital:	
Common shares	
Investment shares	
Total	
Legal reserve	
Retained earnings	
Other equity reserves	
Equity attributable to owners of the parent	
Non-controlling interests	
Total equity	
TOTAL LIABILITIES AND EQUITY	

The accompanying notes are an integral part of the consolidated financial statements.

ALICORP S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Expressed in thousands of nuevos soles (S/.000))

	NOTES	12/31/2012	12/31/2011	12/31/2010
		S/.000	S/.000	S/.000
OPERATING REVENUES				
To third parties		4,461,863	4,236,069	3,715,036
To related entities	**30**	11,854	19,599	26,110
Total operating revenues		4,473,717	4,255,668	3,741,146
Cost of sales	**23**	(3,254,369)	(3,082,625)	(2,579,892)
GROSS PROFIT		1,219,348	1,173,043	1,161,254
Selling and distribution expenses	**24**	(495,350)	(460,989)	(466,506)
General and administration expenses	**25**	(242,706)	(207,169)	(190,953)
Other income (expenses), net	**26**	7,366	(16,338)	(26,990)
OPERATING INCOME		488,658	488,547	476,805
Net loss on derivative financial instruments	**22**	(21,128)	(16,447)	(4,353)
Share in net profit of associates	**14**	(636)	1,135	(2,658)
Financial income	**27**	12,003	8,006	4,409
Financial expenses	**28**	(45,235)	(39,875)	(31,422)
Exchange differences, net	**4 (b)(i)**	26,329	8,490	10,654
PROFIT BEFORE TAX		459,991	449,856	453,435
Income tax expense	**29 (b)**	(167,415)	(141,563)	(173,790)
NET INCOME FROM CONTINUING OPERATIONS		292,576	308,293	279,645
Net income from discontinued operations	**31**	58,814	22,378	5,266
NET INCOME		351,390	330,671	284,911
NET INCOME ATTRIBUTABLE TO:				
Owners of the parent		352,222	330,720	284,915
Non-controlling interests		(832)	(49)	(4)
NET INCOME		351,390	330,671	284,911
NET EARNINGS PER SHARE:	**32**			
Basic and diluted earnings per common share and investment share (in nuevos soles)		0.411	0.387	0.333
Basic and diluted earnings per common share and investment share from continuing operations (in nuevos soles)		0.342	0.361	0.327
Basic and diluted earnings per common share and investment share from discontinued operations (in nuevos soles)		0.069	0.026	0.006

The accompanying notes are an integral part of the consolidated financial statements.

ALICORP S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Expressed in thousands of nuevos soles (S/.000))

	NOTES	12/31/2012	12/31/2011	12/31/2010
		S/.000	S/.000	S/.000
NET INCOME		351,390	330,671	284,911
Components of other comprehensive income:				
Net changes from cash flow hedges		(33,061)	(2,384)	(848)
Net gain (loss) on available-for-sale financial assets	**21 (c)**	46,649	(15,475)	58,274
Foreign currency translation	**21 (e)**	(38,865)	(12,304)	2,512
Other comprehensive income		(344)	(270)	(195)
OTHER COMPREHENSIVE (LOSS) INCOME BEFORE INCOME TAX		(25,621)	(30,433)	59,743
Income tax relating to components of other comprehensive income	**29 (d)**	9,915	406	1,758
OTHER COMPREHENSIVE INCOME AFTER INCOME TAX		(15,706)	(30,027)	61,501
TOTAL COMPREHENSIVE INCOME, NET		335,684	300,644	346,412
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent		336,516	300,693	346,415
Non-controlling interests		(832)	(49)	(3)
TOTAL COMPREHENSIVE INCOME, NET		335,684	300,644	346,412

The accompanying notes are an integral part of the consolidated financial statements.

ALICORP S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Expressed in thousands of nuevos soles (S/.000))

	Capital stock				Other equity reserves			
	Common shares	Investment shares	Legal reserve	Retained earnings	Net gain on available-for-sale financial assets	Net changes from cash flow hedges	Foreign currency translation	Subtota
	S/.000 (Note 21(a.1))	S/.000 (Note 21(a.2))	S/.000 (Note 21(b))	S/.000 (Note 21(f))	S/.000 (Note 21(c))	S/.000 (Note 21(d))	S/.000 (Note 21(e))	S/.000
Balance as of January 1, 2010	847,192	7,388	46,250	563,689	71,504	125	-	71,6
Net income	-	-	-	284,915	-	-	-	
Other comprehensive income after income tax	-	-	-	(196)	58,274	910	2,512	61,6
Total comprehensive income	-	-	-	284,719	58,274	910	2,512	61,6
Cash dividends declared	-	-	-	(110,000)	-	-	-	
Transfer to legal reserve	-	-	22,276	(22,276)	-	-	-	
Balance as of December 31, 2010	847,192	7,388	68,526	716,132	129,778	1,035	2,512	133,3
Net income	-	-	-	330,720	-	-	-	
Other comprehensive income	-	-	-	(270)	(15,475)	(1,978)	(12,304)	(29,7
Total comprehensive income	-	-	-	330,450	(15,475)	(1,978)	(12,304)	(29,7
Cash dividends declared	-	-	-	(145,279)	-	-	-	
Transfer to legal reserve	-	-	28,565	(28,565)	-	-	-	
Shares issuance and other equity instruments in associates	-	-	-	-	-	-	-	
Balance as of December 31, 2011	847,192	7,388	97,091	872,738	114,303	(943)	(9,792)	103,5
Net income	-	-	-	352,222	-	-	-	
Other comprehensive income	-	-	-	(344)	46,649	(23,146)	(38,865)	(15,3
Total comprehensive income	-	-	-	351,878	46,649	(23,146)	(38,865)	(15,3
Cash dividends declared	-	-	-	(162,370)	-	-	-	
Transfer to legal reserve	-	-	32,251	(32,251)	-	-	-	
Shares issuance and other equity instruments in associates	-	-	-	-	-	-	-	
Balance as of December 31, 2012	847,192	7,388	129,342	1,029,995	160,952	(24,089)	(48,657)	88,2

The accompanying notes are an integral part of the consolidated financial statements.

ALICORP S.A.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011 AND 2010
(Expressed in thousands of nuevos soles (S/.000))

	12/31/2012	12/31/2011	12/31/2010
	S/.000	S/.000	S/.000
OPERATING ACTIVITIES			
Collections from:			
Sales	5,120,799	5,004,982	4,331,513
Other cash inflow from operating activities	64,604	63,884	139,913
Payments for:			
Suppliers of goods and services	(4,054,957)	(4,098,919)	(3,546,260)
Labor	(437,319)	(361,920)	(286,808)
Income taxes	(181,241)	(175,096)	(169,624)
Taxes	(167,208)	(162,645)	(89,681)
Other cash outflow from operating activities	(71,577)	(22,350)	(89,791)
Cash and cash equivalents generated by operating activities	273,101	247,936	289,262
INVESTING ACTIVITIES			
Collections from:			
Sale of property, plant and equipment	53,663	57,803	22,882
Dividends received	3,393	2,842	2,559
Interests	8,610	5,460	1,690
Other cash inflow from investing activities	9,905	16,566	304
Payments for:			
Purchase of subsidiaries, net of cash received	(207,356)	(75,481)	(30,240)
Purchase of property, plant and equipment	(243,791)	(87,387)	(92,798)
Purchase of intangible assets	(685)	(517)	(1,067)
Loans granted to related parties	(403)	-	-
Cash and cash equivalents used in investing activities	(376,664)	(80,714)	(96,670)
FINANCING ACTIVITIES			
Collections from:			
Short-term loan received	515,051	666,168	416,094
Long-term loan received	320,982	227,641	308,750
Issue of share and other equity instruments	6,237	1,357	-
Payments for:			
Loans from related parties	(1,455)	(19)	-
Short-term loan	(69,530)	(740,388)	(532,110)
Long-term loan	(55,927)	(204,739)	(225,268)
Dividends	(162,370)	(145,279)	(110,000)
Interests	(53,641)	(20,568)	(19,031)
Other cash outflow from financing activities	-	(136)	-
Cash and cash equivalents generated by (used in) financing activities	499,347	(215,963)	(161,565)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	395,784	(48,741)	31,027
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	101,818	150,258	122,565
Effect of exchange difference on cash balances and cash equivalents held in foreign currencies	(1,532)	301	(3,334)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	496,070	101,818	150,258

The accompanying notes are an integral part of the consolidated financial statements.

1. INCORPORATION, ECONOMIC ACTIVITY, APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS, MAIN TRANSACTIONS AND SUBSIDIARIES

(a) Incorporation and economic activity

Alicorp S.A.A. (hereinafter the Company) was incorporated in Peru on July 16, 1956 and started operations in August of that year. The legal address of the Company is Av. Argentina No. 4793 Carmen de la Legua-Reynoso, Callao, Peru.

Its economic activity comprises the manufacture and distribution of edible oils and fats, pasta, flour, biscuits, soap, detergents, sauces, instant beverages, animal nutrition products, ice cream (until September 2011), personal care products and Omega-3 fish oil (Note 31), as well as the trade of products manufactured by third parties.

The Company and its Subsidiaries primarily conduct their business in their corresponding local markets, and also exports its products to Ecuador, Haiti, Colombia, Chile, Honduras, Bolivia, Panama, Nicaragua, Guatemala, Costa Rica, USA, Venezuela, China, Japan, Dominican Republic, Uruguay, Brazil, Angola, Curaçao, Paraguay, Norway and Canada. The amount of sales in foreign markets increased by 10.0% respect to year 2011. Representing 25.7%, 24.6% and 24.9% of total consolidated sales for 2012, 2011 and 2010, respectively.

(b) Approval of the consolidated financial statements

The accompanying consolidated financial statements for the years ended as of December 31, 2012; 2011 and 2010, have been authorized for issuance by the Company's Management. These consolidated financial statements will be submitted to the Board of Directors for their approval. According to Management, the accompanying consolidated financial statements are expected to be approved by the Board of Directors without changes.

(c) Relevant transactions

(c.1) Acquisitions and new investments

(i) On December 20, 2012, the Company acquired 100% of the shares of Industria Nacional de Conservas Alimenticias S.A. and its subsidiary Alimentos Peruanos S.A., as well as Garuza Transporte S.A.C. and SGA & CO S.A. (Incalsa Group) for S/.60,486 (Note 12). These companies are involved in manufacturing, commercialization and distribution of sauces and canned food.

(ii) On October 31, 2012, the Company, through an asset purchase agreement signed with Ucisa S.A., agreed to the acquisition of certain assets related to production activities of edible oil, brands; and inventories of finished goods and related supplies. Additionally, such agreement includes a non-compete commitment by the seller. The total amount of the transaction was S/.17,877. The acquisition was carried out in two parts and was closed on January 15, 2013 (Note 37).

(iii) On July 27, 2012, Alicorp Holdco España S.L. (a subsidiary of the Company), through Alicorp Inversiones S.A. signed a share purchase agreement for 100% of the shares of Salmofood S.A. and its subsidiary Cetecsal S.A. (Group Salmofood). These companies are involved in the production of food for fish, poultry and animals in general for US$62,000. The closing date of the transaction was September 5, 2012 (Note 12).

(iv) On May 22, 2012, Alicorp Inversiones S.A. (a subsidiary of the Company) established on May 26, 2011, constituted Alicorp Holdco España S.L., which main activity is the acquisition, holding, administration, direction and managing of securities and/or shares.

(v) On June 21, 2011, Alicorp Argentina S.A.C., a subsidiary of the Company, acquired 100% of the shares of Italo Manera S.A. and Pastas Especiales S.A. (Manera Group), for a total price of US$30,000. These companies are involved in manufacturing, marketing and distribution of pastas, cakes and juice powder (Note 12).

(c.2) Sale of assets and disposition of discontinued operations

(i) On January 31, 2012, through an asset purchase agreement, the Company and its subsidiary Molinera Inca S.A. sold the assets related to the production of fish oil with Omega 3. The transferred plant is located in Piura-Peru. The amount for this sale was US$52,679 (Note 31).

(ii) In September 2011, the Company sold the assets of the ice-cream business, which were part of the consumer goods unit (Note 31).

(d) Subsidiaries

Subsidiaries are all entities (including special purpose entities) in which the Group has the power to control the financial and operating policies. This situation is usually evidenced by a controlling shareholding of more than half of the shares entitled to vote.

Subsidiaries are fully consolidated from the date on which effective control is transferred to the Group and until such control ceases.

As of December 31, 2012, 2011 and 2010, the share percentage of the Company in the consolidated subsidiaries is as follows:

	Direct and indirect share ownership		
Consolidated subsidiaries:	**2012**	**2011**	**2010**
Agassycorp S.A.	100%	100%	100%
Alicorp Argentina S.C.A.	100%	100%	100%
Alicorp Colombia S.A.	99.98%	99.98%	99.98%
Alicorp Ecuador S.A.	100%	100%	100%
Alicorp Guatemala S.A.	100%	100%	100%
Alicorp Holdco España S.L.	100%	-	-
Alicorp Honduras S.A.	100%	100%	100%
Alicorp Inversiones S.A.	100%	100%	-
Alicorp San Juan S.A.	100%	100%	100%
Alicorp Trading (Shenzhen) Ltd. Co.	100%	100%	100%
Alicorp Uruguay S.R.L. (formerly The Value Brands Company) de Uruguay S.R.L.)	100%	100%	100%
Alimentos Peruanos S.A.	100%	-	-
Cernical Group S.A.	100%	100%	100%
Cetecsal S.A.	100%	-	-
Consorcio Distribuidor Iquitos S.A.	99.84%	99.84%	99.84%
Downford Corporation	100%	100%	100%
Farmington Enterprises Inc.	100%	100%	100%
Garuza Transportes S.A.C.	100%	-	-
Inbalnor S.A.	75%	-	-
Industria Nacional de Conservas Alimenticias S.A.	100%	-	-
Italo Manera S.A.	100%	100%	-
Molinera Inca S.A.	100%	100%	100%
Pastas Especiales S.A.	100%	100%	-
Prooriente S.A.	100%	100%	100%
S.G.A. & CO S.A.	100%	-	-
Salmofood S.A.	100%	-	-
Sanford S.A.C.I.F.I. y A.	100%	100%	100%
Sulfargen S.A.	100%	100%	100%
TVBC S.C.A.	100%	100%	100%
The Value Brands Company de Perú S.R.L.	-	100%	100%

Detailed information on the economic activity of consolidated subsidiaries and their operations is, as follows:

Agassycorp S.A.

It was incorporated on February 25, 2005 in Guayaquil, Provincia de Guayas, Ecuador, Urb. Santa Leonor Solar 4 Mz. 10. The Company began operations on August 1, 2005, for the stated purpose of trading consumer goods, mainly biscuits, pastas, sauces, instant beverages, pet food, among others.

Alicorp Argentina S.C.A.

It was incorporated on February 3, 2003 in Argentina, the legal address is Ingeniero Butty 275, Piso 11 – city of Buenos Aires. Its main activity is the manufacture and commercialization of personal care and household cleaning products. It is a subsidiary of Alicorp S.A.A. since May 30, 2008.

Alicorp Colombia S.A.

It was incorporated on August 15, 2006, in the city of Bogotá, Colombia. Its legal address is Carrera 7 N° 73-55 Piso 7, and began operations in September 2006. Its economic activity comprises the distribution of consumer goods products and the commercialization and distribution of animal nutrition products. On December 1, 2008, Alicorp Colombia S.A. merged with Productos Personales S.A. (Propersa) a company acquired in 2008.

Alicorp Ecuador S.A.

It was incorporated on August 1, 1985, in Quito, Ecuador, with legal address in Calle Bartolome Sanchez 72-328. This entity is a subsidiary of Alicorp S.A.A. since May 4, 2007, and its current address is Oficina PB Carcelen Alto, Pichincha, Quito. Its economic activity comprises the commercialization of any kind of products.

In 2011, Alicorp Ecuador S.A. and Industrial Pesquera Santa Priscila S.A. established Inbalnor S.A., a company engaged in to the production of balanced food for crustaceans.
Alicorp Ecuador S.A. owns 75% of the share capital of Inbalnor S.A.

Alicorp Guatemala S.A.

It was incorporated on September 30, 2009 in Guatemala, and began commercial operations on December 1, 2009. Its legal address is Calle 2 23-80 zona 15 Vista Hermosa II Edificio Avante nivel 13 oficina 1301. The Company's primary activity is the manufacturing, export, import, distribution and commercialization of consumer goods products, mainly food and cleaning products.

Alicorp Holdco España S.L.

It was incorporated on May 22, 2012, its legal address is 08007 Paseo de Gracia, 21, cuarta planta, Barcelona, Spain. The Company’s main activity is the acquisition, holding and administration, direction and managing of securities and/or shares.

Alicorp Honduras S.A.

It was incorporated on February 7, 2008, with legal address in the city of San Pedro de Sula, in the department of Cortés, Honduras. The Company’s main activity is the distribution of animal food products.

Alicorp Inversiones S.A.

It was incorporated on May 26, 2011. The legal address is Av. Argentina 4793, Carmen de la Legua-Reynoso, Callao, Peru. Its main activity is to develop all types of investments in Peru and abroad, and to offer any general services.

Alicorp Trading (Shenzhen) Ltd. Co.

It was incorporated on June 8, 2010. The legal address is Av. Shekou Guishan, Centro Minhua building N° 2 1008 C, Shenzhen, Guangdong - China. The Company's main activity is commercialization and distribution of animal food products.

As of December 31, 2012, the Company has started the procedures to liquidate this subsidiary.

Alicorp Uruguay S.R.L. (formerly The Value Brands Company Uruguay S.R.L.)

It was incorporated on September 12, 2005 in Uruguay, the legal address is Calle Yaguaron 1407, Office 915-916 Montevideo.

Its main activity is the commercialization of personal care and household cleaning. As from July, 2012, the subsidiary extended it social purpose to commercialize merchandise and raw material, in all its forms, in connection with consumer goods and animal nutrition products, imports, exports, representations, commissions and consignations; participation, constitution or acquisition of companies that operate in the aforementioned industries. It is a subsidiary of Alicorp S.A.A. since May 30, 2008.

Alimentos Peruanos S.A.

It was incorporated on July 1, 2011. It is a subsidiary of Alicorp S.A.A. since December 20, 2012. Its legal address is Av. Francisco Bolognesi 551, Santa Anita, Lima, Peru. Its main activity is the preparation of raw materials.

Cernical Group S.A.

It was incorporated on January 13, 2006, in Panama City. Its main activity is to promote, establish and develop companies or business.

Cetecsal S.A.

It was incorporated on October 31, 1995. Its legal address is Ruta 5 Sur, kilómetro 1170, Comuna Castro, Chile. It is a subsidiary of Alicorp S.A.A. since September 5, 2012. Its main activity is the manufacture of fish and animal food, the development of technologies and processes regarding genetics, technology and absorption of food; and the establishment of laboratories and cultivation centers in land and sea.

Consorcio Distribuidor Iquitos S.A.

It was incorporated and started operations on October 21, 1980. Its legal address is Calle Cuzco No. 470, Distrito de Punchana, Provincia de Maynas, Loreto, Peru. Its economic activity is the distribution of all kinds of items or products, primarily edible oil and fats, pasta and flour in the jungle region of Peru.

Downford Corporation

It was incorporated in the British Virgin Islands and began operations on October 4, 1996. The purpose of the Subsidiary is to perform any legal commercial activity under the laws of the British Virgin Islands. It is a subsidiary of Alicorp S.A.A. since July 10, 2008.

Farmington Enterprises Inc.

It was incorporated and started operations on August 10, 1992. This entity is a subsidiary of Alicorp S.A.A. since October 20, 2006 and it is located in Panama. The object of the entity is to undertake investment activities. It also owns 50% of the common shares of Molinera Inca S.A.

Garuza Transportes S.A.C.

It was incorporated on August 14, 2007. It is a subsidiary of Alicorp S.A.A. since December, 2012. Its legal address is Av. Francisco Bolognesi 551, Santa Anita, Lima, Peru. Its main activity is the cargo transportation.

Inbalnor S.A.

It was incorporated on March 3, 2011, in Ecuador. Its legal address is Ciudad de Milagro, Cantón Milagro, Provincia del Guayas. It is a subsidiary of Alicorp S.A.A. since 2011. Its economic activity involves the production of animal food.

Industria Nacional de Conservas Alimenticias S.A.

It was incorporated on February 2, 1970. It is a subsidiary of Alicorp S.A.A. since December, 2012. Its legal address is Av. Francisco Bolognesi 551, Santa Anita, Lima, Peru. Its main activity is the manufacture, commercialization and distribution of sauces and canned food.

Italo Manera S.A.

It was incorporated in Argentina, the legal address is Ruta 229, km. 6.7, Bahia Blanca, city of Buenos Aires. Its main activity is the manufacture, commercialization and distribution of pasta, cakes and juices. It is a subsidiary of Alicorp Argentina S.C.A. since June 21, 2011.

Molinera Inca S.A.

It was incorporated in Peru on January 10, 1964 and has been a subsidiary of Alicorp S.A.A. since October 20, 2006. Its economic activity comprises grain milling, manufacturing, and sale of its products. It has three production plants. Two of them are located in Trujillo, Carretera Panamericana Norte Km. 557 and 558, respectively. The third plant is located in Carretera Paita - Sullana Km. 3.5, Provincia de Paita, Departamento de Piura, Peru. Its legal address is Carretera Panamericana Norte Km. 557, Trujillo, La Libertad, Peru.

Pastas Especiales S.A.

It was incorporated in Argentina, its legal address is Av. Juan Manuel de Rosa No. 3685 Bahia Blanca, city of Buenos Aires. Its main activity is the manufacture and commercialization of pastas and cakes. It is a subsidiary of Alicorp Argentina S.C.A. since June 21, 2011.

Prooriente S.A.

It was incorporated on October 2, 2007, with legal address in Calle Cuzco No. 470 – Distrito de Punchana, Provincia de Maynas, Loreto, Peru. The Subsidiary began operations in December 2007, and its purpose is to commercialize all kinds of items or products, primarily edible oils and fats, pasta and flour in the jungle region of Peru.

S.G.A. & CO S.A.

It was incorporated on April 17, 1984. It is a subsidiary of Alicorp S.A.A. since December 20, 2012. Its legal address is Av. Francisco Bolognesi 551, Santa Anita, Lima, Peru. Its main activity is the distribution of consumer goods products and business to business branded products.

Salmofood S.A.

It was incorporated on May 26, 1993 and started its activities on February 1, 1995. Its legal address is Ruta 5 Sur kilometer 1170, Comuna Castro, Chile. It is a subsidiary of Alicorp S.A.A. as of September 5, 2012. Its main activity is the manufacture of fish, poultry and animal food.

Sanford S.A.C.I.F.I. y A.

It was incorporated in Argentina, its legal address is Ingeniero Butty 275, Piso 11 – Buenos Aires, Federal Capital. Its main activity is the manufacture and commercialization of consumer goods products. It has been a subsidiary of Alicorp Argentina S.C.A. since May 31, 2010.

TVBC S.C.A. and Subsidiaries

It was incorporated on February 3, 2003 in Argentina, the legal address of TVBC S.C.A. and subsidiaries, Sulfargen S.A., is Ingeniero Butty 275, Piso 11 – city of Buenos Aires. The legal address of subsidiary Alicorp San Juan S.A. is Ruta 40 and Calle 7 – Pocito Aberestian – San Juan.

TVBC S.C.A. owns 99.9% of Alicorp San Juan S.A. shares, which is mainly engaged in the manufacture and commercialization of personal care and home care products; and owns 95% of Sulfargen S.A. shares' which includes a non-currently operating plant. Both companies have been subsidiaries of Alicorp S.A.A. since May 30, 2008.

The Value Brands Company de Perú S.R.L.

It was incorporated on May 31, 2005 in Peru, its legal address is Av. De La Floresta No. 497 Int. 201 San Borja, Lima. Its main activity is the commercialization of personal care and household cleaning products. It has been a subsidiary of Alicorp S.A.A. since May 30, 2008.

As of December 31, 2012, the Company liquidated this subsidiary. On that regard, the Company complied with filing the registration with the Superintendencia Nacional de Registros Públicos (SUNARP) and the communications to the Superintendencia Nacional de Administración Tributaria (SUNAT).

Securitization Trust

On November 30, 2010, the Company's management settled the Alicorp 2004 Securitization Trust constituted on December 27, 2004.

The Securitization Trust Certificate of US$60,090 granted the Company the right to receive totally or partially the nominal value of this trust upon maturity, provided that total interests and principal amount of the secured bonds issued had been paid.

Liquidation of non-operating companies

On December 31, 2010, the Company determined to write off the following investments held with subsidiaries that were inoperative: Hilandería Las Dunas S.A., Sudamerican Trading S.A., Distribuidora Lamborghini S.A., Almacenes Económicos S.A. and others. In this regard, the Company complied with the filing with SUNARP and communications to the SUNAT.

The liquidation of these companies resulted in a net loss of S/.338 which comprises: (i) the cost of the recorded investment in the Company of S/.1,063, (ii) trade receivables and trade payables outstanding of S/.96 and S/.799, respectively, (iii) provision for losses in such subsidiaries of S/.228, and (iv) an unrealized debit balance of S/.206.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used by the Company and its Subsidiaries for the preparation and presentation of the consolidated financial statements are summarized as follows:

(a) Statement of compliance and basis of preparation and presentation

The accompanying consolidated financial statements were prepared in conformity with the International Financial Reporting Standards (IFRS), as issued by the IASB (International Accounting Standards Board), effective as of December 31, 2012, which include International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), or the former Interpretations of the Standing Interpretations Committee (SIC) – adopted by the IASB. As it is explained below in the significant accounting policies section, the historical cost basis was used for this purpose, except for some items of properties and financial instruments measured by appraised value or fair value, as indicated in this note. The historical cost is generally based in the fair value of the consideration given for the exchange of assets.

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (Subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

As of December 31, 2012, 2011 and 2010, financial statements include consolidated balance, income and expenses of the Company and its Subsidiaries, described in Note 1 (d).

All intra-group transactions have been fully eliminated. When necessary, adjustments are made to the financial statements of certain subsidiaries to comfort their accounting policies with those used by the Group.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as the case may. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this result having a deficit balance.

Changes in the Group ownership in its subsidiaries, which do not result in a loss of control, are recorded as equity transactions. The carrying amounts of the ownership of the shareholders of the Company and that of the non-controlling interest of the subsidiaries are adjusted to reflect the changes in the respective ownership. Any difference between these amounts and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(c) Responsibility for information and estimates

The Company's Management is responsible for the information contained in the consolidated financial statements. Certain estimates made to quantify some assets, liabilities, revenues, expenses and commitments recorded therein have been used based on the experience and other relevant factors. Final results could differ from those estimates.

These estimates are reviewed on an ongoing basis. Changes in accounting estimates are prospectively recognized by recording the effects of changes in the corresponding consolidated statement of income for the year in which the corresponding revisions are conducted.

The most important estimates and sources of uncertainty related with the preparation of the Company's consolidated financial statements refer to:

- Determination of functional currency and recording of foreign currency transactions.
- Revenue recognition.
- Impairment losses of certain assets (Notes 6, 7, 11, 12 y 13).
- Useful life of property, plant and equipment and other intangibles assets.
- Goodwill.
- Fair value, classification and risk of financial assets and liabilities (Note 4).
- Provisions.
- Probability of contingencies (Note 36).
- Current and deferred income tax (Note 29).

(d) Functional and presentation currency

The Company prepares and presents its consolidated financial statements in nuevos soles, which is its functional currency. The functional currency is the currency of the main economic environment in which an entity operates, which has an impact on the selling prices of traded goods, among other factors.

(e) Foreign currency transactions

The functional currency of the Company and its Subsidiaries is the currency of the country in which each entity operates. Transactions in currencies other than the functional currency are deemed to be "foreign currency", and are recognized at the rates of exchange prevailing at the date of transactions. At the end of each reporting period, the balances of monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items which are recognized at historical cost in foreign currencies are translated using rates of exchange prevailing at the date of transactions.

Exchange differences arising on monetary items are recognized in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings related to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on these borrowings;
- exchange differences on transactions entered into in order to hedge foreign exchange risks in cases of transactions designated to hedge accounting, and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore

forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified to profit or loss for the period on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using exchanges rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates ay the dates of the transactions are used. Exchange difference arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange difference are re-attributed to non-controlling interest and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates of jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income and accumulated in equity.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and investments in time deposits with maturities under three months, from the agreement date.

(g) Financial instruments

Financial instruments are contracts that give rise simultaneously to a financial asset in a company and a financial liability or equity instrument in another company. Financial assets and liabilities are recognized when the Company and its Subsidiaries participate in contractual agreements of the corresponding instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in consolidated profit or loss.

Financial assets

Conventional purchase or sale of financial assets are recognized and written off using the trade date accounting, or at the settlement date accounting. The Company and its Subsidiaries will apply the same method in a consistent way for all purchases and sales of financial assets that classify in the same way.

The trade date accounting is when an entity commits to purchase or sale an asset. The accounting of the trade date refers to: (a) the recognition of the asset to be received and liability to be paid as of the trade date accounting, and (b) write of the asset being sold, the recognition of the eventual result of the disposition, and recognition of a receivable from the buyer as of the contracting date. Usually, interest do not accumulate (accrue) on the asset and corresponding liability until the liquidation date, when the security is transferred.

The settlement date accounting is when an asset is delivered or received by the entity. The accounting by the settlement date refers to: (a) the recognition of the asset as of the day in which the entity receives it, and (b) write off the asset and the recognition of any result by disposition as of the day its delivery by the entity takes place. When the accounting of liquidation date is applied, an entity will account any change in fair value of the asset receivable, that takes place during the period starting as of the contracting date until the liquidation date, in the same way as it accounts the acquired asset, that is to say, the change in value will not be recognized in assets measured at amortized cost; but in the gains for the period for assets classified as financial assets measured at fair value through profit and loss; and will be recognized in other comprehensive income for investments in equity instruments.

Financial assets are classified into the following specified categories:

- Financial assets at fair value through profit or loss;
- Held-to-maturity investments;
- Loans and receivables;
- Available-for-sale financial assets.

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or, on initial recognition, it is designated by the Company and subsidiaries to be recorded at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Effective interest rate is the discount rate which exactly equalizes cash flows receivable or payable, estimated throughout the instrument’s life. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as: (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. These investments are stated at fair value. Changes in the carrying amount of AFS monetary financial assets are directly recorded in other comprehensive income, except for impairment losses, interest income calculated using the effective interest method and changes in foreign exchange rates of debt instruments denominated in foreign currency, which are recognized in profit or loss. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in other comprehensive income is reclassified to profit or loss. Dividends on AFS equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted market prices in an active market are the best evidence of fair value and should be used, where they exist, to measure the financial instrument. If a market for a financial instrument is not active, an entity establishes fair value by using a valuation technique that makes maximum use of market inputs and includes recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same or at discounted cash flow analysis, applying market interest rate for similar financial instruments (same term, currency, interest rates and similar equivalent risk assessments).

Financial liabilities

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's and Subsidiaries documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

(h) Derivative financial instruments

The Company and Subsidiaries use derivative financial instruments such as exchange rate swaps, exchange rate options, interest rate swaps, cross currency swaps and futures prices for commodities to hedge its interest rate risk, currency risk and commodity price risk, respectively. Transactions with derivatives held by the Company and Subsidiaries are presented in detail in Note 22.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as of the date of the consolidated financial statements. Derivatives are recorded as financial assets when fair value is positive and as financial liabilities when fair value is negative. The resulting gain or loss from changes in fair value of derivatives are recognized directly in profit or loss, and in net loss on derivative financial instruments line item, except for the effective portion of cash flow hedges, which are recognized directly in consolidated equity.

At the inception of the hedge relationship, the Company and subsidiaries formally designate and document the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy. The documentation includes identification of the hedging instrument, the hedged item or the nature of the risk hedged, and whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. Hedges that meet the criteria for hedge accounting are accounted for as follows:

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized on the net loss on derivative financial instruments line item in the consolidated statement of income.

Hedge accounting is discontinued when the Company and its Subsidiaries revoke the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

At December 31, 2012, 2011 and 2010, the Company and its Subsidiaries do not have fair value hedge contracts.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that were designated and qualify as cash flow hedges is recognized directly in the line of other comprehensive income, while the gain or loss relating to the ineffective portion is recognized immediately in the statement of income on the net loss on derivative financial instruments line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in periods when the hedged item is recognized in profit or loss in the statement of income.

Hedge accounting is discontinued when the Company and its Subsidiaries revoke the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting.

Non-hedging contracts

Such contracts are carried at fair value at the date of the consolidated financial statements and recorded as financial assets when fair value is positive and as financial liabilities when fair value is negative. The gain or loss from changes in fair value of derivatives designated as non-hedge are included directly in the consolidated statement of income in the net loss on derivative financial instruments line item.

As of December 31, 2012, 2011 and 2010, the Company and its Subsidiaries have designated non-hedging financial instruments (Note 22).

(i) Inventories

Inventories are stated at the lower of production cost and net realizable value. Costs comprises direct materials and, in its case, direct labor and general production expenses, including as well expenses incurred in when moving stock to its current location and conditions. In periods with low production level, or with idle capacity, the amount of general fixed production expenses attributed to each production unit does not increase as a result of this circumstance. In periods of unusually high production, the amount of general fixed production expenses attributed to each production unit will decrease, therefore the stock will not be valuated above real cost.

Trade discounts, obtained rebates and other similar items are deducted in the determination of acquisition price.

Cost is estimated using the average method. The net realizable value represents the estimate of sales price less all estimated finishing costs and costs that will be incurred in the processes of commercialization, sale and distribution.

(j) Investments in associates

An associate is an entity over which the Company and its Subsidiaries has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company and its Subsidiaries' share of the profit or loss and other comprehensive income of the associate. When the Company and its Subsidiaries' share of losses of an associate exceeds the Company and its Subsidiaries' interest in that associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the Company and its Subsidiaries discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company and its Subsidiaries has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Company and its Subsidiaries' share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company and its Subsidiaries' share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company and its Subsidiaries' investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value loss cost to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Company and its Subsidiaries losing significant influence over the associate, any retained investment is measured at fair value at the date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with IAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company and its Subsidiaries accounts for all amounts previously recognized in other comprehensive income in relation to the associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company and its Subsidiaries

reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a Company and its Subsidiaries transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interest in the associate that are not related to the Company and its Subsidiaries.

(k) Property, plant and equipment

Property, plant and equipment are recorded at cost and are presented net of accumulated depreciation and any recognized impairment loss. As of the date of transition to IFRS, the Company and its Subsidiaries decided to consider the fair value of the main elements of property, plant and equipment as deemed cost, by the appraisal of such elements. These costs should be recognized as assets when it is probable that the future economic benefits associated with the asset will flow to the Company and its Subsidiaries, and the cost of the asset can be measured reliably. Disbursements for maintenance and repairs are expensed during the period as incurred. The gain or loss arising on the sale or disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of income upon realization of the sale.

Property, plant and equipment in the course of construction or acquisition are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs. Loans directly attributable to the acquisition, construction or production of qualifying assets are capitalized. These costs are capitalized as part of the asset's cost, as long as they are likely to produce future economic benefits for the Company and its Subsidiaries and can be reliably measured.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated based on the straight-line method over the remaining useful life of assets. The annual depreciation is recognized as an expense or cost of another asset and is calculated considering the estimated useful lives of the different captions:

	Years range
Buildings and other constructions	4 - 48
Plant and equipment	1 - 27
Transportation units	3 - 7
Furniture and fixtures	10
Computer and other equipment	4 - 25

The estimated useful lives, residual values and depreciation method are periodically reviewed by Management based on the economic results expected for the items comprising property, plant and equipment.

(l) Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Also, management is committed to the sale, which is expected to be qualified for recognition as a completed sale within one year from the date of classification, when the depreciation of these assets is suspended.

Non-current assets (or disposal groups) classified as held for sale are measured at lower of their previous carrying amount and fair value less costs to sell.

(m) Goodwill

Goodwill, resulting from the acquisition of a subsidiary or a joint-controlled entity, is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Company previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is initially recognized at cost and subsequently presented at cost less any impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Accounting policies for the resultant goodwill in the acquisition of associates are described in paragraph (j).

(n) Other Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and any recognized impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives, represented by equivalent amortization rates. The estimated useful life of these assets is between 2 and 10 years.

Useful lives and amortization method are periodically reviewed to guarantee that the amortization method used reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the entity.

Useful lives of intangible assets that are not being amortized (brands) are reviewed in each period in order to determine if there are facts and circumstances that allow an indefinite useful life.

(o) Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the

Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19 respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 share-based Payment at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (in any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquire and the fair value of the acquirer´s previously held interest in the acquire (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests´ proportionate share of the recognized amounts of the acquiree´s identifiable net assets. The choice of measurement bases is made on a transaction-by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is recorded for within equity, contingent consideration is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at the date.

If the Company is in process of measuring the business combination; during the measurement period, it will retrospectively adjust provisional amounts recognized as of the acquisition date in order to reflect new information obtained on facts and circumstances that exist as of the acquisition date and that, if known before, would have affected the measurement of recognized amount in that date. During the measurement period, the Company will as well recognize additional assets or liabilities if it obtains new information on facts and circumstances that existed as of the acquisition date and that, if known before, would have resulted in the recognition of these assets and liabilities as of that date. Measurement period will end as soon as the Company receives the information it was seeking on facts and circumstances that existed as of the acquisition date, or it concludes that no more information can be obtained. However, the measurement period will not exceed one year as from the acquisition date.

(p) Review on long-term assets impairment loss, except goodwill

The Company and its Subsidiaries periodically review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company and its Subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased

carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

(q) Provisions

Provisions are recognized when the Company and its Subsidiaries have a present obligation (legal or constructive) as a result of a past event, and it is likely that the Company and its Subsidiaries have to give away resources that incorporate economic benefits in order to settle the obligation, and the amount of the obligation can be reliably estimated.

Amounts recognized as provision corresponds to the best estimate, as of the date of the consolidated statement of financial position, of the disbursement necessary to settle the current obligation, considering risks and uncertainties surrounding most of events and circumstances concurrent to its valuation. When the amount of the provision is measured using estimated cash flows to settle the obligation, the carrying amount is the present value of corresponding disbursements.

In the event that a portion, or the whole disbursement necessary to settle the provision is expected to be recovered by a third party, the portion receivable is recognized as an asset when its recovery is practically certain, and the amounts of such portion can be reliably determined.

(r) Contingent assets and contingent liabilities

Contingent liabilities are not recognized in the consolidated financial statements, they are only disclosed in a note to the consolidated financial statements unless the possibility of an outflow of resources is remote. Contingent assets are not recognized in the consolidated financial statements, they are only disclosed in a note to the consolidated financial statements when it is probable that an inflow of resources will take place.

Items previously treated as contingent assets or liabilities will be recognized in the consolidated financial statements of the period in which the change in probabilities occurs; that is, when in the case of liabilities it is determined as probable, or virtually certain in the case of assets, that an outflow or inflow of resources will take place, respectively.

(s) Benefits to employees and workers

Benefits to employees and workers include, among other, short-term benefits, such as wages and salaries and social security contributions, annual vacations, sick leaves and profit sharing and bonuses paid within the term of twelve months after the closing of the period; are recognized as a liability when the worker has rendered services in exchange for the right to receive future payments; and as expense when the Company and its Subsidiaries have consumed the economic benefits arising from the service rendered by the worker in exchange for retributions.

(t) Leases

Determining whether an arrangement is or contains a lease is made based on the substance of the contract at inception date. It is necessary to consider whether the fulfillment of the contract depends on the use of a specific asset or assets or if the contract transfers the right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership of the leased asset. All other leases are classified as operating leases.

Finance leases which transfer to the Company and its Subsidiaries substantially all the risks or rewards associated with ownership of the leased asset, are capitalized at their fair value at the inception of the lease or, if lower, at the present value of lease payments. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized in the consolidated statement of income.

The profit on sale of fixed assets under a leaseback arrangement is deferred and amortized over the term of the lease.

Payments derived from operating lease agreements where the Company and its Subsidiaries act as lessees are recognized as expense on the straight line method during the course of the lease period, except those in which other systemic base of allocation is more representative to reflect more adequately the pattern of leasing benefits. Contingent payments are charged as expenses in periods in which they are incurred.

(u) Revenue recognition

Revenues are measured using the reasonable value of the consideration, received or receivable, arising therefrom. These revenues are reduced by those estimates such as customer returns, rebates and other similar concepts.

Sale of products – Income from sale of finished products and other products are recognized when the following conditions are complied with:

- the Company and its Subsidiaries have transferred relevant risks and rewards derived from the property of the goods to the buyer;
- the Company and its Subsidiaries do not hold for themselves any involvement in the current management of sold goods, to the degree usually associated with the property, nor do have the effective control over them;
- the amount of income can be reliably measured;
- it is likely that the Company and its Subsidiaries receive economic benefits associated with the transaction; and
- incurred costs, or costs to be incurred, regarding the transaction can be reliably measured.

Rendering of services – Are recognized in the period in which they are rendered, considering the stage of completion of the transaction, calculated on the bases of the service actually rendered as a proportion of the total of services to be rendered.

Dividends and interests – Income for investments dividends are recognized when the shareholders' rights to receive the corresponding payment have been established (once it has been determined that it is likely for the Company and its Subsidiaries to receive economic benefits associated with the transaction and that the income amount can be reliably measured).

Income for interests is recognized using the effective interest rate method. They are accumulated on a periodic basis, taking as reference the outstanding balance and the effective interest rate applicable.

(v) Costs and expense recognition

Costs of sold inventories are recorded as income or loss for the period in which the corresponding operating income is recognized. Expenses are recognized when there has been a decrease in future

economic benefits relating to a decrease in assets or increase in liabilities. Additionally, the expense can be reliably measured, regardless of the moment when they are paid.

(w) Income tax

Income tax expense comprises estimated current income tax plus deferred income tax.

Current income tax is determined by applying the tax rate established in the tax legislation on the net taxable income for the year.

Deferred income tax corresponds to the tax amount expected to be recovered or paid over temporary differences between carrying amounts reported of assets and liabilities, and their corresponding tax basis. Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income assets are generally recognized for all deductible temporary differences and tax credit, non-utilized credits and tax losses, to the extent that the Company and its Subsidiaries will have enough future tax profits to recover them. Such assets and liabilities are not recognized if temporary differences proceed from goodwill or initial recognition (except for joint venture) of other assets and liabilities in an operation that does not affect the tax or financial results.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in Subsidiaries, associates and interests in joint ventures, except in those cases when the Company is able to control the moment of reversion of the temporary difference and it is likely that this difference will not be revert in a foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments and shares are only recognized to the extent that it is likely that temporary differences revert in a foreseeable future and there is taxable profit in which such temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is not likely that the Company and its Subsidiaries hold enough future tax profit to recover all, or a part, of such assets.

Deferred income tax liabilities and assets are measured at the income tax rate expected to be applied to the taxable income in the moment in which the liabilities are settled or the assets are recovered, based on rates and approved tax laws, or which approval process is basically finished at the end of the reporting period. Measurement of such deferred income reflects the taxable consequences that could derive from the way that the Company and its Subsidiaries expect to recover or settle the carrying amount of their assets and liabilities by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

In the case of current or deferred taxes arising from the initial recognition of a joint venture, taxable effects are included in the accounting of the corresponding joint venture.

(x) Operating income

Operating income is defined as total revenue less cost of sales, expenses and other operating income.

(y) Earnings per share

Basic earnings per common and investment shares were computed by dividing net income attributable to common and investment shareholders by the weighted-average number of common and investment outstanding shares during each year. There are no potential common and investment shares with diluting effects, that is, financial instruments or other contracts that give the right to obtain common and investment shares. Diluted earnings per common and investment share is equal to basic earnings per common and investment shares.

(z) Previously issued financial statements

On February 18, 2013, the Company and its Subsidiaries issued its statutory consolidated financial statements for the years ended December 31, 2012 and 2011. The accompanying consolidated financial statements for each of the three years ended on December 31, include certain reclassifications, additional disclosures and other minor changes, as follows:

- Presentation of interest payments in financing activities instead of operating activities in the Consolidated Statement of Cash Flows.
- Inclusion of Basic and Diluted earnings per common share and investment share from discontinued operations in the face of the Consolidated Statement of Income.
- Expanded disclosures in connection with Significant Accounting Polices (Note 2) and Financial Risks and Instruments (Note 4).
- Additional disclosures in connection with acquisition of subsidiaries (Note 12).
- Inclusion of additional financial information of Industria Textil Piura S.A., an associate company (Note 14).

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

(a) New and revised IFRSs applied with non material effect in the current and prior years

The following interpretations and amendments to current standards have been published and are mandatory for the accounting periods beginning on or after January 1, 2010, but are not relevant for Company's operations:

- ***Amendments to IFRS 7 Disclosures – Transfers of Financial Assets***. Effective for annual periods beginning on or after July 1, 2011. The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency regarding risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. This pronouncement had no greater implications over the Company and its Subsidiaries' disclosures, given the lack of transactions of this type during years 2012, 2011 and 2010.

- ***Amendments to IAS 12 Income Taxes – Recovery of Underlying Assets***. Effective for annual periods beginning on or after January 1, 2012. The amendments to IAS 12 provide an exception to the general principles in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would flow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance

with IAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. The amendments to IAS 12 are effective for annual periods beginning on or after January 1, 2012. The application of these modifications did not have any impact over the amounts reflected in consolidated financial statements, given that no differences were identified regarding deferred assets and liabilities measurement, based on estimates about how the entity will recover the carrying amount of their assets.

(b) New and revised IFRSs issued by the IASB for application in accounting periods starting after the date of these consolidated financial statements

The following standards and interpretations have been issued by the IASB for application in accounting periods starting after the date of these consolidated financial statements:

- ***IFRS 9 Financial Instruments.*** Effective for annual periods beginning on or after January 1, 2015. IFRS 9 issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 amended in October 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition. Key requirements of IFRS 9 are described as follows:

  IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods.

  The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

  IFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. Management anticipates that IFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning January 1, 2015 and that the application of IFRS 9 may have significant impact on amounts reported in respect of the financial assets and financial liabilities of the Company and its Subsidiaries.

- ***IFRS 10 Consolidated Financial Statements.*** Effective for annual periods beginning on or after January 1, 2013. IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement

with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

- ***IFRS 11 Joint Arrangements.*** Effective for annual periods beginning on or after January 1, 2013. IFRS 11 replaces IAS 31 *Interests in Joint Ventures*. IFRS 11 deals with how a joint arrangement whereby two or more companies have joint control should be classified. SIC 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers* has been withdrawn in connection with the issuance of IFRS 11. Under IFRS 11, the joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the agreement. On the opposite, IAS 31 comprises three kinds of joint ventures: jointly controlled entities, jointly controlled assets and jointly controlled operations. Additionally, joint ventures under IFRS 11 have to be accounted using the equity method, while jointly controlled entities, according to IAS 31, can be accounted using the equity method or the proportional consolidation method.

- ***IFRS 12 Disclosure of Interests in Other Entities.*** Effective for annual periods beginning on or after January 1, 2013. IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

- ***IAS 27 (as revised in 2011) Consolidated and Separate Financial Statements.*** Effective for annual periods beginning on or after January 1, 2013. IAS 27 has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. IAS 27 requires that entities preparing separate financial statements record investments at cost or in accordance with IFRS 9.

- ***IAS 28 (as revised in 2011) Investments in Associates.*** Effective for annual periods beginning on or after January 1, 2013. The objective of IAS 28 is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates.

Management has not yet quantified the impact of these five standards and has not performed a detailed analysis of the impact of these applications and anticipates that these will be adopted in the consolidated financial statements for the annual period beginning January 1, 2013.

- ***IFRS 13 Fair Value Measurement.*** Effective for annual periods beginning on or after January 1, 2013. IFRS 13 establishes a single source of guidance for fair value measurements and related disclosures. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures, will be extended by IFRS 13 to cover all assets and liabilities within its scope. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early application permitted.

- ***Amendments to IAS 1 Presentation of Financial Statements - Other Comprehensive Income.*** Effective for annual periods beginning on or after July 1, 2012. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

- ***IAS 19 (as revised in 2011) Employee Benefits.*** Effective for annual periods beginning on or after January 1, 2013. The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. The amendments to IAS 19 are effective for annual periods beginning on or after January 1, 2013 and require retrospective application with certain exceptions. Modifications to this standard will not affect balances reported in financial statements, as the Company does not grant pension plans to its employees.

- ***Amendments to IAS 32 Financial Instruments: Presentation-Compensation of financial assets and liabilities.*** Effective for annual periods beginning on or after January 1, 2014 and 2013, regarding disclosures. Amendments clarify matter of application relating to requirements for financial assets and liabilities compensation. Specifically, amendments clarify the meaning of “currently has a legally enforceable right” and “settle on a net basis, or to realize the asset and settle the liability simultaneously”. Additionally, it requires the disclosure of information about compensation rights and related agreements (such as collateral) for financial instruments, subjected to an executable master netting agreement, or similar. The Management estimates that the application of these amendments will not have a significant impact in amounts and disclosures in the consolidated financial statements.

- ***Amendments to IFRS Annual improvements to IFRS 2009-2011 cycle.*** Effective for annual periods beginning on or after January 1, 2013. Amendments include amendments to IAS 16 Property, Plant and Equipment and IAS 32 Financial Instruments: Presentations. Amendments to IAS 16 clarify that replacements, relevant auxiliary equipment and permanent maintenance equipment shall be classified as property, plant and equipment when they comply definitions of IAS 16, or otherwise, inventory. Amendments to IAS 32 clarify that deferred income taxes regarding distributions to owners of equity instruments and transaction costs of an equity transaction must be accounted in compliance with IAS 12 Income Taxes. The Management estimates that the application of these amendments will not have a relevant impact in amounts and disclosures of the consolidated financial statements.

- ***IFRIC 20 Stripping costs in the production phase of a surface mine.*** Effective for the annual periods beginning on or after January 1, 2013. Applicable to the stripping costs incurred when a mine is in production. According to this interpretation, the stripping costs that generate a benefit for an access improvement and comply with the mentioned definition of an asset, are recognised as an addition or increase of an existing asset under certain circumstances, while those related to everyday activities of operational stripping are accounted in compliance with IAS 2 Inventories. Management considers that the application of this interpretation is not applicable to the operations held by the Company and its Subsidiaries.

4. FINANCIAL RISKS AND INSTRUMENTS

(a) Categories of financial instruments

The financial assets and liabilities of the Company and its Subsidiaries are comprised as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Financial assets:			
Cash and cash equivalents	496,070	101,818	150,258
Held-to-maturity investments	2,366	2,786	3,199
Avalaible-for-sale invesments	194,925	156,531	174,941
Loans and receivables	871,127	489,697	469,097
Derivative instruments in not designated hedge accounting relationships	-	-	6,923
Derivative instruments in designated hedge accounting relationships	-	409	1,035
Total	1,564,488	751,241	805,453
Financial liabilities:			
Derivative instruments in not designated hedge accounting relationships	1,321	-	2,625
At amortized cost	1,286,436	511,313	560,670
Derivative instruments in designated hedge accounting relationships	40,996	5,828	251
Payables	558,870	485,161	383,032
Total	1,887,623	1,002,302	946,578

(b) Financial risks

During the normal course of business, the Company and its Subsidiaries are exposed to a variety of financial risks. The risk management program of the Company and its Subsidiaries is mainly focused on financial markets and tries to minimize potential adverse effects on the financial performance of the Company and its Subsidiaries. Ultimate responsibility for risk management rests within the Finance Vice-presidency, that identifies, assesses and covers financial risks.

(i) Market risk

Exchange rate risk

The Company and its Subsidiaries invoice local sales of its products mainly in nuevos soles, which allow for meeting its obligations in that currency. The exchange rate risk is mainly generated by accounts receivable related to foreign sales, purchase of raw materials, loans granted / received in U.S. dollars from / to related parties and financial obligations and other liabilities that are held in that currency. The Company and its Subsidiaries maintain forward contracts to hedge its exposure to exchange rate risk.

During 2012, the Company and its Subsidiaries held forward sale agreements in U.S. dollars (US$) and currency options with financial entities, which were settled during the year, generating a loss of S/.1,679, included in net loss on derivative financial instruments line item of the consolidated statement of income. As of December 31, 2012, the Company and its Subsidiaries maintain currency options to hedge future liability positions of foreign currency of US$8,000 (Note 22).

During 2011, the Company and its Subsidiaries held forward sale agreements with financial institutions, which were settled, resulting in a loss of S/.5,749, included in net loss on derivative financial instruments line item of the consolidated statements of income.

As of December 31, 2012, balances of financial assets and liabilities denominated in foreign currency correspond to balances denominated in US dollars and Swiss francs and they are expressed in nuevos soles at the market exchange rate published by the Superintendencia de Banca, Seguros y AFP (SBS) effective at that date, which was S/.2.551 per US$1.00 for sales (S/.2.697 for sales in 2011, and S/.2.809 for sales in 2010); and S/.2.932 (S/.3.016 as of December 31, 2011) per CHF (Swiss franc) 1.00, and are summarized as follows:

	2012		2011		2010
	US$000	CHF.000	US$000	CHF.000	US$000
Assets:					
Cash and cash equivalents	121,895	32	12,901	4,390	1,284
Trade receivables	155,143	-	22,089	-	20,745
Other receivables	26,003	-	1,433	-	3,071
Total	303,041	32	36,423	4,390	25,100
Liabilities:					
Loans	-	-	-	-	29,909
Trade payables	110,258	-	84,751	-	52,828
Long-term financial liabilities	439,554	-	102,000	-	40,000
Other payables	7,528	-	-	-	-
Total	557,340	-	186,751	-	122,737
Purchase position of derivative instruments	24,000	-	32,000	-	-
(Liability), Asset position, net	(230,299)	32	(118,328)	4,390	(97,637)

For the year ended December 31, 2012, the Company and its Subsidiaries have recorded an exchange gain, net of S/.26,329 (S/.8,490 in 2011 and S/.10,654 in 2010).

The effect of a 5% variation in the foreign exchange rates (US dollars) on income before income taxes of the Company and its Subsidiaries, considering that all other variables remain constant, is as follows:

	Increase / decrease in the exchange rate	Effect on income, before income taxes
		S/.000
2012		
Foreign currency / Nuevos Soles	+ 5%	(29,378)
Foreign currency / Nuevos Soles	- 5%	29,378
2011		
Foreign currency / Nuevos Soles	+ 5%	(15,957)
Foreign currency / Nuevos Soles	- 5%	15,957
2010		
Foreign currency / Nuevos Soles	+ 5%	(13,713)
Foreign currency / Nuevos Soles	- 5%	13,713

Management estimates that a variation in Swiss Francs exchange rate will have no relevant effect on the consolidated financial statements of the Company and its Subsidiaries.

Interest rate risks

The Company and its Subsidiaries do not have significant assets bearing interests.

The Company and its Subsidiaries may obtain financing with fixed or variable interest rates provided that they incur a low financial cost. In some cases, after obtaining the funding, the interest rate is compared to current and future market rate and necessary derivative transactions are conducted in order to mitigate the impact of fluctuations thereon.

The Company and its Subsidiaries enter into hedge agreements to exchange variable interest rates for fixed rates and thus reduce the risk of fluctuations in interest rates. Management of the Company and its Subsidiaries considers, the interest rate risks, are covered.

In addition, operating cash flows of the Company and its Subsidiaries are substantially independent from changes in market interest rates. Accordingly, in the opinion of management, the Company and its Subsidiaries do not have significant exposure to interest rate risks.

Management of the Company and its Subsidiaries considers reasonable an increase (decrease) of 1% of variation in interest rate risk evaluation.

Below is presented a sensitivity analysis, assuming an increase in interest rate equivalent to the aforementioned rate, and considering that the rest of variables are maintained constant, and that loans by the end of the reporting period would hold constant during the year:

	Decrease in	
	Net income	**Equity net**
	S/.000	**S/.000**
2012:		
Loans of fixed interest rate	5,679	-
2011:		
Loans of variable interest rate	3,102	-

The Company and its Subsidiaries do not have significant loans of fixed interest rate in 2010.

Exposure of the Company and its Subsidiaries to interest rates on financial assets and liabilities is detailed in the 'liquidity risk' section.

Price risk

The Company and its Subsidiaries are exposed to business risks generated by changes in the price of raw material (commodities) required for manufacturing their products, for which the Company and its Subsidiaries use hedge instruments in order to reduce such risks. The price risk is hedged through corporate negotiations of the Group with the corresponding suppliers. Regarding the price of raw materials purchased, the Company has options (purchase and sale) of raw material to cover the effect of changes in commodity prices.

Management believes that a 10% increase or decrease in commodity prices over the next six months will not have a significant effect on the Company's financial statements, since the Company maintains the corresponding hedges (Note 22).

Other price risks

The Company and its Subsidiaries are exposed to market risk from their investments in equity instruments. These investments are held with strategic purposes, rather than trading purposes.

The Management of the Company and its Subsidiaries consider as reasonable 1.5% of increase as sensitivity rate in market risk evaluation.

A sensitivity analysis to market risk of these financial instruments, assuming a variation equivalent to the aforementioned rate, on investments in equity instruments existing as of the date of the consolidated statement of financial position is shown below:

	Increase	
	Net income	**Equity net**
	S/.000	**S/.000**
2012:		
Available for sale investments	-	9,967
2011:		
Available for sale investments	-	7,820
2010:		
Available for sale investments	-	8,751

(ii) Credit risk

Financial assets of the Company and its Subsidiaries potentially exposed to significant concentrations of credit risk consist primarily of bank deposits and trade receivables. Regarding bank deposits, as of December 31, 2012, the Company and its Subsidiaries maintain 77% (52% in 2011 and 60% in 2010) of the balances of cash and cash equivalents in a local financial institution. The Company and its Subsidiaries do not expect significant losses arising from this risk since this institution has a prestigious reputation locally and internationally.

With respect to trade receivables, management believes that credit risk is mitigated because it maintains an average collection period of 35 days (32 days in 2011, and 33 days in 2010) with its customers and certain guarantees have been granted in favor of the Company. No significant issues related to collections have been observed in the past. Furthermore, the balances of trade receivables are presented in the consolidated statement of financial position net of allowance for impaired receivables.

During years ended December 31, 2012, 2011 and 2010, the Company and its Subsidiaries held credit risk concentrations of less than 34%, 30% and 32.8%, respectively, of the amount of their gross monetary assets, or other relevant credit risk concentrations, different from the aforementioned.

The Company and its Subsidiaries place their cash in prestigious financial institutions; establish conservative credit policies and constantly asses the conditions of the market where they operate. Consequently, the Company and its Subsidiaries do not expect significant losses in this regard.

(iii) Liquidity risk

A reasonable management of liquidity risks implies maintaining sufficient cash and cash equivalents, and the possibility of obtaining and/or having obtained financing through an adequate number of sources of credit. The Company and its Subsidiaries have appropriate levels of cash and cash equivalents and available credit facilities.

The Company and its Subsidiaries maintain short-term financial assets, except for investments in bonds – Panificadora Bimbo, which are classified according to their maturity. The remaining period to reach maturity at the consolidated statements of financial position is as follows:

	1 year	1 and 2 years	2 and 5 years	More than 5 years	Total
	S/.000	S/.000	S/.000	S/.000	S/.000
As of December 31, 2012	426	428	1,336	176	2,366
As of December 31, 2011	419	425	1,310	632	2,786
As of December 31, 2010	411	421	1,289	1,078	3,199

Interests in associates do not have maturity. They are considered of non-current nature.

An analysis of the financial liabilities of the Company and its Subsidiaries classified based on their maturity date and considering the period left to reach that due date at the consolidated balance sheet date is as follows:

	Less than 1 year	1 and 2 years	2 and 5 years	More than 5 years	Total
	S/.000	S/.000	S/.000	S/.000	S/.000
As of December 31, 2012					
Loans	538,769	408,087	269,573	70,007	1,286,436
Other financial liabilities	43,309	-	-	-	43,309
Trade payables	531,729	-	-	-	531,729
Other liabilities	26,149	-	-	-	26,149
Total	1,139,956	408,087	269,573	70,007	1,887,623
As of December 31, 2011					
Loans	77,040	59,408	133,531	241,334	511,313
Other financial liabilities	8,275	-	-	-	8,275
Trade payables	456,439	-	-	-	456,439
Other liabilities	26,275	-	-	-	26,275
Total	568,029	59,408	133,531	241,334	1,002,302

	Less than 1 year	1 and 2 years	2 and 5 years	More than 5 years	Total
	S/.000	S/.000	S/.000	S/.000	S/.000
As of December 31, 2010					
Loans	214,431	177,330	164,662	4,247	560,670
Other financial liabilities	5,292	-	-	-	5,292
Trade payables	355,087	-	-	-	355,087
Other liabilities	25,529	-	-	-	25,529
Total	600,339	177,330	164,662	4,247	946,578

As of December 31, 2012, 2011 and 2010, the estimated maturity of derivative financial instrument of the Company and its Subsidiaries is as follows (contractual amounts not discounted, including estimated interests):

	Less than 1 month	1 and 3 months	3 months and 1 year	1 and 5 years	Total
	S/.000	S/.000	S/.000	S/.000	S/.000
2012:					
Net settlement:					
Interest rate Swap	-	373	924	1,747	3,044
Forwards	244	-	-	-	244
Cross currency Swap	-	-	4,054	6,086	10,140
Total	244	373	4,978	7,833	13,428
2011:					
Net settlement:					
Interest rate Swap	-	248	88	(131)	205
Cross currency Swap	-	-	3,504	6,160	9,664
Total	-	248	3,592	6,029	9,869
2010:					
Net settlement:					
Interest rate Swap					
Cross currency Swap	-	1,644	3,386	9,594	14,624
Total	-	1,644	3,386	9,594	14,624

(iv) Capital risk management

The Company and its Subsidiaries' capital risk management is aimed to safeguarding its ability to continue as a going concern in order to generate returns for its shareholders, benefits for other groups of interest and maintain an optimal capital structure to minimize the cost of capital.

The Company and its Subsidiaries monitor their capital based on the leverage ratio; this ratio is calculated by dividing the total net debt by equity. The net debt corresponds to total financial debt (including current and noncurrent debt) less cash and cash equivalents.

As of December 31, 2012, 2011 and 2010, the leverage ratio was as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Loans	1,286,436	511,313	560,670
Less: Cash and cash equivalents	(496,070)	(101,818)	(150,258)
Net debt	790,366	409,495	410,412
Total equity	2,108,883	1,929,332	1,772,610
Leverage ratio	0.37	0.21	0.23

(v) Fair value of financial instruments

Management considers that the carrying amounts of financial instruments of the Company and its Subsidiaries (current assets and liabilities) as of December 31, 2012, 2011 and 2010 do not differ significantly from their fair value due to their short-term maturity.

Except for the following, the Management of the Company estimates that the carrying amount of those financial instruments recorded at amortized cost approximates its fair value:

	2012		2011		2010	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Financial liabilities						
Loans	712,998	688,569	332,988	332,535	301,271	243,545
Corporate bonds	133,573	140,375	143,964	129,253	150,437	157,338
Finance leasing	-	-	2,435	2,435	14,474	14,644
Other liabilities	557,878	563,923	482,714	482,714	380,616	380,616
Total	1,404,449	1,392,867	962,101	946,937	846,798	796,143

Fair values of financial assets and liabilities held by the Company and its Subsidiaries have been determined as follows:

- Fair values of assets and liabilities with standard terms and conditions, and those traded in an active market such as the investments in equity instruments available for sale, have been determined by reference to quoted market prices (Level 1).
- Fair value of derivative instruments have been calculated using current market transactions observable for the same instrument, or based in a valuation technique which variables only include data from observable markets (Level 2).
- Fair value of other financial assets and liabilities (excluding the previous) are determined in conformity with widely accepted price models upon the analysis basis of discounted cash flows (Level 3).

In the case of long-term debt, management believes that the carrying value is over their fair value because the interest rates at the transaction date were, in average, lower than those prevailing in the market.

For the calculation of the fair value, Management has projected each long-term debt of the Company and its Subsidiaries in accordance with the terms and conditions agreed at the time of engagement, and has discounted them at current market rates taking into consideration the following factors: type of facility, repayment schedule, and equivalent term, credit risk of the Company and its Subsidiaries, country where debt was disbursed, among other factors. Market rates have been obtained through a combination of public sources and recent bank quotations received by the Company and its Subsidiaries.

Fair value measurements recognized in the consolidated statement of financial position

The following table provides an analysis as of December 31 of the financial instruments measured at fair value subsequent to initial recognition, grouped in levels 1 to 3, depending on the degree to which the fair value is observable.

- Fair value measurements of Level 1 are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Fair value measurements in Level 2 are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Fair value measurements in Level 3 are variables used for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	S/.000	S/.000	S/.000	S/.000
2012:				
Financial assets:				
Available for sale investments	194,925	-	-	194,925
Financial liabilities:				
Derivative instruments designated as hedge accounting	-	40,996	-	40,996
Derivative instruments designated as non-hedge accounting	-	1,321	-	1,321
Total	-	42,317	-	42,317
2011:				
Financial assets:				
Available for sale investments	156,531	-	-	156,531
Derivative instruments designated as hedge accounting	-	409	-	409
Total	156,531	409	-	156,940
Financial liabilities:				
Derivative instruments designated as hedge accounting	-	5,828	-	5,828

	Level 1	Level 2	Level 3	Total
	S/.000	S/.000	S/.000	S/.000
2010:				
Financial assets:				
Available for sale investments	174,941	-	-	174,941
Derivative instruments designated as hedge accounting	-	1,035	-	1,035
Derivative instruments designated as non-hedge accounting		6,923		6,923
Total	174,941	7,958	-	182,899
Financial liabilities:				
Derivative instruments designated as hedge accounting	-	2,876	-	2,876

5. CASH AND CASH EQUIVALENTS

As of December 31, cash and cash equivalents are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Cash and banks	142,164	62,951	69,715
Time deposits	353,906	38,867	80,543
Total	496,070	101,818	150,258

Bank balances correspond to checking account balances in local and foreign banks, denominated in nuevos soles, U.S. dollars and Swiss francs and are freely available.

As of December 31, 2012, 2011 and 2010, the Company and its Subsidiaries maintained checking account deposits in local currency and U.S. dollars in local financial institutions under current maturity, bearing market interest rate.

6. TRADE RECEIVABLES (NET)

As of December 31, trade receivables (net) are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Third parties	753,873	483,501	459,800
Related entities (Note 30)	14,395	6,261	8,046
Notes receivable	9,910	4,480	9,315
Allowance for doubtful accounts	(27,092)	(58,643)	(61,733)
Total	751,086	435,599	415,428

As of December 31, 2012, the Company and its Subsidiaries maintains short-term and non-interest bearing accounts receivable. Certain receivables are secured by mortgages, pledges and bonds up to US$89,132 (US$82,398 as of December 31, 2011 and US$86,680 as of December 31, 2010).

As of December 31, 2012, the Company and its Subsidiaries evaluate credits limits of their new customers through an internal analysis of their credit experience and assigns credit limits by customer. These credits limits are constantly reviewed.

As of December 31, 2012, the Company and its Subsidiaries hold accounts receivable within maturity dates for S/.628,937 (S/.330,629 as of December 31, 2011 and S/.247,066 as of December 31, 2010).

As of December 31, 2012, the Company and its Subsidiaries hold trade receivables overdue but not impaired of S/.122,149 (S/.104,970 as of December 31, 2011 and S/.168,362 as of December 31, 2010) for which allowance for doubtful accounts has not been recorded, given that is deemed that their credit experience has not significantly varied, and Management of the Company and its Subsidiaries considers that such amounts are still recoverable.

The aging summary of such balances is as follows as of December 31:

	2012	2011	2010
	S/.000	S/.000	S/.000
Overdue:			
1 to 30 days	112,693	53,234	56,651
31 to 180 days	6,287	33,427	37,664
More than 180 days	3,169	18,309	74,047
Total	122,149	104,970	168,362

For the years ended, as of December 31, movement in the allowance for doubtful accounts is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balance	58,643	61,733	61,662
Acquisitions	-	-	1,501
Additions (Notes 24 and 25)	7,981	2,401	10,244
Recoveries (Note 26)	(1,963)	(1,264)	(2,295)
Write offs	(521)	(1,076)	(7,729)
Sale of portfolio (a)	(40,440)	-	-
Exchange difference	3,392	(3,151)	(1,650)
Closing balance	27,092	58,643	61,733

(a) In November 2012, the Company and its Subsidiaries Molinera Inca S.A. and Consorcio Distribuidor Iquitos S.A. sold an uncollectable receivables portfolio of S/.40,440 nominal value. The sale price was S/.255, determined upon the basis of a technical valuation done by an independent professional, and it is presented in other income (expenses) net in the consolidated statement of income.

The Company and its Subsidiaries maintain an allowance for doubtful accounts at a level that is considered by Management as adequate to the potential risk of bad debts. Aging of accounts receivable and clients' conditions are constantly monitored to ensure fairness of the allowance in the consolidated financial statements. Credit risk concentrations regarding trade accounts receivable are limited due to the great number of clients the Company and its Subsidiaries have. Consequently, in Management's opinion the allowance for doubtful accounts adequately, covers the risk of losses as of December 31, 2012, 2011 and 2010.

7. INVENTORIES (NET)

As of December 31, inventories (net) are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Finished goods	200,515	212,522	155,971
Byproducts	7,027	7,751	3,407
Raw and auxiliary materials	446,558	428,236	333,565
Containers, packaging and miscellaneous supplies	51,562	29,844	27,031
Inventories in transit	52,560	64,178	82,919
Total	758,222	742,531	602,893
Allowance for obsolescence of inventory	(2,998)	(7,255)	(12,522)
Total	755,224	735,276	590,371

Management estimates that inventories will be realized or utilized in the short term.

In Management's opinion, the estimation for inventory obsolescence adequately covers the impairment risk as of December 31, 2012, 2011 and 2010.

For the years ended at, December 31, movement of the allowance for obsolescence of inventory is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balance	7,255	12,522	14,484
Increase (Note 23)	6,993	14,072	15,991
Recovery (Note 23)	(11,250)	(19,339)	(17,953)
Closing balance	2,998	7,255	12,522

8. OTHER FINANCIAL ASSETS

As of December 31, other financial assets are as follows:

	Current			Non-Current		
	2012	2011	2010	2012	2011	2010
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
FINANCIAL ASSETS DESIGNATED AS HEDGE INSTRUMENTS:						
Derivative financial instruments						
Swap contract (Note 22)	-	409	1,035	-	-	-
	-	409	1,035	-	-	-
FINANCIAL ASSETS DESIGNATED AS NON-HEDGE INSTRUMENTS:						
Derivative financial instruments						
Cross Currency Swap contract (Note 22)	-	-	6,923	-	-	-
	-	-	6,923	-	-	-
HELD TO MATURITY INVESTMENTS:						
Redeemable bonds maturing until January 2018, annual interest rate Limabor plus spread 2%	426	419	411	1,940	2,367	2,788
	426	419	411	1,940	2,367	2,788
AVAILABLE FOR SALE INVESTMENTS:						
Ordinary share of Credicorp Ltd., equivalent to 0.54% share	-	-	-	188,400	149,046	168,379
Ordinary share of Inversiones Centenario S.A., equivalent to 0.49% share	-	-	-	5,673	4,916	3,985
Ordinary share of Inversiones Pacasmayo S.A., equivalent to 0.43% share	-	-	-	-	1,664	1,662
Ordinary share of Universal Textil S.A., equivalent to 0.55% share	-	-	-	434	499	513
Ordinary share de Fabrica of Tejidos La Bellota S.A., equivalent to 1.59% share	-	-	-	273	273	273
Other	-	-	-	145	133	129
	-	-	-	194,925	156,531	174,941
LOANS AND OTHER RECEIVABLES						
Loans to related entities (Note 30)	649	246	256	-	-	-
Loans to employees	3,682	3,006	3,176	-	-	-
	4,331	3,252	3,432	-	-	-
Total	4,757	4,080	11,801	196,865	158,898	177,729

Financial assets designated as hedge instruments

As of December 31, 2011, comprises fair value and accrued interests pending of payment from open transactions of Swap Contracts held by the Company with Bank of America, BBVA Banco Continental S.A., Citibank and JP Morgan (Note 22).

As of December 31, 2010 comprises the fair value of open trades cross currency swap contract with The Bank of Nova Scotia S/.1,035 (Note 22).

Held to maturity investments

As of December 31, 2012, 2011 and 2010, comprises asset-backed securities under a trust of Panificadora Bimbo del Perú.

Available for sale investments

As of December 31, 2012, 2011 and 2010, corresponds to fair value of investments in equity instruments that have not been transferred, therefore this result has not been realized.

In 2012, the Company and its Subsidiary Cernical Group S.A. recieved dividends for: (i) Credicorp S. A. of S/.3,122 (S/.2,732 in 2011); (ii) Inversiones Centenario S.A. of S/.150 (S/.382 in 2011); (iii) Seguros El Pacífico-Peruano Suiza S.A. of S/.3 (S/.4 in 2011); (iv) Universal Textil S.A. of S/.10 (S/.6 in 2011); and (v) Inversiones Pacasmayo S.A. of S/.108 (S/.16 in 2011) (Note 27). Additionally, in 2012, the Company sold its shares in Inversiones Pacasmayo S.A., obtaining a net gain of S/.4,581, included in the consolidated statement of income on the other income (expenses), net line item.

The Company and its Subsidiaries recorded an unrealized net gain from available for sale investments with credit to other comprehensive income for S/.46,649 (loss of S/.15,475 in 2011 and S/.58,274 in 2010).

9. OTHER ASSETS

As of December 31, other assets are as follows:

	2012		2011		2010	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Guarantee fund (a)	63,650	-	8,766	-	-	-
Advance to suppliers	38,414	-	26,635	-	12,414	-
Tax claims (b)	36,298	-	692	-	692	-
Tax credits	27,103	-	9,121	-	7,748	-
Tax refund (c)	17,778	-	18,974	-	18,371	-
Value Added Tax (d)	12,848	-	67,603	-	40,079	-
Drawback (e)	4,740	-	3,934	-	995	-
Insurance	4,214	-	415	-	144	-
Insurance refund	3,616	-	1,998	-	1,485	-
Advances to employees	1,745	-	1,179	-	1,869	-
Advertising	-	-	6,141	-	2,351	-
Others	7,648	637	9,805	2,463	13,035	671
Total	218,054	637	155,263	2,463	99,183	671

(a) Guarantee fund as of December 31, 2012, corresponds to: (i) minimum gross margin of cash that the Company must hold in the broker's account for transactions hired, of S/.34,018 (S/.8,766 as of December 31, 2011); and (ii) fund retained by the broker for the equivalent to negative market value of derivative financial instruments at the date of the financial statements, of S/.29,632 (Note 22).

(b) Tax claims correspond to claims for Income Tax and Value Added Tax (VAT), to local Tax Administrations of the Subsidiaries.

(c) Tax Refund corresponds to the balance in favor of Consorcio Distribuidor Iquitos S.A. in connection with the Value Added Tax, which under current legislation for the jungle region of Peru, will be reimbursed by SUNAT.

(d) As of December 31, 2012, 2011 and 2010, the Company and its subsidiaries of Peru, Argentina, Colombia, Ecuador and Chile's tax credit related to the VAT paid on the purchase of goods and services that will be fully or partially offset by payable VAT.

(e) Drawback corresponds to the customs system in Peru, which allows for the full or partial refund of customs duties as a result of products exports.

10. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale correspond mainly to abandoned plants, whose market value as of December 31, 2012, determined on the basis of technical appraisals performed by an independent appraiser, amounts to S/.9,473 (S/.21,834 and S/.17,158 as of December 31, 2011 and 2010, respectively). Management plans consider their sale through a broker and expects to undertake such sale in the short term.

The movement of assets classified as held for sale for the years ended December 31, 2012, 2011 and 2010, is as follows:

2012

	Held for sale since:	Opening Balance	Transfers	Sale
		S/.000	S/.000	S/.00
COST:				
Pisco soap factory	June 1996	33,998	(14,342)	(
Palpa cotton gin	January 2000	2,957	(66)	
Catacaos cotton gin	January 2000	2,044	(222)	
Olpisa cotton gin	January 2001	1,257	(114)	
Huacho factory	December 2001	9,994	(951)	
Sullana factory	January 2011	496	-	
Trujillo property	January 2011	1,547	-	
Piura property	January 2011	159	-	
Ate factory	September 2011	2,203	-	
Chosica club	December 2012	-	6,593	
Echenique, San Miguel property	December 2012	-	350	
Total		54,655	(8,752)	(
ACCUMULATED DEPRECIATION AND IMPAIRMENT:				
Pisco soap factory	June 1996	24,705	(14,342)	(
Palpa cotton gin	January 2000	2,079	(66)	
Catacaos cotton gin	January 2000	1,375	(222)	
Olpisa cotton gin	January 2001	1,244	(114)	
Huacho factory	December 2001	2,975	(951)	
Ate factory	September 2011	443	-	
Chosica club	December 2012	-	1,135	
Echenique, San Miguel property	December 2012	-	26	
Total		32,821	(14,534)	(
NET COST		21,834	5,782	(

2011

	Held for sale since:	Opening Balance S/.000	Transfers S/.000	Sale S/.00
COST:				
Pisco soap factory	June 1996	33,153	-	
Palpa cotton gin	January 2000	3,011	-	
Catacaos cotton gin	January 2000	2,039	-	
Olpisa cotton gin	January 2001	1,261	-	
Huacho factory	December 2001	9,743	-	
Sulfargen-Argentina	July 2006	1,273	-	
Sullana factory	January 2011	-	1,411	
Trujillo property	January 2011	-	1,820	
Piura property	January 2011	-	173	
Ate factory	September 2011	-	2,425	
Jaspampa property	January 2011	-	4,709	
Total		50,480	10,538	
ACCUMULATED DEPRECIATION AND IMPAIRMENT:				
Pisco soap factory	June 1996	24,706	-	
Palpa cotton gin	January 2000	2,079	-	
Catacaos cotton gin	January 2000	1,375	-	
Olpisa cotton gin	January 2001	1,243	-	
Huacho factory	December 2001	3,047	-	
Sulfargen-Argentina	July 2006	872	-	
Ate factory	September 2011	-	443	
Jaspampa property	January 2011	-	828	
Total		33,322	1,271	
NET COST		17,158	9,267	

2010

	Held for sale since:	Opening Balance S/.000	Transfers S/.000	Sale S/.00
COST:				
Pisco soap factory	June 1996	32,880	-	
Palpa cotton gin	January 2000	2,956	-	
Catacaos cotton gin	January 2000	1,985	-	
Olpisa cotton gin	January 2001	1,298	-	
Huacho factory	December 2001	14,530	(4,997)	
Sulfargen-Argentina	July 2006	1,303	-	
Total		54,952	(4,997)	
ACCUMULATED DEPRECIATION AND IMPAIRMENT:				
Pisco soap factory	June 1996	25,758	-	
Palpa cotton gin	January 2000	2,109	-	
Catacaos cotton gin	January 2000	1,415	-	
Olpisa cotton gin	January 2001	1,255	-	
Huacho factory	December 2001	8,047	(2,726)	
Sulfargen-Argentina	July 2006	872	-	
Total		39,456	(2,726)	
NET COST		15,496	(2,271)	

11. PROPERTY, PLANT AND EQUIPMENT (NET)

For the years ended December 31, 2012, 2011 and 2010, property, plant and equipment are as follows:

	Land	Buildings and other constructions	Plant and equipment	Transportation units	Furniture and fixtures	Computer and other equipment	Replac un
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.
COST							
As of January 1, 2010	337,664	470,447	1,513,429	22,736	41,460	162,304	
Additions	1,353	741	20	-	-	119	
Purchase of subsidiary	2,971	4,755	6,563	120	260	-	
Disposals	(6,079)	(8,906)	(7,731)	(2,837)	(155)	(8,267)	
Others	8,279	1,394	(637,230)	(784)	2,238	36,161	
Foreign exchange difference	(1,323)	(3,105)	(8,095)	(140)	(60)	(546)	
As of December 31, 2010	342,865	465,326	866,956	19,095	43,743	189,771	
Additions	1,049	5,207	11,505	363	394	455	
Purchase of subsidiary	613	5,503	13,223	285	359	-	
Disposals	(19,174)	(1,322)	(11,219)	(4,869)	(339)	(32,923)	
Transfers	(6,782)	2,357	35,105	(897)	252	10,261	
Foreign exchange difference	(1,904)	(5,024)	(12,730)	(156)	(180)	(1,854)	
As of December 31, 2011	316,667	472,047	902,840	13,821	44,229	165,710	
Additions	5,102	1,035	17,805	52	89	155	
Purchase of subsidiary	2,782	32,474	67,143	237	198	8,422	
Allocation of goodwill	3,815	8,508	10,069	86	82	64	
Disposals	(4,113)	(11,182)	(47,577)	(637)	(491)	(6,244)	
Transfers	54,912	24,699	20,442	1,989	1,643	15,466	
Foreign exchange difference	(2,098)	(5,828)	(12,096)	(157)	(139)	(1,781)	
As of December 31, 2012	377,067	521,753	958,626	15,391	45,611	181,792	
ACCUMULATED DEPRECIATION:							
As of January 1, 2010	-	234,815	1,074,925	18,857	35,573	87,888	
	-	-	-	-	-	-	
Additions	-	14,703	31,614	1,233	1,512	11,424	
Disposals	-	(4,959)	(2,083)	(2,567)	(153)	(4,322)	
Others	-	708	(651,220)	(2,197)	89	(226)	
Foreign exchange difference	-	(1,081)	(3,816)	(78)	(26)	(166)	
As of December 31, 2010	-	244,186	449,420	15,248	36,995	94,598	
Additions	-	15,624	40,620	789	1,425	10,943	
Disposals	-	(1,235)	(7,402)	(3,167)	(243)	(11,674)	
Transfers	-	(28)	3,149	189	76	(30)	
Foreign exchange difference	-	(1,772)	(6,811)	(43)	(102)	(286)	
As of December 31, 2011	-	256,775	478,976	13,016	38,151	93,551	
Additions	-	16,704	41,800	303	1,104	9,932	
Purchase of subsidiary	-	16,490	33,524	153	113	5,329	
Disposals	-	(6,775)	(13,683)	(566)	(218)	(2,055)	
Transfers	-	(2,778)	8,887	1,056	316	5,695	
Foreign exchange difference	-	(1,742)	(6,832)	(114)	(121)	(908)	
As of December 31, 2012	-	278,674	542,672	13,848	39,345	111,544	
NET COST:							
As of December 31, 2010	342,865	221,140	417,536	3,847	6,748	95,173	
As of December 31, 2011	316,667	215,272	423,864	805	6,078	72,159	
As of December 31, 2012	377,067	243,079	415,954	1,543	6,266	70,248	

(a) Depreciation of property, plant and equipment for the year ended December 31,is included as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Cost of sales (Note 23)	51,426	49,667	45,478
General and administration expenses (Note 25)	4,623	3,433	6,279
Selling and distribution expenses (Note 24)	2,562	6,211	6,416
Inventories	11,232	10,090	2,313
Total	69,843	69,401	60,486

(b) In 2011, transfers include excess of plant and equipment resulting from physical counting undertaken during the year (Note 26).

(c) As of December 31, 2011, fixed assets include equipment under finance leasing with local financial institutions of approximately S/.44,898. As of December 31, 2011 the balance of this obligation was of S/.2,435 (Note 15) (S/.8,005 as of December 31, 2010).

(d) In June 2011, Alicorp Argentina S.C.A. acquired 100% of the shares of Italo Manera S.A. and Pastas Especiales S.A. Property, plant and equipment acquired had a net value of S/.25,708. On May 31, 2010, Alicorp Argentina S.C.A. and TVBC S.C.A., subsidiaries of the Company, acquired 100% shares of Sanford S.A.C.I.F.I. and A. Property, plant and equipment acquired had a net fair value of S/.12,126.

(e) In September 2012, Alicorp Holdco España S.L. (subsidiary of Alicorp Inversiones S.A.) acquired 100% of the shares of Salmofood S.A. and its subsidiary Cetecsal S.A.. Property, plant and equipment acquired had a net value of S/.53.497.

(f) In December 2012, Alicorp S.A.A. acquired 100% of the shares of Industrias Nacional de Conservas Alimenticias S.A., Alimentos Peruanos S.A., Garuza Transportes S.A.C. and S.G.A. & CO S.A., mainly dedicated to the production, sale and distribution of sauces and canned foods. Property, plant and equipment acquired of that business group had a net value of S/.3,342.

(g) Management believes that there are no indicators of impairment in property, plant and equipment as of December 31, 2012, 2011 and 2010.

(h) Work in progress primarily includes construction, purchases of plant and equipment related to plant expansion for the consumer goods unit.

(i) The Company and its Subsidiaries maintain insurance policies in force on their main assets, in accordance with policies established by Management.

(j) For the years 2012, 2011 and 2010, neither the Company, nor its Subsidiaries capitalized borrowing interests for loans due to the fact that loans held in such periods are not directly attributable to the acquisition or construction of qualifying assets.

12. GOODWILL (NET)

For the years ended December 31, 2012, 2011 and 2010, goodwill is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Cost:			
Opening balance	320,062	255,916	228,120
Additions	88,769	63,969	17,096
Fair Value Allocation	(23,318)	-	-
Exchange differences effect	(6,597)	177	10,700
Ending balance	378,916	320,062	255,916
Accumulated impairment losses:			
Opening balance	(25,948)	(25,948)	(7,991)
Impairment losses occurring during the year	-	-	(17,957)
Ending balance	(25,948)	(25,948)	(25,948)
Total	352,968	294,114	229,968

As of December 31, goodwill corresponds to the excess of the consideration transferred over the net fair value of assets, liabilities and contingent liabilities identifiable in the subsidiary recorded at the acquisition date, less any accumulated impairment losses.

The acquisition dates were:

- November 30, 1997 Nicolini Hermanos S.A. and Compañía Molinera del Perú S.A.
- October 30, 2006 Asa Alimentos S.A.,
- May 30, 2008 TVBC S.C.A. and Subsidiaries,
- July 10, 2008 Downford Corporation,
- May 31, 2010 Sanford S.A.C.I.F.I. and A.,
- June 21, 2011 Italo Manera S.A. and Pastas Especiales S.A. (Manera Group),
- September 5, 2012 Salmofood S.A. and its subsidiary Cetecsal S.A. (Salmofood Group); and,
- December 20, 2012 Industria Nacional de Conservas Alimenticias S.A. and its subsidiary Alimentos Peruanos S.A., Garuza Transporte S.A.C. and S.G.A & CO S.A. (Incalsa Group).

Subsidiaries acquired

	Principal activity	Date acquisition	Proportion of voting equity interests acquired	Consideration transferred
			%	S/.000
2012				
Salmofood Group	Manufacture of fish and animal food	September 5, 2012	100	161,721
Incalsa Group	Manufacture, sale and distribution of sauces and canned food	December 20, 2012	100	60,486
2011				
Manera Group	Sale and distribution of pasta, cakes and powders	June 21, 2011	100	75,580
2010				
Sanford	Manufacture and sale of consumer goods products	May 31, 2010	100	30,984

As mentioned in the previous paragraph, in 2012, the Company acquired the shares of Incalsa Group, for S/.60,486. Equity value as of the purchase date was S/.15,965, recognizing an excess of payment over the equity value of S/.44,521.

Additionally, the Company, by means of its subsidiary Alicorp Holdco España S.L. acquired the shares of Salmofood Group, for S/.161,721. Equity value as of the purchase date was S/.117,473, recognizing an excess of payment over the equity value of S/.44,248.

As of December 31, 2012, the Company and its Subsidiary Alicorp Holdco España S.L., are evaluating the fair value of assets and liabilities from the purchase of Salmofood Group and Incalsa Group (Note 1 (c)).

Regarding the acquisition of Manera Group in 2011, for which a goodwill of S/.63,969 was recognized, the Company's Subsidiary, Alicorp Argentina S.A., concluded the study of fair value of assets and liabilities of Manera Group in 2012, based on the methodology described in IFRS 3 "Business Combinations" effective as of that date, reducing the corresponding goodwill initially recorded in S/.23,318.

In 2010, Alicorp Argentina S.C.A. in connection with the acquisition of Sanford S.A.C.I.F.I. y A. conducted a review of fair value of the net assets of Sanford S.A.C.I.F.I y A., based on the methodology described in IFRS 3 "Business Combinations" effective as of that date, reducing the corresponding goodwill initially recorded in S/.25,158.

Consideration transferred

Sanford S.A.C.I.F.I. y A. was acquired for US$10,600 (equivalent to S/.30,984) and all cash was paid on the transaction date. An escrow account was opened in the amount of US$500 (equivalent to S/.1,461), for a period of 2 years.

Manera Group was acquired by US$30,000 (equivalent to S/.75,580) and all cash was paid on the transaction date. As a result of the operation, an escrow account was opened for US$4,506 (equivalent to S/.11,352), for a period of 6 years.

Salmofood Group was acquired for US$62,000 (equivalent to S/.161,721) and all cash was paid on the transaction date. Two escrow accounts were opened. The first, in the amount of US$1,000 (equivalent to S/.2,528), settled in 2012. The second, in the amount of US$6,500 (equivalent to S/.16,954), for a period of 4 years.

Incalsa Group was acquired for US$23,590 (equivalent to S/.60,486) and all cash was paid on the transaction date. An escrow account was opened in the amount of US$1,200 (equivalent to S/.3,077), for a period of 3 years.

Assets acquired and liabilities recognized at the date of acquisition

The assets, liabilities and equity at the date of acquisition are as follows:

	2012		2011	2010
	Incalsa Group	**Salmofood Group**	**Manera Group**	**Sanford**
	S/.000	**S/.000**	**S/.000**	**S/.000**
Assets				
Cash and cash equivalents	11,205	3,646	99	744
Trade and other receivables	4,289	196,128	11,958	2,782
Inventories	2,490	73,078	3,971	903
Other assets	10	1,075	-	116
Financial Investments	-	270	-	519
Other intangible assets	493	1,520	1,643	-
Plant and equipment	3,342	53,497	15,648	2,859
Liabilities				
Financial liabilities	(1,377)	(65,718)	(5,943)	-
Trade and other payables	(4,487)	(138,166)	(19,529)	(4,745)
Deferred tax liabilities	-	(7,857)	-	-
Equity	(15,965)	(117,473)	(7,847)	(3,179)

Net cash outflow on acquisition of subsidiaries

	2012		2011	2010
	Salmofood Group	**Incalsa Group**	**Manera Group**	**Sanford**
	S/.000	**S/.000**	**S/.000**	**S/.000**
Consideration transferred in cash	161,721	60,486	75,580	30,984
Less: cash and cash equivalents balance acquired	(3,646)	(11,205)	(99)	(744)
Total	158,075	49,281	75,481	30,240

Distribution of goodwill

As a result of these analyses, goodwill was distributed to certain assets and liabilities at the dates indicated, as follows:

	2012	2010
	Manera Group	Sanford
	S/.000	S/.000
Property, plant and equipment	22,624	9,267
Other assets	13,687	5,734
Liabilities	(12,993)	(6,939)
Goodwill	40,651	17,096
Total excess of cost over equity	63,969	25,158

Goodwill and its value before recognition of any value impairment loss, has been assigned to the cash generating unit of consumer goods and animal nutrition.

During 2012, 2011 and 2010, the Company and its Subsidiaries evaluated the estimate of goodwill's recoverable value. In this respect, the Company and its Subsidiaries have prepared a financial valuation model through which free cash flows projected by each business unit using its corresponding weighted average capital cost have been discounted. Free cash flow projections have been done considering projections of market and prices growth for each business unit in which the Company and its Subsidiaries compete. In the same way, market shares, returns, needs of investment in working capital and productive assets on line with defined strategy for each business unit have been projected. Discount rate used has been prepared considering the opportunity cost of our shareholders, long term marginal financing cost of the Company and its Subsidiaries, optimum capital structure and the country in which the corresponding business unit operates.

According to the analysis made as of December 31, 2012 and 2011, there is no impairment in goodwill assigned to the cash generating units of consumer goods and animal nutrition.

In April 2010, Alicorp Ecuador S.A. transferred to Heladosa S.A., the ice cream plant. Therefore, the Company recorded an impairment of the goodwill held by the aforementioned subsidiary.

Impact of acquisitions on the consolidated results of the Company and its Subsidiaries 2012

Included in the income for the year is S/.88 attributable to the additional business generated by Incalsa Group and S/.3,611 attributable to Salmofood Group. Revenue for the year include S/.643 in respect of Incalsa Group and S/.108,987 in respect of Salmofood Group.

Had these business combinations taken effect at January 1, 2012, the revenue of the Company and its Subsidiaries from continuing operations would have been S/.4,760,359, and the net profit for the year from continuing operations would have been S/.359,553. Management considers these 'pro-forma' numbers to represent an approximate measure of the performance of Incalsa Group and Salmofood Group on an annualized basis.

Impact of acquisitions on the consolidated results of the Company and its Subsidiaries 2011

Included in the net profit for the year is S/.3,365 attributable to the additional business generated by Manera Group. Revenue for the year includes S/.33,638.

Had this business combinations taken effect at January 1, 2011, the revenue of the Company and its Subsidiaries from continuing operations would have been S/.4,296,826, and the profit for the year from continuing operations would have been S/.334,089. Management considers these 'pro-forma' numbers to represent an approximate measure of the performance of the Manera Group on an annualized basis.

Impact of acquisitions on the consolidated results of the Company and its Subsidiaries 2010

Included in the net profit for the year is S/.2,928 attributable to the additional business generated by Sanford. Revenue for the year includes S/.18,689.

Had this business combinations taken effect at January 1, 2010, the revenue of the Company and its Subsidiaries from continuing operations would have been S/.3,750,575, and the net profit for the year from continuing operations would have been S/.286,388. Management considers these 'pro-forma' numbers to represent an approximate measure of the performance of Sanford on an annualized basis.

13. OTHER INTANGIBLE ASSETS (NET)

For the years ended December 31, 2012, 2011 and 2010, intangible assets are as follows:

	Licenses and Software S/.000	Brands S/.000	Customer Portfolio S/.000	Other S/.000	Total S/.000
COST:					
As of January 1, 2010	87,154	84,720	-	267	172,141
Additions	-	3,870	-	-	3,870
Transfers	2,508	(476)	-	556	2,588
As of December 31, 2010	89,662	88,114	-	823	178,599
Additions	13	1,724	-	-	1,737
Disposals	-	(3,747)	-	-	(3,747)
Transfers	(665)	(244)	-	-	(909)
As of December 31, 2011	89,010	85,847	-	823	175,680
Additions	685	-	-	-	685
Purchase of subsidiary	44	491	-	1,521	2,056
Fair Value Allocation	-	1,418	11,607	-	13,025
Transfers	273	3,568	-	328	4,169
Disposals	-	(96)	-	(422)	(518)
As of December 31, 2012	90,012	91,228	11,607	2,250	195,097
ACCUMULATED AMORTIZATION:					
As of January 1, 2010	76,532	11,249	-	-	87,781
Additions	6,162	-	-	-	6,162
Transfers	-	(7,945)	-	-	(7,945)
As of December 31, 2010	82,694	3,304	-	-	85,998
Additions	3,807	-	-	-	3,807
As of December 31, 2011	86,501	3,304	-	-	89,805
Additions	1,958	53	-	-	2,011
Purchase of subsidiary	43	-	-	-	43
Transfers	(2,771)	3,574	-	-	803
As of December 31, 2012	85,731	6,931	-	-	92,662
NET COST:					
As of December 31, 2010	6,968	84,810	-	823	92,601
As of December 31, 2011	2,509	82,543	-	823	85,875
As of December 31, 2012	4,281	84,297	11,607	2,250	102,435

(a) Brands held by the Company and its Subsidiaries are considered as intangible assets with indefinite useful life, due to the fact that they do not have a maturity period and Management does not have an intention to discontinue them. Therefore, there is no foreseeable limit for

which it is expected that these brands will continue generating future entries of net cash flows for the Company and its Subsidiaries.

(b) Amortization of intangible assets for the years 2012, 2011 and 2010 is included in the following accounts:

	2012	2011	2010
	S/.000	S/.000	S/.000
Cost of sales (Note 23)	60	74	72
General and administration expenses (Note 25)	1,951	3,733	6,090
Total	2,011	3,807	6,162

14. INVESTMENTS IN ASSOCIATES

As of December 31, investments in associates are as follows:

	Number of shares	Capital share	2012	2011	2010
		%	S/.000	S/.000	S/.000
Panificadora Bimbo del Perú S.A.	2,539,242	30.00	21,832	22,584	22,200
Industria Textil Piura S.A.	7,372,629	10.59	4,497	7,815	8,184
Heladosa S.A.	44,100,091	35.00	4,796	5,860	5,536
Bimar S.A.	424,328	30.00	4,076	4,195	4,195
Corporacion General de Servicios S.A.	880,000	14.57	-	227	466
Others			270	-	38
Total associates			35,471	40,681	40,619

Share profits or losses of companies in which the Company and its Subsidiaries have investments in 2012 generated a loss of S/.636 (income of S/.1,135 in 2011, and loss of S/.2,658 in 2010).

On December 3, 2012, the Company sold its shares in Corporación General de Servicios S.A., equivalent to 14.47% of the capital of such associate for S/.880, paid on the same date.

On January 28, 2013, subsidiary Alicorp Ecuador S.A. sold its shares in Heladosa S.A., equivalent to 35% of the capital of such associate for US$4,000, paid on the same date (Note 37).

The existence of significant influence by the Company and its Subsidiaries is evidenced in its participation in policy-making processes, of Industria Textil Piura S.A. and Corporación General de Servicios S.A. through rights of members on the Board of Directors.

Condensed financial information of the associates included in the financial statements of the Company and its Subsidiaries by the equity method is s

	Bimar S.A.			Panificadora Bimbo del Perú S.A.			Heladosa S.A.			Corporación General de	
	2012	2011	2010	2012	2011	2010	2012	2011	2010	2012	2011
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Total assets	14,113	14,187	14,187	113,674	109,520	111,381	36,900	30,811	30,843	-	17,873
Total liabilities	(528)	(349)	(349)	(40,901)	(33,438)	(36,577)	(24,487)	(14,068)	(15,889)	-	(16,296)
Adjustments to prior year gain/loss	-	144	144	-	(802)	(804)	-	-	863	-	-
Equity	13,585	13,982	13,982	72,773	75,280	74,000	12,413	16,743	15,817	-	1,577
Net sales	-	-	-	121,550	109,094	109,094	51,954	40,751	34,413	-	43,059
Operating income	-	-	(33)	-	-	(2,797)	-	3,016	820	-	(689)
Profit (Loss), Net	(298)	(114)	(115)	(3,525)	(1,018)	(8,871)	9,196	143	315	-	(539)

15. FINANCIAL LIABILITIES

As of December 31, financial liabilities are as follows:

	Current			Non-Current		
	2012	2011	2010	2012	2011	2010
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Banks loans (a)	90,428	34,224	99,449	622,570	298,764	201,822
Import financing (b)	399,343	-	84,016	-	-	-
Corporate Bonds (c)	8,476	8,455	8,455	125,097	135,509	141,982
Finance Leasing (d)	-	2,435	12,039	-	-	2,435
Banks overdraft (f)	40,522	31,926	10,472	-	-	-
Total	538,769	77,040	214,431	747,667	434,273	346,239

(a) Banks loans

As of December 31, 2012, comprises borrowings from local and foreign banks to finance working capital with maturity dates until September 2018. These borrowings have a fixed annual interest rate between 13% and 17.25%, and variable interest rate plus spread of 1.60% to 1.75%.

Three of the loan agreements contain covenants for the Company and its Subsidiaries, which mainly include the maintenance of specific financial ratios and the presentation of certain reports and information required by the respective financial entities.

- Main requirements demanded from the Company by a financial entity are:

  (i) To maintain a maximum consolidated leverage ratio non greater than 3.25 during the loan agreement.

  (ii) To maintain a maximum individual leverage ratio non greater than 3.25 during the loan agreement.

  (iii) To maintain a debt service coverage ratio more than 1.6.

  (iv) To maintain a minimum consolidated net equity of S/.1,412.

  (v) To maintain a minimum individual net equity of S/.1,427.

- Main requirements demanded from the Company by a financial entity for the loan obtained by its subsidiary Molinera Inca S.A., are:

  (i) To maintain a debt coverage ratio no greater than 3.25 during the term of the loan agreement.

  (ii) To maintain a debt service coverage ratio more than 1.6.

  (iii) To maintain and indebtedness ratio no greater than 1.6.

(iv) Current liquidity ratio more than 1.1.

(v) To maintain a minimum net equity of US$190,000.

- Main requirements demanded from the subsidiary, Alicorp Argentina S.C.A., by a financial entity, are:

(i) To maintain borrowings ratio no greater than 4 as of 2011.

(ii) To maintain borrowings ratio no greater than 3.5 as of 2012.

(iii) To maintain borrowings ratio no greater than 3 as of 2013.

(iv) To maintain a leverage ratio no greater than 3.25 as of each year.

In Management's opinion, the Company is in compliance with all restrictive clauses and responsibilities in connection with these loans, as of December 31, 2012, 2011 and 2010.

(b) Import Financing

As of December 31, 2012, it mostly comprises borrowings to finance imports of raw materials with maturity dates between January and June 2013. These borrowings bear interest at an average annual rate of 1.268% and have no specific guarantees.

(c) Corporate Bonds

Series A

On September 23, 2009, a corporate bond in nuevos soles (Series A) was issued, equivalent to US$33,200 corresponding to the third issuance of the Second Program of Corporate Bonds for US$100,000. These bonds will be redeemed at maturity in September 2014, bearing interest at an annual nominal rate of 6.688% and coupon interests will be paid semiannually. At December 31, 2012, 2011 and 2010, the outstanding balance on this issuance amounts to S/.95,370.

Single Series

On March 15, 2007, corporate bonds in nuevos soles (single series) were issued, equivalent to US$20,000 corresponding to the second issuance of the Second Program of Corporate Bonds for US$100,000. These bonds will be semiannually redeemed effective from March 2010 to March 2017, bearing interest at a nominal rate of 6.156%, annual interest coupon will be paid semiannually. As of December 31, 2011, the outstanding balance on this issuance amounts to S/.38,220 (S/.46,675 in 2010).

Proceeds from these financings were used as working capital to finance the Company's growth.

Corporate bonds contain certain restrictions on the Company, which mainly include the maintenance of specific financial ratios.

- Main requirements demanded from the Company are:

(i) To maintain a debt coverage ratio no greater than 3.25 during the term of the contract.

(ii) To maintain a debt service ratio of no less than 1.6.

(iii) To maintain and indebtedness ratio no greater than 1.6.

(iv) To maintain a minimum net equity of US$190,000.

In Management's opinion the Company is in compliance with the restrictive clauses and responsibilities in connection with these bonds as of December 31, 2012, 2011 and 2010.

(d) Finance leasing

Lease contract for the acquisition of plant and equipment, due until in May 2012. It bore interest at fixed annual rate.

The present value of the lease payments, is as follows:

	2011	2010
	S/.000	S/.000
Up to one year	2,435	12,039
More than one year	-	2,435
Total amount payable including finance charge	2,435	14,474
Finance charge to be applied to profit or loss of future periods	42	615
Total	2,477	15,089

(e) The maturity of financial liabilities is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
2011		-	214,431
2012	-	77,040	177,330
2013	538,769	59,408	34,429
2014	408,087	133,531	130,233
From 2015 to 2018	339,580	241,334	4,247
Total	1,286,436	511,313	560,670

(f) Bank overdrafts

Bank overdrafts correspond to financing received by subsidiaries in Argentina, which accrue an interest of 18.74% in 2012, 28.35% in 2011, and 12.73% in 2010.

16. OTHER FINANCIAL LIABILITIES

As of December 31, other financial liabilities are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
FINANCIAL LIABILITIES DESIGNATED AS NON-HEDGE INSTRUMENTS:			
Derivative financial instruments			
Swap contract (Note 22)	1,321	-	2,625
FINANCIAL LIABILITIES DESIGNATED AS HEDGE INSTRUMENTS:			
Derivative financial instruments			
futures and options contracts (Note 22)	40,996	5,828	251
LOANS AN OTHER PAYABLES			
Loans from related parties (Note 30)	992	2,447	2,416
Total	43,309	8,275	5,292

Financial liabilities designated as non- hedge instruments

As of December 31, 2012, comprises fair value and interests accrued from the Swap Contract held by Salmofood S.A. (Note 22).

As of December 31, 2010, derivatives designated as non-hedge instruments include: (i) loss of S/.881 due to change in the interest rate of the swap contract maintained with Citibank NA, and a loss of S/.195 for recognizing the fair value of open trade contracts; and (ii) loss of S/.1,549 for recognizing the fair value of call options and forwards agreements kept with JP Morgan.

Financial liabilities designated as hedge instruments

As of December 31, 2012, comprises:

- Fair value of raw materials transactions, realized through fund deposited in Newedge USA, LLC, for S/.29,632 (Note 22).

- Fair value of currency options held as of December 31, 2012, to reduce exchange risk for obligations generated by the purchase of raw materials for S/.232 (Note 22).

- Fair value and accrued interests payable of open transactions of swap contracts held by the Company with Bank of America, BBVA Banco Continental S.A., JP Morgan and Citibank for S/.2,773 (Note 22).

- Fair value and accrued interests payable of Cross Currency Swap of its subsidiary Molinera Inca S.A. with The Bank of Nova Scotia of S/.8,359 (Note 22).

As of December 31, 2011 and 2010, it comprises fair value and accrued interests payable of open transactions of swaps contracts held by the Company with Bank of America, BBVA Banco Continental S.A. and Citibank (Note 22).

17. TRADE PAYABLES

As of December 31, trade payables are comprised as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Third parties	513,634	444,594	344,315
Related entities (Note 30)	18,095	11,845	10,772
Total	531,729	456,439	355,087

Trade payables are denominated in nuevos soles, US dollars, Argentinian pesos, and Colombian pesos. Such balances are due in the short-term, do not bear interests and have no specific guarantees.

18. EMPLOYEE BENEFITS

As of December 31, employee benefits are as follows:

	2012		2011		2010	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Employees' profit sharing	57,148	-	58,891	-	52,927	-
Payroll	15,861		16,310		14,881	
Performance bonds	10,550	5,679	4,953	2,972	6,027	
Severance indemnities	5,347	-	3,369	-	2,748	-
Payroll taxes	5,747	-	2,446	-	2,362	-
Total	94,653	5,679	85,969	2,972	78,945	-

The movement of statutory employees' profit sharing was as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balances	58,891	52,927	43,391
Payments	(62,704)	(52,643)	(46,213)
Revision of prior year estimate	-	(3,392)	-
Current year's profit sharing	60,961	61,999	55,749
Ending balances	57,148	58,891	52,927

19. PROVISIONS

As of December 31, provisions are as follows:

	Administrative claims	Labor claims	Total
	S/.000	S/.000	S/.000
Balance at January 1, 2010	-	3,393	3,393
Provision for the year	19,327	-	19,327
Balance at December 31, 2010	19,327	3,393	22,720
Payments	(13,282)	-	(13,282)
Balance at December 31, 2011	6,045	3,393	9,438
Payments	-	(569)	(569)
Balance at December 31, 2012	6,045	2,824	8,869

The Company and its Subsidiaries have recorded provisions for certain administrative and labor claims, which are sufficient to cover any potential loss based on Management and its legal counsel's best estimates, as explained in note 2 (q).

20. OTHER PAYABLES

As of December 31, other payables are comprised as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Taxes	18,434	24,823	13,471
Advances from customers	3,426	4,636	3,883
Interest on loans	7,201	4,028	3,483
Advertising	3,329	1,169	1,404
Dividends	905	39	39
Others	11,288	16,403	16,720
Total	44,583	51,098	39,000

21. EQUITY

(a) Issued capital

(a.1) Common shares

As of December 31, 2012, 2011 and 2010, the capital stock is represented by 847,191,731 common, authorized, issued and paid shares, with a face value of S/.1.00 (un Nuevo Sol) each.

The corporate structure of the Company as of December 31, 2012, 2011 and 2010 is as follows:

Individual equity interest %	Number of shareholders	Share interest %
Up to 1	1,145	19.72
From 1.01 to 5	11	29.66
From 5.01 to 10	5	39.58
More than 10.01	1	11.04
Total	1,162	100.00

(a.2) Investment shares

As of December 31, 2012, 2011 and 2010, investment shares are comprised of 7,388,470 shares at a face value of S/.1(un Nuevo Sol) each.

(b) Legal reserve

According to the “Ley General de Sociedades”, the legal reserve is increased by transferring 10%, as a minimum, of the net income for each period, after deducting accumulated losses, until reaching an amount equivalent to a fifth of the capital. In the absence of undistributed earnings or freely available reserve, the legal reserve shall be used to offset losses, but must be replaced. The legal reserve may be capitalized, in which case, it shall also be subsequently replaced.

An amount equivalent to 10% of the Company net gain for year 2012 will be transferred from retained earnings to legal reserve in year 2013.

(c) Net gain (loss) on available-for-sale financial assets

For the years ended December 31, the movement of net gain on available-for-sale financial assets is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balances	114,303	129,778	71,504
Sale of available-for-sale investments(Note 8)	(1,305)	-	-
Increase (decrease) on fair value of available-for-sale financial assets	47,954	(15,475)	58,274
Ending balances	160,952	114,303	129,778

(d) Net changes from cash flow hedges

For the years ended December 31, the movement of net changes from cash flow hedges is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balances	(943)	1,035	125
Net changes from cash flow hedges (Note 22)	(23,146)	(1,978)	910
Ending balances	(24,089)	(943)	1,035

(e) Foreign currency translation effect

For the years ended December 31, the movement of foreign currency translation effect, resulting from translating foreign subsidiaries is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Opening balances	(9,792)	2,512	-
Increase (decrease) of foreign currency translation	(38,865)	(12,304)	2,512
Ending balances	(48,657)	(9,792)	2,512

(f) Retained earnings

(f.1) Regulatory framework

Pursuant to Legislative Decree N° 945, dated December 23, 2003, domiciled legal entities that agree to distributed dividends or any other type of profit sharing shall withhold 4.1% on the amount to be

distributed, except if any such dividends or profit sharing will be distributed to domiciled legal entities.

(f.2) Payment of dividends

In General Shareholders' Meeting of March 29, 2012, distribution of dividends was agreed for S/.162,370, equivalent to approximately S/.0.19 per share, which were paid on May 23, 2012.

On March 30, 2011, the General Shareholders' Meeting agreed to distribute dividends for S/.145,279 equivalent to S/.0.17 per share, which were paid on May 23, 2011.

On March 31, 2010, the General Shareholders' Meeting agreed to distribute dividends for S/.110,000, equivalent to approximately S /.0.129 per share, which were paid on May 20, 2010.

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Company and its Subsidiaries entered into swaps, futures, options, forwards and cross currency swap contracts to cover any fluctuation in interest rates, exchange rates and commodity prices. The effects of accounting for derivative financial instruments held by the Company and its Subsidiaries at December 31, 2012, 2011 and 2010, are as follows:

	Effect on the statements of financial position asset (liability), net			Effect on income statements (loss) gain			Effect on equity, net of income tax		
	2012	2011	2010	2012	2011	2010	2012	2011	2010
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000	S/. 0	S/.000	S/.000
Derivative financial instruments of hedging:									
Swap contract (item (a))	(350)	191	-	(21)	(65)	-	(409)	179	-
Swap contract (item (b))	(236)	(19)	-	(10)	(38)	-	(171)	13	-
Swap contract (item (c))	(262)	87	-	(17)	(47)	-	(266)	94	-
Swap contract (item (d))	(1,432)	-	-	(133)	-	-	(909)	-	-
Swap contract (item (e))	(493)	-	-	(45)	-	-	(314)	-	-
Cross currency swap (item (f))	(8,359)	(4,857)	784	(6,237)	(7,230)	(251)	(858)	(3,244)	1,035
Cross currency swap (item (g))	-	-	-	-	-	(7,490)	-	-	2,566
Futures contracts and options (item (h))	(29,632)	(821)	-	(12,174)	-	-	(20,160)	(582)	(2,791)
Forwards and foreign currency options (item (i))	(232)	-	-	(232)	-	(4,097)			
Operations contracted and paid in the current year	-	-	-	(2,230)	1,215	-	(59)	1,562	-
Subtotal	(40,996)	(5,419)	784	(21,099)	(6,165)	(11,838)	(23,146)	(1,978)	810
Derivative financial instruments designated as non-hedge:									
Swap contract (item (a))	(1,321)	-	-	(29)	-	-	-	-	-
Cross currency swap (item (b))	-	-	4,882	-	906	8,069	-	-	-
Swap contract (item (c))	-	-	(1,076)	-	(1,851)	(1,076)	-	-	-
Forwards contract (item (d))	-	-	2,041	-	(968)	2,041	-	-	-
Purchase options (item (e))	-	-	(1,549)	-	(2,620)	(1,549)	-	-	-
Operations contracted and paid in the current year	-	-	-	-	(5,749)	-	-	-	-
Subtotal	(1,321)	-	4,298	(29)	(10,282)	7,485	-	-	-
Total	(42,317)	(5,419)	5,082	(21,128)	(16,447)	(4,353)	(23,146)	(1,978)	810
Total assets (Note 8)	-	409	7,958						
Total liabilities (Note 16)	(42,317)	(5,828)	(2,876)						

The characteristics and effects of such contracts are described below:

Derivative financial instruments

Cash flow hedges

(a) Contract swap – Bank of America

In September 2011, the Company signed a swap agreement with Bank of America, which was designated as cash flow hedges, in order to reduce the risk of changes in the interest rate of the debt maintained. The variable rate was exchanged for a fixed rate of the loan signed with Bank of America and Citibank, of US$110,000 (US$70,000 as of December 31, 2011). The details of this operation are as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	Hedged Item value 2011
Alicorp S.A.A.	US$ 30,000	Variable rate	September 15, 2014	S/.280,610	S/.187,762
Bank of America	US$ 30,000	fixed rate	September 15, 2014	US$ 110,000	US$ 70,000

By means of this operation, the Company fixed the cost related to the debt equivalent to US$30,000, for a period of three years. Changes in the fair value of this derivative financial instrument were recognized as other financial liabilities of S/.329 (Note 16) (as other financial assets for S/.256 in 2011 (Note 8)), having as a counterpart other comprehensive income of S/.230 (S/.179 as of December 31, 2011), net of deferred income taxes of S/.99 (S/.77 as of December 31, 2011). The fair value of the swap contract at December 31, 2012 is determined by discounting future cash flows using the interest rate curve at year-end, considering the risk inherent in the contract.

The Company also recorded changes in the interest rate generating a loss of S/.21 (S/.65 as of December 31, 2011), which is included on the net loss on derivative financial instruments line item in the consolidated statement of income. At December 31, 2012, variation in interest rate caused the recognition of other financial liabilities (Note 16).

(b) Swap contracts – BBVA Banco Continental S.A.

In September 2011, the Company signed a swap contract with BBVA Banco Continental S.A., which was designated as a cash flow hedge, in order to reduce the risk of changes in the interest rate of the debt held. The variable rate was exchanged for a fixed rate of the loan signed with Bank of America and Citibank for US$110,000 (US$70,000 as of December 31, 2011). The details of this operation are as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	Hedged Item value 2011
Alicorp S.A.A.	US$ 20,000	Variable rate	September 15, 2014	S/.280,610	S/.187,762
BBVA Banco Continental	US$ 20,000	fixed rate	September 15, 2014	US$ 110,000	US$ 70,000

By means of this operation, the Company fixed the cost related to the debt equivalent to US$20,000, for a period of three years. Changes in the fair value of this derivative financial instrument were recognized as other financial liabilities of S/.226 (Note 16) (other financial assets of S/.19, as of December, 31, 2011 (Note 8)), having as a counterpart other

comprehensive income of S/.158 (S/.13 as of December 31, 2011), net of deferred income taxes of S/.68 (S/.6 as of December, 31, 2011). The fair value of the swap contract at December 31, 2011 is determined by discounting future cash flows using the interest rate curve at year-end, considering the risk inherent in the contract.

The Company also recorded changes in the interest rate obtaining a loss of S/.10 (S/.38, as of December 31, 2011) which is included on the net loss on derivative financial instruments line item in the consolidated statement of income. As of December 31, 2012, variation obtained in interest rate caused the recognition of other financial liabilities (Note 16).

(c) Swap contract – Citibank

In September 2011, the Company signed a swap agreement with Citibank, which was designated as a cash flow hedge, in order to reduce the risk of changes in interest rates of the debt held. The variable rate was exchanged for a fixed rate of the loan signed with Bank of America and Citibank of US$110,000 (US$70,000 as of December 31, 2011). The details of this operation are as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	Hedged Item value 2011
Alicorp S.A.A.	US$ 20,000	Variable rate	September 14, 2014	S/.280,610	S/.187,762
Citibank	US$ 20,000	fixed rate	September 14, 2014	US$ 110,000	US$ 70,000

By means of this operation, the Company fixed the cost related to the debt equivalent to US$20,000, for a period of three years. Changes in the fair value of this derivative financial instrument were recognized as other financial liabilities of S/.245 (Note 16) (other financial assets of S/.134 as of December 31, 2011 (Note 8)), having as a counterpart other comprehensive income of S/.172 (S/.94 of December 31, 2011), net of deferred income taxes of S/.73 (S/.40 as of December 31, 2011). The fair value of the swap contract at December 31, 2012 is determined by discounting future cash flows using the interest rate curve at year-end, considering the risk inherent in the contract.

The Company also recorded changes in the interest rate obtaining a loss of S/.17 (S/47 of December 31, 2011), which are included on the net loss on derivatives financial instruments line item in the consolidated statement of income. As of December 31, 2012, variation in interest rates caused the recognition of other financial liabilities (Note 16).

(d) Swap contract – JP Morgan

In April 2012, the Company signed a swap contract with J.P. Morgan, designated as cash flow hedge, in order to reduce variation of interest rates risk of the debt held, exchanging the variable date for a fixed rate, from the loan contracted with Bank of America & Citibank, of US$110,000. The detailed transaction is as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	Hedged Item value 2011
Alicorp S.A.A.	US$ 30,000	Variable rate	September 14, 2018	S/.280,610	S/.187,762
J.P. Morgan	US$ 30,000	fixed rate	September 14, 2018	US$ 110,000	US$ 70,000

By means of this operation, the Company fixed the cost related to the debt of US$30,000, for a period of six years. Changes in fair value of this derivative financial instrument were recognized as other financial liabilities of S/.1,299 (Note 16), having as counter account other comprehensive income of S/.909, net of income taxes deferred of S/.390. Fair value of the swap contract as of December 31, 2012 is determined considering discounted future cash flows using the curve of interest rates as of the closing of the year, considering risk inherent to the contract.

The Company also recorded changes in the interest rate obtaining a loss of S/.133, which is included on the net loss on derivative financial instruments line item, in the consolidated statement of income. As of December 31, 2012, variation in interest rate obtained caused the recognition of other financial liabilities (Note 16).

(e) Swap contract – Bank of America

In April 2012, the Company signed a swap contract with Bank of America, designated as a cash flow hedge, in order to reduce variation of interest rates risk of the debt held, exchanging the variable rate for a fixed rate, from the loan contracted with Bank of America & Citibank, for US$110,000. The detailed transaction is as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	Hedged Item value 2011
Alicorp S.A.A.	US$ 30,000	Variable rate	September 15, 2014	S/.280,610	S/.187,762
Bank of America	US$ 30,000	fixed rate	September 15, 2014	US$ 110,000	US$ 70,000

By means of this operation, the Company fixed the cost related to the debt of US$10,000, for a period of six years. Changes in fair value of this derivative financial instrument were recognized as other financial liabilities of S/.448 (Note 16), having as counter account of other comprehensive income of S/.314, net of deferred income taxes of S/.134. Fair value of the swap contract as of December 31, 2012 is determined considering discounted future cash flows using the curve of interest rates as of the closing of the year, considering risk inherent to the contract.

Additionally, the Company recorded variations in interest rate as a loss of S/.45 on the net loss on derivative financial instruments line item, in the consolidated statement of income. As of December 31, 2012, variation in interest rate obtained caused the recognition of other financial liabilities (Note 16).

(f) Cross currency swap – The Bank of Nova Scotia

In November 2010, the Subsidiary Molinera Inca S.A. signed with The Bank of Nova Scotia, a Cross currency swap contract, which was designated as a cash flow hedge, in order to reduce the risk of changes in exchange rates and interest rates of the debt maintained. The variable rate was exchanged for a fixed rate of the loan signed with that institution of US$40,000. The details of this operation are as follows:

Entity	Description of the contract	Contract value	Agreed rate	Maturity	Hedged Item value 2011	Hedged Item value 2010
Molinera Inca S.A.	Receive US$ and pay S/.	S/. 112,600	fixed rate	30 November 2015	S/.86,304	112,600
The Bank of Nova Scotia	Receive S/. and pay US$	US$ 40,000	Variable rate	30 November 2015	US$ 32,000	US$ 40,000

The subsidiary Molinera Inca S.A. paid or received semiannually (on each interest payment date of the loan) the difference between the LIBOR rate applicable to the loan market in that period and the fixed rate agreed upon in the hedging contract. Flows received or paid by the subsidiary are recognized as an adjustment to interest expense in the period. In 2012, the Subsidiary recognized interest expense related to this agreement of S/.6,237 (S/.7,230 in 2011 and S/.251 in 2010), which is included on the net loss on derivative financial instruments line item in the consolidated statements of income.

Changes in the fair value of this hedge derivative financial instrument as of December 31, 2011, were recognized as other financial liabilities (Note 16).

(g) Cross currency swap – ABN Amro Bank N.V.

In June 2009, the Company signed with ABN Amro Bank N.V., a fixed cross currency swap contract, which was designated as a cash flow hedge, in order to reduce the risk of changes in the exchange rates and interest rate of the debt maintained with that institution of US$60,000.

In 2010, the Company recognized an interest expense by virtue of this agreement of S/.7,490, which is included on the net loss on derivative financial instruments line item of the consolidated statement of income. This contract was settled by the Company in 2010, with the transfer of the hedged item. Accordingly, the net effect of the instrument's fair value recorded in equity of S/.2,566 was written off in the consolidated statements of income.

(h) Futures contracts and options

The Company and its subsidiary Molinera Inca S.A. conduct hedging transactions because of volatility of the prices of important commodities to the production process, such as wheat, edible oil and soybean. The Company engages in futures contracts and / or options on recognized markets related to specific commodities.

The operations are conducted through an international broker. Open positions and changes in market prices are covered with their own resources.

As of December 31, 2012, 2011 and 2010, current contracts are due in February and March 2013, respectively, as follows:

	2012			2011			2010		
	Metric tonnes	Hedge %	Fair value US$000	Metric tonnes	Hedge %	Fair value US$000	Metric tonnes	Hedge %	Fair value US$000
Alicorp S.A.A.									
Edible oil	35,924	30%	(4,622)	71,598	41%	(147)	41,016	65%	(291)
Wheat	320,160	41%	(6,944)	392,631	26%	(138)	400,503	48%	(816)
Soybean meal	17,237	92%	(50)	13,358	65%	(19)	12,775	57%	259

The effectiveness of this hedging designated as cash flow has been evaluated by management through the cash flows offset method. According to Management, this is the method that best reflects the objective of risk management in relation to the hedging.

Changes in the fair value of derivative financial instruments related to hedging activity as of December 31, 2012, 2011 and 2010, are recognized net of deferred income taxes in the consolidated statement of changes in equity.

(i) Forwards contracts

In November, 2012, the Company signed a forward contract with Banco de Crédito del Perú S.A., designated to hedge future liability positions of foreign currency of US$8,000, which will be settled in January 2013.

In 2010, hedging forward contracts were settled for US$60,000. Consequently, a net loss on derivative financial instrument amounting to S/.4,097 was recorded in the consolidated statement of income for the year ended December 31, 2010.

Additionally, a cumulative net loss on derivative financial instruments of S/.21,099 (S/.6,165 in 2011 and S/.11,838 in 2010) was recorded in the consolidated statement of income, for the settlement of all cash flow hedge instruments and fair values mentioned, including the operations contracted and settled in 2012.

Non-hedging contracts

(a) Swap Contract – Santander Chile

The Company signed a Swap contract with Banco Santander Chile, in order to reduce variation of interest rates risk of the debt held, exchanging the variable rate for a fixed rate. The detailed transaction is as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2012	2011
Salmofood S.A.	US$7,500	Variable rate	September 2014	S/.10,630	-
Santander Chile	US$7,500	fixed rate	September 2014	US$ 4,167	-

Salmofood S.A. paid or received biannually (on each day of loan interest payment) the difference between LIBOR market rate applicable to the loan in such period and the fixed rate agreed in the hedge agreement. Flows effectively received or paid by the subsidiary were recognized as a correction of the financial expense for the year. In 2012, the subsidiary recognized a greater financial expense for this contract amounting to S/.29, which is presented on the net loss of derivative financial instruments line item in the consolidated statement of income.

Additionally, fair value of this derivative financial instrument and interest rate variations were recognized as of December 31, 2012 for S/.1,321, as other financial liabilities (Note 16).

(b) Cross currency swap contract – JP Morgan

In January 2010, the Company signed a cross currency swap contract with JP Morgan to guarantee the interest rate of the financial obligation held in connection with long-term bonds of S/.95,307. The details of this operation are as follows:

Entity	Description of the contract	Contract value	Agreed rate	Maturity	Hedged Item value 2011	2010
Alicorp S.A.A.	Receive US$ and pay S/.	S/. 93,700	fixed rate	September 2014	-	S/.95,307
JP Morgan	Receive S/. and pay US$	US$ 33,975	Variable rate	September 2014	-	US$33,975

Changes in the fair value of this derivative were recognized as other receivables of S/.4,057 (Note 8), having as a counter account net loss on derivative financial instruments in the consolidated statement of income.

The Company also recorded changes in the interest rate obtained as a cumulative gain of S/.4,012; which is included on the net loss on derivative financial instruments line item in the consolidated statement of income. At December 31, 2010, variation in interest rate caused the recognition of other receivables of S/.825 (Note 8).

During 2011, this derivative was settled generating a gain of S/.906 presented on the net loss on derivative financial instruments line item in the consolidated statement of income.

(c) Swap contract - Citibank

In August 2010, the Company signed a swap agreement with Citibank, to guarantee the interest rate of the cross currency swap contract (item (a)). The details of this operation are as follows:

Entity	Contract value	Agreed rate	Maturity	Hedged Item value 2011	Hedged Item value 2010
Alicorp S.A.A.	US$ 33,975	fixed rate	September 2014	-	S/.93,700
Citibank	US$ 33,975	Variable rate	September 2014	-	US$33,975

Changes in the fair value of this derivative were recognized as other payables of S/.881 (Note 6), having as a counter account net loss on derivative financial instruments line item in the consolidated statement of income.

The Company also recorded changes in the interest rate obtained as a cumulative loss of S/.195, which is included on the net loss on derivative financial instruments line item in the consolidated statement of income. As of December 31, 2010, variation occurred in interest rates caused the recognition of other financial liabilities (Note 16).

During 2011, this derivative was settled generating a loss of S/.1,851 included on the net loss on derivative financial instruments line item in the consolidated statement of income.

(d) Forwards agreements –JP Morgan

In November 2010, the Company signed four forwards contracts with JP Morgan, designed to cover future liability positions of foreign currency.

In 2010, changes in the fair value of this derivative were recognized as other receivables S/.2,041 (Note 8), having as a counter account net loss on derivative financial instruments in the consolidated statement of income.

During 2011, this derivative was settled causing a loss of S/.968 presented on the net loss on derivative financial instruments line item in the consolidated statement of income.

(e) Call options– JP Morgan

In November 2010, Company signed four purchase options contracts with JP Morgan, designated to cover future liability positions of foreign currency. It should be noted that the forwards contracts and options are interrelated.

Changes in the fair value of this derivative were recognized as other payables of S/.1,549 (Note 16), having as a counter account net loss on derivative financial instruments in the consolidated statement of income.

During 2011, this derivative was settled generating a loss of S/.2,620 included in net loss on derivative financial instruments line item in the consolidated statement of income.

In the case of derivatives designated as non-hedge instruments, in 2012, the Company and its Subsidiaries recorded in the consolidated statement of income a net loss on derivative instruments of S/.29 (S/.10,282 in 2011 and a net gain of S/.7,485).

23. COST OF SALES

For the years ended December 31, costs of sales are as follow:

	2012	2011	2010
	S/.000	S/.000	S/.000
Beginning balance of inventories (Note 7)	742,531	602,893	474,531
Purchases	2,740,507	2,780,466	2,311,203
Ending balance of inventories (Note 7)	(758,222)	(742,531)	(602,893)
Recovery of allowance for obsolescence of inventories (Note 7)	(11,250)	(19,339)	(17,953)
Estimates:			
Allowance for obsolescence of inventories (Note 7)	6,993	14,072	15,991
Depreciation (Note 11)	11,232	10,090	2,313
Inventory consumption	2,731,791	2,645,651	2,183,192
Personnel expenses	211,346	183,904	162,849
Third party services (a)	213,231	166,065	155,292
Taxes	13,386	2,696	1,907
Other expenses	27,150	29,070	25,444
Estimates:			
Depreciation (Note 11)	51,426	49,667	45,478
Amortization (Note 13)	60	74	72
Employees' severance indemnities	5,979	5,498	5,658
Total	3,254,369	3,082,625	2,579,892

(a) Services provided by third parties mainly comprise freights of finished products, repairs and maintenance services and utilities.

24. SELLING AND DISTRIBUTION EXPENSES

For the years ended December 31, selling and distribution expenses are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Personnel expenses	114,571	89,772	78,737
Third party services	349,271	332,586	346,988
Taxes	1,626	1,103	1,392
Other expenses	16,368	25,464	20,601
Estimates for the year:			
Depreciation (Note 11)	2,562	6,211	6,416
Employees' severance indemnities	2,971	3,457	3,336
Impairment of trade receivables (Note 6)	7,981	2,396	9,036
Total	495,350	460,989	466,506

25. GENERAL AND ADMINISTRATION EXPENSES

For the years ended December 31, general and administration expenses are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Personnel expenses	109,764	97,248	84,514
Third party services	86,037	73,086	57,391
Other expenses	12,994	6,476	14,304
Taxes	24,322	20,239	17,983
Estimates for the year:			
Depreciation (Note 11)	4,623	3,433	6,279
Amortization (Note 13)	1,951	3,733	6,090
Allowance for doubtful accounts (Note 6)	-	5	1,208
Employees' severance indemnities	3,015	2,949	3,184
Total	242,706	207,169	190,953

26. OTHER INCOME AND EXPENSES (NET)

For the years ended December 31, other income and expenses include the following concepts:

	2012	2011	2010
	S/.000	S/.000	S/.000
Other income:			
Gain from operations designated as hedge instruments	12,172	-	-
Gain from sale of available for sale investment	7,591	-	-
Net gain (loss) on sale of fixed assets	3,413	2,758	(2,742)
Rentals	256	550	748
Tax refund (a)	-	-	23,624
Recovery of bad debts (Note 6)	1,963	1,264	2,295
Remaining plant and equipment (b)	-	13,121	-
Income from sale of raw material	3,335	1,313	1,084
Others	6,894	4,052	1,413
Total	35,624	23,058	26,422
Other expenses:			
Scrap materials	(7,931)	(11,410)	(20,246)
Valued added tax on gifts and bonuses	(3,422)	(3,471)	(3,159)
Intangible assets	-	-	(10,012)
Fiscal penalties and taxes incurred	(784)	(1,579)	-
Sale of auxiliary materials	(1,875)	-	-
Others	(14,246)	(22,936)	(19,995)
Total	(28,258)	(39,396)	(53,412)
Net balance	7,366	(16,338)	(26,990)

(a) Regarding a process followed before the Judiciary (Poder Judicial) for the refund of Minimum Income Tax, of S/.17,259 paid by the Company in 1996. The SUNAT refunded S/.24,256 to the Company in August 2008, and S/.42,995 in April 2010, these amounts included interest. The amount received in 2010, corresponds to interests in the amount of S/.23,624 and an overstated refund of S/.19,327. During 2011 the Company refund S/.13,282 to SUNAT.

(b) It includes the value of an excess of assets resulting from the physical counting of plant and equipment, undertaken by the Company in 2011.

27. FINANCIAL INCOME

For the years ended December 31, financial income is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Interest on bank deposits	6,428	4,131	1,350
Interest on loans and receivables	1,441	706	500
Dividends (Note 8)	3,393	3,140	2,559
Others	741	29	-
Total	12,003	8,006	4,409

28. FINANCIAL EXPENSES

For the years ended 31 December, financial expenses are as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Interest on corporate bonds	8,970	9,486	10,009
Interest on loans	26,728	15,460	8,842
Interest on import financing	2,440	2,216	2,533
Interest on leasing	36	574	1,154
Others	7,061	12,139	8,884
Total	45,235	39,875	31,422

29. INCOME TAXES

(a) Income tax regime in Peru

(i) Income tax rates

The income tax rate for domiciled legal entities is 30%.

Companies domiciled in Peru are subjected to an additional rate of 4.1% on any amount that may be considered as indirect income distribution, including, among others, amounts charged to expenses and unreported income, expenses which may have benefited the shareholders outside business expenses, assumed by the companies.

(ii) Transfer pricing

For the purposes of Income Tax calculation and VAT in Peru, companies engaged in transactions with related companies or with companies resident in territories with low or no taxation, shall: (a) file an annual affidavit on transfer pricing information when the amount of their transactions with related parties is greater than S/.200 (b) have a Transfer Pricing Technical Study, including the supporting documentation. This formal obligation arises when the amount of accrued income exceeds S/.6,000, and the entity has conducted transactions with related companies in an amount over S/.1,000.

Both formal obligations are mandatory when at least one transaction to, from or through countries with low or no taxation have been made.

The Company and its Subsidiaries conducted the corresponding Transfer Technical Study for 2010, 2011 and we are conducting the corresponding study for 2012.

In Management's opinion, no material liabilities will be generated on the consolidated financial statements as of December 31, 2012, 2011 and 2010, in connection with transfer pricing.

(iii) Significant amendments to the income tax regulations in Peru

By means of Law 29884, the Congress of the Republic delegated faculties to the Executive Power so it, by means of Legislative Decrees, can modify the effective tax regime in order to improve the Peruvian Tax System.

Under such powers, Legislative Decrees 1112, 1116, 1120 and 1124 have been issued. They introduce modifications to Income Tax in force in Perú, mostly, as from year 2013. A summary of the most relevant modifications as follows:

- Cost basis. It is established that the cost basis should be supported with the corresponding receipt or invoice validly issued. In the case of real estate acquired by financial leasing or lease-back, cost basis will increase with subsequent costs incorporated to the asset, according to accounting standards.

- Sale of shares or securities. In order to determine the market value, it will be the higher available value among the transaction value, the stock market value, when applicable, the equity value, or any other established by Regulations, according to the nature of the value. On the other hand, loss will not be deductible when, at the time of the sale, before or after it, in a period not longer than 30 calendar days, acquisition of shares or securities of the same type occurred.

- Transfer pricing. All transactions with local or foreign related parties; as well as those held with residents of tax havens, are subjected to transfer pricing analysis. Price adjustment will proceed only when a lower tax is determined in Peru, eliminating the possibility of a negative adjustment in case of higher taxation, in disadvantage to the tax payer.

  Transfer pricing standards will be applied in all operations and could generate presumed income between related parties or tax havens. Regarding non-domiciled persons, adjustment will only proceed when transactions generate taxable income of Peruvian source and/or taxable deductions in Peru. Regarding Early Pricing Agreements, it is

established that the SUNAT can signed these agreements with other tax administrations in countries with which agreements have been held, in order to avoid double international taxation.

Regarding Non-Controlled Pricing Method, specific parameters are incorporated. These should be considered in order to determine market value in the specific case of import and export of goods when international intermediary, acts and it is not the effective addressee of the goods or the intermediation was made through a tax haven (Sixth Method).

Finally, regarding formal obligations, it is established that such obligations should be applied only regarding transactions that generate taxable income and/or taxable deductions. The SUNAT could exclude from the obligations of presenting informative affidavit, to gather detailed documentation and information per transaction for transaction and/or, to prepare the technical study. These modifications are effective as of June 30, 2012.

Transfer pricing standards are no longer applied to VAT determination.

- Exchange differences. Standards about capitalization of the exchange difference for liabilities in foreign currency, related to inventories and fixed assets will be withdrawn from year 2013. However, exchange difference generated until December 2012, activated according to the regulation in force, will continue to be ruled by previous treatment.

- Technical assistance. Regarding the application of 15% rate, the requirement of obtaining a formal declaration from the company rendering the services is eliminated. The requirement of obtaining a report from an audit society to certify the rendering of technical services is established only for services which total consideration is higher than 140 tax units, in force as of the contract signature. This rule is effective as of August 1, 2012.

- Income tax prepayments. The percentage system has been reduced from 2% to 1.5%. The modification establishes that the monthly prepayment will be the higher between the application of the coefficient system and the 1.5% percentage. An alternative has been introduced to change the percentage starting May, based on the statements of income results, applying the coefficient resulting from said financial statements. Specific rules have been provided for the prepayments of August through December.

- Merges and spin-offs. New presumptions have been ruled for voluntarily revaluations, without rebuttal recourse, aimed to tax the income that implicitly has been distributed. Regarding spin-offs without revaluation of the transferred assets, presumptions have been ruled to tax the potential income that may result from the difference between the market value and the book value of the transferred assets.

  Regarding the voluntarily revaluations with tax effects, the taxable income resulting from mergers and spin-offs, will not be offset with the carry forward losses of any of the parties.

(iv) Tax situation of the Company and its Subsidiaries

Income tax returns of the Company and its Subsidiaries Molinera Inca S.A., Prooriente S.,A., Alicorp Inversiones S.A., Industria Nacional de Conservas Alimenticias S.A., Alimentos Peruanos S.A., Garuza Transportes S.A.C., S.G.A. & CO S.A. and Consorcio Distribuidor Iquitos S.A., for the years 2008 to 2011, and the tax return that will be filed for 2012, as applicable, are pending review by the SUNAT, which is authorized to perform these reviews within four years following the year of the tax return filing. Management considers that no material liabilities will result from pending reviews.

The Subsidiaries domiciled in the Republic of Argentina are subjected to income tax at a rate of 35%. The income tax returns of: TVBC S.C.A. for the years 2006 to 2011 and the income tax return that will be filed for 2012; Alicorp San Juan S.A. for the years 2006 to 2011 and the tax return to be filed for 2012; Sulfagen S.A. for the years 2006 to 2011, and the tax return to be filed for 2012 and Alicorp Argentina S.C.A., Sanford S.A.C.I.F.I and A., Italo Manera S.A., and Pastas Especiales S.A. for the years 2006 to 2011 and the tax return that will be filed for 2012 are pending review by the Argentinian Tax Administration.

Alicorp Ecuador S.A. and Agassycorp S.A. are subjected to income tax in Ecuador, at a rate of 23%. The income tax returns of both companies for the years 2008 to 2011 and the tax return that will be filed for 2012, are pending review by the Ecuatorian Tax Administration. The Subsidiary Inbalnor S.A. is under a special tax regime in Ecuador and consequently it is tax-exempted until 2016.

Alicorp Colombia S.A. is subjected to income tax at a 33% rate. Income tax returns for 2010, 2011 and the tax return that will be filed for the year 2012 are pending review by Colombian Tax Administration.

Salmofood S.A. and its subsidiary Cetecsal S.A. are subject to Income Tax with a 20% rate. Income Tax returns for the years 2006 to 2011 and the income tax return that will be filed for 2012, are pending of review by the Chilean Tax Administration.

Alicorp Uruguay S.R.L. is subjected to Income Tax a 25% rate. The tax return that will be filed for 2012 is pending of review by the Uruguayan Tax Administration.

Alicorp Holdco España S.L. is subjected to Income Tax a 30% rate. The tax return that will filed for 2012 is pending of review by the Spanish Tax Administration.

Due to possible interpretations from tax authorities on legal regulations in force, it is not possible to determine whether liabilities for the Company and its Subsidiaries will result from future reviews. Consequently, any eventual higher tax or charge that might result from fiscal reviews, will be charged to the net income (loss) for the year in which they are determined. However, Management considers that no potential additional settlement of taxes would be material for the consolidated financial statements as of December 31, 2012, 2011 and 2010.

(b) Income tax recognized in profit for the year

For the years ended December 31, income tax expense recognized in profit or loss is as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Current income tax	168,238	166,208	158,887
Adjustments recognized in the current year related to income taxes of previous years.	2,232	(3,505)	-
Deferred income tax related to changes in temporary differences with impact in the net profit	(3,055)	(21,140)	14,903
Total	167,415	141,563	173,790

Current income tax expense corresponds to the income tax payable by the Company and its Subsidiaries, calculated at the corresponding tax rate, after deducting the employees' profit sharing when applicable.

For the years ended December 31, 2012, 2011 and 2010, the effective income tax rate differs from the tax rate applicable to income before tax. The nature of this difference is due to certain items related to the determination of taxable income, as summarized below:

	2012		2011		2010	
	S/.000	%	S/.000	%	S/.000	%
Income tax	154,054	29.7	134,587	28.5	136,128	30.0
Not taxable income	(1,533)	(0.3)	(6,611)	(1.4)	(4,538)	(1.0)
Not deductible expenses	6,322	1.2	19,362	4.1	29,041	6.4
Provisions	(999)	(0.2)	-	-	-	-
Others	3,058	0.6	(5,775)	(1.2)	13,159	2.9
Adjustments	6,513	1.3	-	-	-	-
Effective Income Tax	167,415	32.8	141,563	32.6	173,790	38.3

(c) Current income tax

As of December 31, 2012, the Company and its Subsidiaries had a current income tax payable of S/.8,726 (S/.19,563 as of December 31, 2011 and S/.32,401 as of December 31, 2010).

(d) Deferred income tax balances

Deferred income tax assets and liabilities comprise the following:

	Beginning balance S/.000	Income S/.000	Purchase of subsidiary S/.000	Fair Value Allocation Note 12 S/.000	Other comprehen-sive income S/.000	Other changes S/.000	Ending balance S/.000
As of December 31, 2012							
Assets:							
Hedging transactions	705	356	-	-	9,915	91	11,067
Carry forward losses	1,215	(2,191)	-	-	-	3,757	2,781
Impairment of investment in subsidiaries	1,774	631	-	-	-	-	2,405
Other, net	24,586	(2,061)	1,659	-	-	(6,213)	17,971
Total assets	28,280	(3,265)	1,659	-	9,915	(2,365)	34,224
Liabilities:							
Property, plant and equipment, net	134,354	(8,477)	-	-	-	(5,140)	120,737
Intangibles, net	1,537	1,987	8,732	12,993	-	1,025	26,274
Inventories, net	495	600	-	-	-	-	1,095
Other, net	-	(430)	480	-	-	1,963	2,013
Total liabilities	136,386	(6,320)	9,212	12,993	-	(2,152)	150,119

	Beginning balance S/.000	Income S/.000	Other comprehen-sive income S/.000	Other changes S/.000	Ending balance S/.000
As of December 31, 2011					
Assets:					
Hedging transactions	-	292	406	7	705
Carry forward losses	2,291	(1,076)	-	-	1,215
Impairment of investment in subsidiaries	-	1,774	-	-	1,774
Other, net	-	31,684	-	(7,098)	24,586
Total assets	2,291	32,674	406	(7,091)	28,280
Liabilities:					
Property, plant and equipment, net	129,967	11,659	-	(7,272)	134,354
Intangibles, net	1,942	(405)	-	-	1,537
Inventories, net	215	280	-	-	495
Other, net	2,340			(2,340)	-
Total liabilities	134,464	11,534	-	(9,612)	136,386

	Beginning balance S/.000	Income S/.000	Other comprehen-sive income S/.000	Other changes S/.000	Ending balance S/.000
As of December 31, 2010					
Assets:					
Hedging transactions	(1,758)	-	1,758	-	-
Carry forward losses	2,736	(445)	-		2,291
Total assets	978	(445)	1,758	-	2,291
Liabilities:					
Property, plant and equipment, net	120,403	9,649	-	(85)	129,967
Intangibles, net	(3,276)	5,218	-	-	1,942
Inventories, net	215	-	-	-	215
Other, net	(81)	(409)	-	2,830	2,340
Total liabilities	117,261	14,458	-	2,745	134,464
Net liabilities	116,283	14,903	(1,758)	2,745	132,173

(e) Deferred income tax recognized in other comprehensive income consolidated

Income tax recognized in other comprehensive income regarding the fair value of futures options is a charge of S/.9,915, as of December 31, 2012 (S/.406 as of December 31, 2011 and S/.1,758 as of December 2010).

30. RELATED ENTITIES TRANSACTIONS

Trading transactions

During 2012, 2011 and 2010, the Company and its Subsidiaries entered into the following trading transactions with related entities, during the normal course of operations:

	Sales			Purchases		
	2012	2011	2010	2012	2011	2010
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
Associates	10,998	17,586	15,506	13,008	12,518	15,427
Related entities	809	1,651	9,662	120,131	110,188	92,736
Other related entities	47	362	942	409	2,925	14,608
Total	11,854	19,599	26,110	133,548	125,631	122,771

As a result of these transactions and others, the following trade receivable and payables were generated as of December, 31:

	2012	2011	2010
	S/.000	S/.000	S/.000
TRADE RECEIVABLES (NOTE 6):			
Associates	6,502	5,007	4,405
Related entities	7,513	1,185	3,579
Other related entities	380	69	62
Total	14,395	6,261	8,046
TRADE PAYABLES (NOTE 17):			
Associates	350	639	1,330
Related entities	15,901	9,085	7,936
Other related entities	1,844	2,121	1,506
Total	18,095	11,845	10,772

Trade receivables and trade payables are mainly generated by the purchase and sale products and services. These accounts are due in the short-term, do not bear interests and have no specific guarantees.

As of December 31, 2012, 2011 and 2010, the Company has not granted any guarantee to financial entities on behalf of related entities.

Other receivables and payables

Other receivables and payables are due in the short-term, do not bear interest and have no specific guarantees.

Dividends and remuneration to key management personnel and directors

During 2012, 2011 and 2010, the Company paid: (i) remuneration to the board of directors S/.1,282, S/.989 and S/.1,033, respectively; and (ii) remuneration to key members of management S/.11,494, S/.11,970 and S/.11,060, respectively.

31. DISCONTINUED OPERATIONS

As of December 31, 2012, 2011 and 2010, the Company and its subsidiary Molinera Inca S.A. have generated income for the sale of paralyzed plants and discontinued operations, as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Net income from discontinued operations	47,735	21,773	-
Adjustment to fair value of assets held for sale	-	-	3,963
Net income from sale of available for sale assets	11,079	605	1,303
Total	58,814	22,378	5,266

Net income on discontinued operations

In January 2012, the Company and its subsidiary Molinera Inca S.A. sold to ONC (Peru) S.A.C. (a subsidiary of Ocean Nutrition Canada) assets linked to the business of processing fish oil with Omega 3, located in a plant in the department of Piura in Peru.

In September 2011, the Company sold to Nestlé Perú S.A. its assets linked to the ice-cream business (Note 33).

32. NET EARNINGS PER SHARE

The net basic and diluted earnings per share were calculated by dividing net earnings attributable to the stockholders by the weighted average number of outstanding shares during the period.

Basic and diluted earnings per share are the same since there are no diluting effects.

As at December 31, 2012, 2011 and 2010, the calculation of the net basic and diluted earnings per share is as follows:

	2012	2011	2010
Common shares	847,191,731	847,191,731	847,191,731
Investment shares	7,388,470	7,388,470	7,388,470
Outstanding share	854,580,201	854,580,201	854,580,201

	2012 S/.000	2011 S/.000	2011 S/.000
Basic and diluted earning per common and investments share:			
Net profit for the year	351,390	330,671	284,911
Basic and diluted earning per common and investments share (S/.):	0.411	0.387	0.333
Basic and diluted earning per common and investments share, from continuing operations:			
Net profit from continuing operations	292,576	308,293	279,645
Basic and diluted earning per common and investments share, from continuing operations (S/.):	0.342	0.361	0.327
Basic and diluted earning per common and investments share, from discontinued operations:			
Net profit from discontinued operations	58,814	22,378	5,266
Basic and diluted earning per common and investments share, from discontinued operations (S/.):	0.069	0.026	0.006

33. SEGMENT INFORMATION

For management purposes, the Company and its Subsidiaries prepare segment information based on the business units they operate: (i) consumer goods, (ii) business to business branded products, (iii) animal nutrition and (iv) others.

Management does not consider necessary to include geographical information, mainly because there is not a different component dedicated to provide goods and services within a particular environment subjected to different risks and profitability. All the operations of the Company and its Subsidiaries are subject to the same risks; consequently, there are not profitability differences based on the region or place where sales are conducted.

On January 2012, the Company and it subsidiary Molinera Inca S.A. sold assets linked to the activities of processing fish oil with Omega 3, which plant is located in the department of Piura, Peru. Net profit for this transaction was S/.47,735, presented on the net profit from discontinued operations line item, in the statement consolidated of income (Note 31).

The consumer goods segment in 2010 included the ice cream’s category, which was sold in 2011 (Note 31).

As of 31 December 2012 and 2011, and 2010, relevant segment information is as follows:

	2012					
	Consumer Goods Peru	**Consumer Goods ANCAM and Others**	**Consumer Goods Mercosur**	**Total Consumer Goods**	**Business to business branded products**	**N**
	S/.000	**S/.000**	**S/.000**	**S/.000**	**S/.000**	
Revenues	1,961,746	107,149	573,045	2,641,940	1,304,833	
Operating income	263,717	(3,839)	36,634	296,512	140,123	
Net income						
Other segment information						
Assets by segment:						
Trade receivables (net)				450,882	217,855	
Inventories (net)				219,015	460,687	
Property, plant and equipment (net)				944,827	210,648	
Goodwill (net)				308,720	-	
Not allocated assets				-	-	
Total assets						
Total not allocated liabilities						

	2011					
	Consumer Goods Peru	**Consumer Goods ANCAM and Others**	**Consumer Goods Mercosur**	**Total Consumer Goods**	**Business to business branded products**	**N**
	S/.000	**S/.000**	**S/.000**	**S/.000**	**S/.000**	
Revenues	2,057,607	137,142	463,578	2,658,327	1,265,541	
Operating income	280,570	(9,595)	14,167	285,142	166,351	
Net income						
Other segment information						
Assets by segment:						
Trade receivables (net)				206,034	110,298	
Inventories (net)				204,486	443,637	
Property, plant and equipment (net)				847,603	199,527	
Goodwill (net)				294,114	-	
Not allocated assets				-	-	
Total assets						
Total not allocated liabilities						

	2010					
	Consumer Goods Peru	**Consumer Goods ANCAM and Others**	**Consumer Goods Mercosur**	**Total Consumer Goods**	**Business to business branded products**	**N**
	S/.000	**S/.000**	**S/.000**	**S/.000**	**S/.000**	
Revenues	1,827,863	132,925	407,720	2,368,508	1,108,050	
Operating income (loss)	295,442	(25,640)	21,987	291,789	169,472	
Net income						
Other segment information						
Assets by segment:						
Trade receivable (net)				263,026	123,041	
Inventories (net)				373,762	174,856	
Property, plant and equipment (net)				743,796	347,967	
Goodwill (net)				229,968	-	
Not allocated assets				-	-	
Total assets						
Total not allocated liabilities						

34. NON-CASH TRANSACTIONS AND STATEMENTS OF CASH FLOWS

For the years ended December 31, the following non-cash investing and financing activities had an effect on assets and liabilities as follows:

	2012	2011	2010
	S/.000	S/.000	S/.000
Transfer of land and buildings of trust fund	-	-	162,859
Offsetting of subsidiary dividends with other payables	-	-	12,709
Unrealized gain (loss) on hedging	(23,146)	(1,978)	910
Transfer of property, plant and equipment to assets held for sale and intangible assets	5,782	9,319	2,508
Estimated impairment of financial investments	-	5,851	-
Unrealized net income of available-for-sale investments	46,649	(15,475)	58,274
Exchange differences by translating foreign operations	(38,865)	(12,304)	2,512
Impairment of goodwill	-	-	17,957

35. COMMITMENTS

Guarantees related to Alicorp S.A.A.:

- The Company has obtained the following guarantee letters for public tenders from:
  - National Food Program (PRONAA for its acronyms in Spanish) totaling S/.5,018 (S/.538 in 2011 and S/.2,353 in 2010) issued by a local financial institution due between March and August 2013.
  - INDECOPI totaling S/.128; issued by a local financial institution with maturity between March and May 2013.
  - SUNAT totaling US$1,234 (S/.944 and $828 in 2011and US$2,124 in 2010), these guarantees have been issued by Secrex Compañía de Seguros y Garantías, and they correspond to a guarantee letter for custom warehouse due in January 2013. Moreover, the Company has provided SUNAT with bank guarantee letters issued by a local financial institution to secure the customs tax debt and other obligations related to the Inbond Code Procedure for raw materials totaling US$9,512 (S/.48 in 2011 and US$45 in the 2010), due between August and December 2012.
  - Ministerio del Interior by S/.1,695 (S/.6,366 in 2011 and S/.8,820 and US$8 in 2010) maturing between January and September 2013.
- Guarantee letters issued to guarantee the purchase of fixed assets totaling US$1,558 (US$16,221 in 2011), issued by a local financial institution due between January and April 2013.

Guarantees related to Molinera Inca S.A.:

- Guarantee letters in favor of the SUNAT totaling US$400 issued by Secrex Compañía de Seguros y Garantías, corresponding to the guarantee surety bond from customs warehouse, due in January 2012.

Guarantees related to Alicorp Argentina S.C.A. and subsidiaries:

- Guarantee letters issued to guarantee the purchase of fixed assets, totaling €901,466; issued by local financial institutions, with maturities between March and May 2013.

Guarantees granted by Inbalnor S.A.:

- Mortgage on the plant of animal nutrition up to US$5,000.

Guarantees related to Salmofood S.A.:

- The Subsidiary holds the following obligations on its assets:

  - Pledge without transfer, second grade, from Salmofood S.A.to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.367-2009.

  - Pledge from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.370-2009.

  - Pledge from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.372-2009.

  - Pledge without transfer, second grade, from Salmofood S.A.to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.373-2009.

- The Subsidiary holds the following mortgages:

  - Mortgage from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.374-2009.

  - Second grade mortgage from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.378-2009.

- Pledges over rights or credits:

  - Commercial mandates agreements and pledges from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.379-2009.

- Pledge on cash and allowed investments from Salmofood S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.380-2009.

Guarantees related to Cetecsal S.A.:

- The Subsidiary holds the following obligations on its assets:

  - Pledge Agreement over Salmofood S.A. Assets to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.368-2009.

- The Subsidiary holds the following mortgages:

  - Modification of Mortgage from Cetecsal S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.375-2009.

  - Second Grade Mortgage from Cetecsal S.A. to Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.376-2009.

- The Subsidiary holds deposit and solidary co-obligation in favor of Banco Santander-Chile and others, subscribed through public deed on December 30, 2009 in the notary of Santiago de Don Eduardo Avello Concha, under repertory number 25.371-2009.

All these obligations are being settled due to the prepayment of the syndicated loan made in January 2013 (Note 37).

36. CONTINGENCIES

At December 31, 2012, 2011 and 2010, the Company and its Subsidiaries have the following contingencies:

(a) Alicorp S.A.A.

- As of December 31, 2012, the Company has received tax assessments related to income tax (2004 and 2005), VAT (1992, January to April 1993, January to March and July 2002, May and December 2003, for the year 2004, 2005 and December 2009) and reduction of tax losses (2002 and 2003) of S/.69,683 (S/.69,604 in 2011 and S/.69,614 in 2010), regarding contributions to ESSALUD S/.4,983 (S/.4,983 in 2011 and S/.1,031 in 2010) and municipal claims S/.663 (S/.641 in 2011 and S/.372 in the year 2010), which include arrears and fines. The assessments related to Income Tax, VAT and decrease of tax losses have been updated considering the tax payment plan benefit provided by the Legislative Decree No. 914. Management and its legal counsels believe that the issues listed above should have a favorable outcome for the Company, for which it has not been recorded any provision.

- As of December 31, 2012, the Company has been sued with labor claims of approximately S/.4,111 (S/.2,791 in 2011 and S/.3,062 in 2010). Management and its legal counsels opinion is that this issue should have a favorable outcome for the Company, for which it has not been recorded any provision.

- As of December 31, 2012, the Company has claims from the Workers Union for nullity of legal act – collective bargain agreement of S/.29,601. Management and its legal counsels consider that this matter shall have a favorable result for the Company, therefore no provision has been recorded.

- As of December 31, 2012, the Company has legal claims of S/.728. Management and its legal counsels consider that this matter shall have a favorable result for the Company, therefore no provision has been recorded.

- As of December 31, 2012, the Company has claims brought by AFP Horizonte S.A. and AFP Prima S.A. (Pension Fund Administrators) of approximately S/.4,295 (S/.4,431 in 2011). Management and its legal counsels believe that these issues should have a favorable outcome for the Company, for which it has not been recorded any provision.

- As a result of the fire incident occurred on December 3, 2009 at Ransa Comercial S.A. warehouse (a related company), accounting and labor ledgers were lost for Alicorp S.A.A. prior to April 2009 and for its Subsidiary Molinera Inca S.A. from January 2007 through April 2009. In this regard, both companies issued legal communications to tax authorities and other public entities as required. The tax authority granted to the Company and its Subsidiary the right to rebuild their books, and get from their customers and suppliers copies of lost documents. At December 31, 2010, the Company and its subsidiary have complied with rebuilding their books for the tax periods open for review and have sent letters to customers and suppliers requesting copies of the missing information within the deadlines given by the tax authority. Management and its legal counsels believe that no material liabilities will arise in connection with potential audits by the tax or labor authorities on the periods in which the information was lost.

(b) Consorcio Distribuidor Iquitos S.A.

The Subsidiary maintains claims and appeals with respect to the tax refund of VAT for the months of November and December 2004 and January to July, November and December 2005 to 2008, year 2011 and January, February and April to July 2012 for S/.16,781 (S/.16,698 in 2011 and S/.18,370 in 2010), determination of the VAT from January to December 2004, 2005 for the total amount of S/.59,640 (S/.59,640 in 2011 and S/.63, 507 in 2010), income tax from January to December 2001 and 2006 for S/.508 (S/.575 in 2011 and S/.607 in 2010), and payment of interest earned from prepaid income tax for S/.65 in 2012 and 2011.

(c) Molinera Inca S.A.

The Subsidiary maintains labor claims for an approximate amount of S/.3,598 (S/.721 in 2011) and debts for municipal claims of S/.58 (S/.58 in 2011). Management and its legal counsels consider that these matters shall have a favorable result in the Subsidiary, therefore no provisions have been recorded.

(d) Salmofood S.A.

As of December 31, 2012, the Subsidiary maintains a claim against Caleta Bay S.A. for the trade receivables of (in Chilean pesos) $1,651,286 (equivalent to S/.8,779). Additionally, it has a counterclaim made by Caleta Bay S.A. of US$7,915. The Subsidiary's legal counsels considers that a favorable result is likely from the action petitioned by Salmofood S.A.; and a possible favorable result from the claim filed by Caleta Bay.

In the event that the claim of Caleta Bay S.A. has an unfavorable result for the Subsidiary, former owners shall indemnify the Company up to US$6,500, for losses and damages that the Company may suffer on the aforementioned process.

Management and its legal counsels consider that claims made by the Company and its Subsidiaries shall have a favorable result, such observations must remain with no effect, therefore no provision has been recorded.

37. SUBSEQUENT EVENTS

Management does not have any knowledge of important events that had occurred between the closing date of these consolidated financial statements and the date of this report that could have a material impact on the Company´s results and financial position, except for the following:

(i) On December 27, 2012, the Company signed a share purchase agreement for the acquisition of 99.11% of common shares and 93.68% of investment shares of Industrias Teal S.A., a company dedicated to the activity of milling, manufacture and sale of pastas, cookies, panetonne, candies, chocolates and consumer goods products in general under the brand of 'Sayon', of S/.413,881.

According to the share purchase agreement, the payment of the sale price as well as the transfer of assets were set to be done as of the closing date of the transaction, which is subjected to the compliance of certain obligations established in such contract. The closing date of the transaction was January 4, 2013.

(ii) On January 15, 2013, the Company completed the acquisition from Ucisa S.A. of certain assets regarding edible oil production activities, its brands and non-compete rights, on which the seller is committed to (Note 1 (c)).

(iii) On January 28, 2013, the Subsidiary Alicorp Ecuador S.A. sold its shares in its associate Heladosa S.A. for US$4,000 (Note 14).

(iv) In January 2013, the Company's subsidiary, Salmofood S.A., obtained a long term loan with J.P. Morgan to settle the syndicated loan (Note 15); for which the Company has to comply with certain restrictions, which mainly include the maintenance of financial ratios based on consolidated financial statements. Main requirements demanded by the financial entity are:

- Debt / EBITDA less or equal to 3.5x
- EBITDA / Debt service greater than or equal to 1.6x
- Net Equity Company Consolidated, greater than or equal to S/.1,412 million
- Net Equity Company Individual, greater than or equal to S/.1,427 million

(v) On January 26, 2013, Alicorp Holdco España S.L., a subsidiary of the Company, established Industrias Alicorp Do Brasil S.A. (formerly: D.B.G.S.P.E. Empreendimentos e Participacoes S.A.), which main activity is the development of all kinds of investments in shares in Brazil and abroad, as well as the rendering of services in general.

(vi) On February 6, 2013, Industrias Alicorp Do Brasil S.A., a subsidiary of the Company, signed a share purchase agreement for 100% of the shares of Pastificio Santa Amália S.A, a company dedicated to the manufacture and distribution of consumer goods products such as pasta, jelly, chocolate and juice in powders under the brand of 'Santa Amalia'; as well as the distribution of personal and home care products. The transaction was for BRL190 million of Brazilian Reals, equivalent to US$95.8 million.

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