OFFERING MEMORANDUM

Camposol S.A.

U.S.$75,000,000
9.875% Senior Notes due 2017
unconditionally and irrevocably guaranteed by

Camposol Holding Ltd (formerly Camposol Holding Plc), Marinazul S.A. and Campoinca S.A.

We are offering U.S.$75 million aggregate principal amount of our 9.875% Senior Notes due 2017 (the "notes"). The notes will be additional notes issued under the indenture dated as of February 2, 2012, pursuant to which we initially issued U.S.$125,000,000 aggregate principal amount of our outstanding 9.875% Senior Notes due 2017 (the "initial notes"). The notes will have identical terms and conditions as the initial notes, other than the issue date and issue price, and will consolidate to form a single series with and vote together as a single class with, the initial notes. The notes and the initial notes will share the same CUSIP and ISIN numbers and be fungible, except that the notes offered and sold in offshore transactions under Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers during a 40-day distribution compliance period commencing on the issue date. References to the "notes" refer to the notes and the initial notes collectively, unless the context otherwise requires.

We are a corporation (*sociedad anónima*) organized under the laws of Peru and a subsidiary of Camposol Holding Ltd (formerly Camposol Holding Plc), a private company limited by shares organized under the laws of Cyprus. The notes will be our senior obligations and will be irrevocably and unconditionally guaranteed by Camposol Holding Ltd and our subsidiaries Marinazul S.A. and Campoinca S.A. The notes will rank *pari passu* among themselves and at least equally in right of payment with all of our other present and future unsecured and unsubordinated obligations and the guarantee will rank at least *pari passu* in right of payment with all unsecured and unsubordinated debt of Camposol Holding Ltd, Marinazul S.A. and Campoinca S.A. (in each case, subject to any priority rights pursuant to applicable law).

We may redeem the notes in whole or in part at any time at the redemption prices set forth herein. See "Description of the Notes – Optional Redemption." In addition, we may redeem the notes, in whole but not in part, at 100% of their principal amount plus accrued interest and additional amounts, if any, upon the occurrence of specified events relating to Peruvian or Cypriot tax law, all as described under "Description of the Notes – Redemption for Taxation Reasons."

Investing in the notes involves significant risks. See "Risk Factors" beginning on page 18 for a discussion of certain information that you should consider before investing in the notes.

Issue Price: 101.500%, plus accrued interest from February 2, 2014

Purchasers of the notes will be required to pay accrued interest totaling U.S.$1,810,416.67, or U.S.$24.14 per U.S.$1,000 principal amount of notes, from and including February 2, 2014 to, but excluding April 30, 2014, the date when the notes were delivered.

We have not registered and will not register the notes under the U.S. Securities Act of 1933, as amended, or the Securities Act, or under any state securities laws. Therefore, we may not offer or sell the notes within the United States to, or for the account or benefit of, any U.S. person unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws. Accordingly, we are only offering the notes (1) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2) to non-U.S. persons outside the United States in compliance with Regulation S under the Securities Act. See "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions. The notes are not being offered to the public within the meaning of Directive 2003/71/EC of the European Union, as amended, and this offer is not subject to the obligation to publish a prospectus under that Directive.

The notes (or beneficial interests therein) may not be offered or sold in the Republic of Peru ("Peru") or any other jurisdiction, except in compliance with the securities law thereof.

Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade the notes on the Euro MTF market. This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectus for Securities, as amended.

Delivery of the notes was made to purchasers in book-entry form through The Depository Trust Company and its direct and indirect participants, including Clearstream Banking, société anonyme and Euroclear S.A./N.V., as operator of the Euroclear System, on April 30, 2014.

Joint Bookrunning and Joint Lead Managers

Credit Suisse **Santander**

Joint Lead Manager

Scotiabank

The date of this offering memorandum is May 7, 2014.

TABLE OF CONTENTS

You should only rely on the information contained in this offering memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with different information. Neither we nor the initial purchasers are making an offer of the notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the cover of this offering memorandum regardless of time of delivery or any sale of the notes.

This offering memorandum is based on information provided by us and by other sources we believe to be reliable. We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge this offering memorandum does not contain any material misstatement or omission. This offering memorandum summarizes certain documents and other information, and we refer you to those sources for a more complete understanding of what we discuss in this offering memorandum. The initial purchasers assume no responsibility for, and make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is or shall be relied upon as, or a promise or representation by the initial purchasers as to the past or future. The initial purchasers assume no responsibility in relation to the accuracy or completeness of the information in this offering memorandum or any other information provided by the issuer or any of the guarantors.

This offering memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this offering memorandum nor any sale made hereunder shall under any circumstances imply that there has been no change in our affairs or the affairs of our parent company or our subsidiaries or that the information set forth in this offering memorandum is correct as of any date subsequent to the date of this offering memorandum.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the notes. We reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the notes offered by this offering memorandum. Credit Suisse Securities (USA) LLC, Santander Investment Securities Inc. and Scotia Capital (USA) Inc. will act as initial purchasers with respect to the offering of the notes. This offering memorandum is personal to you and does not constitute an offer to any other person or to the public in general to subscribe for or otherwise acquire the notes.

The original notes and the notes will share the same CUSIP and ISIN numbers and be fungible, except that the notes offered and sold in compliance with Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers and common codes during a 40-day distribution compliance period commencing on the date of issuance of the notes. The temporary CUSIP of the Regulation S Global Note is P19189 AB8, the temporary ISIN of the Regulation S Global Note is USP19189AB86 and the temporary common code of the Regulation S Global Note is 106382026. See "Summary – The Offering" for the CUSIP, ISIN and Common Codes for the notes.

You must (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes, and (ii) obtain any required consent, approval or permission for the purchase, offer or sale by you 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, and neither we nor the initial purchasers or their respective agents have any responsibility therefor. See "Transfer Restrictions" for information concerning some of the transfer restrictions applicable to the notes.

By accepting this offering memorandum 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 this offering memorandum;
- you have not relied on the initial purchasers or their respective 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 this offering memorandum. 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.

In making an investment decision, you must rely on your own examination of our business and the terms of this offering, including the merits and risks involved. The notes have not been recommended by the U.S. Securities and Exchange Commission, or the SEC, or any state securities commission or any Peruvian, Norwegian, Cypriot or other securities commission or regulatory authority. Furthermore, these authorities have not confirmed the accuracy or determined the adequacy of this offering memorandum. Any representation to the contrary is a criminal offense. In connection with this offering, the initial purchasers 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 initial purchasers will undertake any stabilization action at all. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may discontinue it at any time, but it must end no later than 30 days after the issuance of the notes or 60 days after the date of the allotment of the notes.

For the sale of the notes in the United States, we are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes may not be transferred or resold except as permitted under the Securities Act and related regulations and applicable state securities laws. In making your purchase, you will be deemed to have made certain acknowledgements, representations and agreements set forth in this offering memorandum under the caption "Transfer Restrictions." You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

This offering memorandum may only be used for the purpose for which it has been published. Neither the initial purchasers nor any of their respective agents is making any representation or warranty as to the accuracy or completeness of the information contained in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future.

See “Risk Factors” for a description of certain important factors relating to an investment in the notes, including information about our business. None of us, the initial purchasers nor any of our or their representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws. You should consult with your own advisors as to legal, tax, business, financial and related aspects of a purchase of the notes. The notes will be available initially only in book-entry form. We expect that the notes offered and sold in the United States to qualified institutional buyers, or QIBs, in reliance upon Rule 144A under the Securities Act will be represented by beneficial interests in a single, permanent global note in fully registered form without interest coupons, or the Rule 144A note. We expect that the notes offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act will be represented by beneficial interests in a single, permanent global note in fully registered form without interest coupons, or the Regulation S note, and, together with the Rule 144A note, the global notes). The global notes will be deposited with The Depository Trust Company, or DTC. Notes will be issued in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. See “Description of the Notes” for further discussion of these matters.

We are not making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or other laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes.

There are no conflicts of interest between members of the administrative, management or supervisory bodies and any duties of the Issuer and persons responsible for the information provided in this offering memorandum.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES 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 A 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 CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

MARKET AND INDUSTRY INFORMATION

We make statements in this offering memorandum about the Peruvian and global agricultural industry. These statements are based on statistics and other information from third-party sources that we believe to be generally reliable. We derive this third-party information principally from reports published by the Food and Agriculture Organization, or FAO, the International Trade Center, or ITC, the United States Department of Agriculture, or USDA, the United States International Trade Commission, or USITC, the Hass Avocado Board, the Peruvian Ministry of Agriculture, the Peruvian Central Bank and the Peruvian National Superintendency of Tax Administration. Although we believe that we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources, they have not been independently verified by us, the initial purchasers or our respective advisors and therefore we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the jurisdictions specified. Due to possibly flawed or ineffective collection methods and other problems, the statistics herein may be inaccurate, incomplete or may not be comparable to statistics produced from other sources and should not be unduly relied upon. In addition, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

ENFORCEABILITY OF CIVIL LIABILITIES

Camposol S.A., as well as Marinazul S.A. and Campoinca S.A., the Subsidiary Guarantors of the notes, are companies organized and existing under the laws of Peru, and Camposol Holding Ltd, a guarantor of the notes, is a company organized and existing under the laws of Cyprus. The majority of the directors and officers of Camposol Holding Ltd, Marinazul S.A., Campoinca S.A. and Camposol S.A. reside in Peru or elsewhere outside the U.S., and all or a significant portion of the assets of such persons may be, and substantially all of our assets are, located in Peru or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process upon such persons or entities outside Peru or to enforce against any of them, in the courts of jurisdictions other than Peru, any judgments obtained in such courts that are predicated upon the laws of such other jurisdictions or enforce against any of them, in Peruvian courts, judgments obtained in jurisdictions other than Peru, including judgments obtained in respect of the notes or the indenture governing the notes, or the Indenture, in New York courts, unless such judgments fulfillment with the requirements described below.

We have been advised by our Peruvian counsel, Rodrigo, Elias & Medrano Abogados, that any final and conclusive judgment for a fixed and definitive 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 and the Indenture that are governed by New York law will, upon request, be deemed valid and enforceable in Peru, without the local court reopening or reexamining the case, reviewing the merits of the cause of action in respect to which such judgment was given or re-litigating the merits adjudicated upon; provided that:

- the judgment does not resolve matters under the exclusive jurisdiction of Peruvian courts, and the matters contemplated by the Indenture or in respect of this offering memorandum or the notes are not matters under the exclusive jurisdiction of Peruvian courts;
- the relevant foreign court had jurisdiction under its own private international conflicts of law rules and under general principles of international procedural jurisdiction;
- we were served in accordance with the laws of the place where the proceeding took place, we were granted a reasonable opportunity to appear before such foreign court, and we were guaranteed due process rights;
- the judgment has the status of *res judicata* as defined in the jurisdiction of the court rendering such judgment;
- there is no pending litigation in Peru between the same parties for the same dispute which shall have been initiated before the commencement of the proceeding that concluded with the foreign judgment;

- the foreign 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 foreign judgment is not contrary to public policy (*orden público*) or good morals;
- a proceeding for the recognition and enforcement of the judgment is followed, in which (i) powers of attorney are granted by the party intending to enforce the judgment to its representative in Peru; (ii) an original or a copy of the judgment, authenticated according to the rules of the place where the judgment was issued and duly authenticated by the respective Peruvian Consulate, or appostilled if the country of the court rendering the judgment is a signatory to the appostille convention, is filed before the competent court in charge of its enforceability in Peru; (iii) the judgment is officially translated by a Public Translator registered in Peru if it is not already in Spanish and (iv) the applicable court taxes or filing fees have been paid; and
- there is in effect a treaty between the country where said foreign courts sits and Peru regarding the recognition and enforcement of foreign judgments. In the absence of such a treaty, the reciprocity rule is applicable (such reciprocity rule being presumed), under which a judgment given by a foreign court of competent jurisdiction will be admissible in the Peruvian courts and will be enforced, unless according to such foreign law: (i) judgments issued by Peruvian courts are not admissible in such foreign country or (ii) judgments issued by Peruvian courts are subject to re-examination by such court of competent jurisdiction of the issues considered therein.

We have no reason to believe that any such judgment would be under the exclusive jurisdiction of Peruvian courts or that any of our obligations under the Indenture and the notes, which are governed by the laws of the State of New York, would be contrary to Peruvian public policy (*orden público*) and international treaties binding upon Peru or generally accepted principles of international law. No treaty exists between the United States and Peru for the reciprocal enforcement of foreign judgments. Peruvian courts, however, have enforced judgments rendered in the United States based on legal principles of reciprocity and comity.

We have been advised by our Cypriot counsel, Harneys, Aristodemou Loizides Yiolitis LLC, that a judgment obtained in any U.S. court would not automatically be enforced by the courts of Cyprus. In order to enforce such a judgment in Cyprus, a new legal process must be initiated before a court of competent jurisdiction in Cyprus. A summary judgment may be available, and other considerations of the Cypriot court may include the following:

- that such judgment was not obtained or alleged to have been obtained by fraud;
- that the process and decision of the U.S. court was not contrary to natural or constitutional justice under the laws of Cyprus and the enforcement of such judgment would not be contrary to public policy as understood by the Cypriot courts or constitute the enforcement of a judgment of a penal or taxation nature;
- that such judgment is final and conclusive and is for a debt or a definite sum of money;
- that the jurisdiction of U.S. court has been exercised in circumstances which, as a matter of Cypriot law, a Cypriot court will recognize as justifying enforcement of such judgment;
- that the procedural rules of the U.S. court in relation to the obtaining of such judgment have been observed; and
- that such judgment is not inconsistent with a judgment of a Cypriot court in respect of the same matter.

In connection with the Indenture and the notes, we, Camposol Holding Ltd, Marinazul S.A. and Campoinca S.A. have appointed CT Corporation System as our authorized agent upon whom process may be served in connection with any action instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan in New York arising out of or based upon the Indenture, the notes or the guarantees of Camposol Holding Ltd, Marinazul S.A. and Campoinca S.A. See “Description of the Notes.”

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains statements that constitute estimates and forward-looking statements, within the meaning of Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, including but not limited to the sections "Summary," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements appear in a number of places in this offering memorandum and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our financial condition. Our estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to us.

Our estimates and forward-looking statements may be influenced by the following factors, among others:

- changes in demand for, and prices of, fruits and vegetables;
- our ability to obtain, maintain and renew all licenses, permits, quota shares and other authorizations associated with our land, processing plants or otherwise required in connection with our business;
- general economic, political and business conditions in Peru, resulting in changes in the economy, tax laws, or in the regulatory environment, including environmental regulations, relating to agriculture in our land or food processing;
- the availability of qualified personnel to work on our land and in our processing plants;
- other governmental policies affecting our business, including agriculture, food processing and trade policies;
- our ability to generate cash and to obtain sufficient financing for our operations and our future expansion plans;
- changes in currency exchange rates or interest rates;
- our ability to integrate and benefit from our recent acquisitions, as well as other joint ventures and strategic alliances;
- our ability to comply with laws and regulations;
- industry conditions, including the cyclicality of the agricultural industry, and unpredictability of the weather;
- the effects of economic, political or social conditions and changes in foreign exchange policy or other conditions affecting our principal export markets;
- increases in our operating costs or our inability to meet efficiency or cost reduction objectives, including increases in the cost of personnel;
- possible disruptions to commercial activities due to natural and human-induced disasters, including terrorist activities and armed conflict;
- the outcome of pending regulatory and legal proceedings; and
- other factors described under "Risk Factors" and elsewhere in this offering memorandum.

The words "believe," "may," "may have," "would," "estimate," "continues," "anticipates," "intends," "hopes," and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made, and neither we nor the initial purchasers undertake any obligation to update or revise any estimate or forward-looking statement due to new information, future events or otherwise. Estimates and forward-looking statements involve risks and uncertainties and do not guarantee future performance, as actual results or developments may be substantially different from the expectations described in the forward-looking statements. In light of the risks and uncertainties described above, the events referred to in the estimates and forward-looking statements included in this offering memorandum may or may not occur, and our business performance and results of operation may differ materially from those expressed in our estimates and forward looking statements, due to factors that include but are not limited to those mentioned above. Investors are warned not to place undue reliance on any estimates or forward-looking statements in making decisions regarding investment in the notes.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

This offering memorandum includes:

- audited consolidated financial statements of Camposol Holding Ltd, as of and for the years ended December 31, 2011, 2012 and 2013; and
- audited financial statements of Camposol S.A., as of and for the years ended December 31, 2012 and 2013.

In April 2014, the shareholders of Camposol Holding Ltd voted to convert the Parent Guarantor from a "Plc" (a public company limited by shares) to a "Limited" (a private company limited by shares) under the laws of Cyprus. See "Summary – Overview."

The consolidated financial information of Camposol Holding Ltd as of and for the years ended December 31, 2011, 2012 and 2013 has been derived from the audited consolidated financial statements of Camposol Holding Ltd included elsewhere in this offering memorandum.

Camposol Holding Ltd's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, or IFRS, and its audited consolidated financial statements have been audited in accordance with International Standards on Auditing or ISA.

The financial information of Camposol S.A. as of and for the years ended December 31, 2012 and 2013 has been derived from the audited financial statements of Camposol S.A. The audited financial statements of Camposol S.A. have been prepared in accordance with the International Financial Reporting Standards.

Under International Accounting Standard 27, or IAS 27, "Consolidated Financial Statements and Accounting for Investments in Subsidiaries," investments in subsidiaries, associates and jointly controlled entities must be accounted for in the parent's individual financial investments at cost, or at fair value as determined in accordance with International Financial Reporting Standard 9. The "patrimonial" accounting approach is not an accepted valuation method under IFRS. According to the accounting principles generally accepted in Peru, investments may be accounted for in the separate financial statements of the parent company using the "patrimonial" accounting approach.

Restatement of 2012 consolidated financial statements

During the fair value evaluation of our biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at December 31, 2012 was understated by U.S.$13.4 million. This understatement impacted our consolidated statement of financial position as of December 31, 2012 and our consolidated statement of comprehensive income for the year ended December 31, 2012. See note 2.29 to Camposol Holding Ltd's audited consolidated financial statements included elsewhere in this offering memorandum.

In our consolidated statement of financial position as of December 31, 2012, we increased the value of our biological assets by U.S.$13.4 million (from U.S.$245.7 million to U.S.$259.1 million) and our deferred income tax assets by U.S.$1.4 million (from zero to U.S.$1.4 million), while also increasing our retained earnings by U.S.$9.4 million (from U.S.$70.6 million to U.S.$80.0 million) and increasing our deferred income tax liabilities by U.S.$5.4 million (from U.S.$26.0 million to U.S.$31.4 million). This restatement did not have a material impact on the opening balance sheet as at January 1, 2012.

In our consolidated statement of comprehensive income for the year ended December 31, 2012, we recorded an additional gain arising from change in fair value of biological assets of U.S.$13.4 million (increasing from U.S.$27.0 million to U.S.$40.4 million) while increasing our income tax expense for the year by U.S.$4.0 million (from U.S.$2.3 million to U.S.$6.3 million). Our profit for the year ended December 31, 2012, increased by U.S.$9.4 million (from U.S.$7.5 million to U.S.$16.9 million).

General

Unless otherwise specified, references herein to "U.S. dollars," "dollars," "U.S.$" or "$" are to United States dollars, the legal currency of the United States; references to "nuevo sol", "PEN," "nuevos soles" or "S/." are to the Peruvian nuevo sol, the legal currency of Peru; references to "€," "Euros" and "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended; references to "Peru" are to the Republic of Peru; references to the Peruvian Government are to the government of Peru; references to the "United States" or "U.S." are to the United States of America.

Management has determined the functional currency of our principal operating entities to be the U.S. dollar. These entities sell their products in international markets to customers in a number of countries, and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in U.S. dollars and the price of certain raw materials and supplies are influenced by the U.S. dollar. The borrowings and cash balances of these entities are held in U.S. dollars. Management has used its judgment to determine our functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the U.S. dollar. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. During the year ended December 31, 2013, 29% of our production costs were related to labor, which are incurred in nuevos soles. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the nuevo sol. Future variations in the exchange rate could have a significant impact on the portion of our costs denominated in nuevos soles, thus affecting our total costs. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in Euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the Euro and the U.S. dollar.

Since December 31, 2013 there has been no material adverse change or any development reasonably likely to involve a material adverse change, in the condition (financial or otherwise) or general affairs of Camposol S.A., Campoinca S.A., Marinazul S.A. or Camposol Holding Ltd.

We have made rounding adjustments to certain figures included in this offering memorandum. As a result, numerical figures presented as totals may not always be exact arithmetic aggregations of their components, as presented.

In this offering memorandum: "ton" or "MT" means a metric ton which is equal to 1,000 kilograms or 2,204.62 pounds; "m^3" means a cubic meter which is equal to 1,000 liters or approximately 35.3 cubic feet; "MT/h" refers to MT per hour; references to fruit and vegetable prices are to "free on board," or FOB, Peru, except as otherwise indicated.

The notes offered hereby will be issued pursuant to a second supplemental indenture (the "Second Supplemental Indenture") as additional notes under an Indenture dated as of February 2, 2012 (the "Original Indenture"), as amended and supplemented by the first supplemental indenture dated April 16, 2014 (the "First Supplemental Indenture"), among the Issuer, the Parent Guarantor and the Subsidiary Guarantors, as Guarantors, and Wells Fargo Bank National Association, as trustee (the "Trustee"). The Second Supplemental Indenture is to be dated as of the closing date of the issue of the Notes, which is expected to be April 30, 2014. Unless the context otherwise requires, references herein to the Indenture are to the Original Indenture as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture.

SUMMARY

This summary highlights selected information described in greater detail elsewhere in this offering memorandum. It does not contain all of the information that may be important to you. This offering memorandum describes the terms of the notes that we are offering, as well as information regarding our business and detailed financial information. You should read the entire offering memorandum carefully, including the risk factors and financial statements before making an investment decision. The terms "Camposol," "Camposol S.A.," "Issuer," "we," "us," and "our" in this offering memorandum refer to Camposol S.A., together with its subsidiaries except for references to consolidated financial information as of December 2011, 2012 and 2013 and the years then ended (all of which is consolidated financial information of Camposol Holding Ltd, our parent company and a note guarantor), and except as otherwise specified. The term "Parent Guarantor" in this offering memorandum refers to Camposol Holding Ltd, as guarantor under the Indenture and the notes. Marinazul S.A. and Campoinca S.A., each a note guarantor and an indirect subsidiary of Camposol Holding Ltd, are referred to as "Marinazul" and "Campoinca," respectively, and together as the "Subsidiary Guarantors." The financial information of Marinazul and Campoinca is consolidated into the financial statements of Camposol Holding Ltd.

Overview

Camposol is the leading agro-industrial company in Peru in terms of exports, the largest exporter of white asparagus and the largest producer of Hass avocadoes in the world as measured by the number of planted hectares. Camposol is involved in the harvest, processing and marketing of high quality agricultural products such as avocadoes, asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines; which are mainly exported to Europe, the United States and Asia. As of December 31, 2013, we owned a total of 26,132 hectares, of which we estimate approximately 18,192 to be useful for agricultural purposes. Of these, approximately 6,585 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao, Virú and Piura, which are located in the regions of La Libertad and Piura. We own and operate a state of the art processing plant for fresh, preserved and frozen products. In addition, through our subsidiary Marinazul, we own and operate shrimp farms in the region of Tumbes. We maintain on average approximately 11,000 part- and full-time employees.

We plant, harvest, process, package and export a wide selection of agricultural products, including avocadoes (Hass, Lamb Hass and Ettinger varieties), white and green asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines. Among these products, asparagus and avocadoes have been, and are expected to continue to be, the most important products in terms of our results of operations, in addition to blueberries. Our fruits and vegetables are exported as fresh, frozen or preserved products mainly to markets in Europe, the United States and Asia. We manage our fields using advanced agricultural practices and technology, which have enabled us to consistently increase our levels of productivity, achieving in 2013 production volumes harvested of 27,825 MT of avocadoes, 24,276 MT of asparagus, 11,852 MT of mangoes, 7,804 MT of piquillo peppers, 11,375 MT of grapes and 797 MT of blueberries, among other crops.

We are a fully integrated company and manage our entire supply chain: fields, processing and distribution. Approximately 75% of the products that we processed during the year ended December 31, 2013, came from our own fields, and we have sufficient production capacity to process each of the various types of products that we produce, in fresh, frozen and preserved formats.

Our approximately 47,892 m^2 production complex is located in the agro-industrial complex of Chao, where we employ on average approximately 4,800 workers. Our agro-industrial complex includes six state of the art processing plants, all of which are located in a single facility. Of these six plants, three process preserved products, two process fresh products, and one processes frozen products. Our production facilities are highly flexible, allowing us to adjust our product mix to maximize profitability. We also own a grape packing facility, and we have a participation in Empafruit (a mango-packing plant), both of which are located in Piura, in northern Peru. We possess leading international certifications, including HACCP, Tesco Nurture, Kosher, BASC, IPM, Global Compact, BRC, IFS, NSF Cook and Thurber, Global Gap and USGAP. The current capital expenditure plan includes the construction of a new processing plant. The new agro-industrial complex will be constructed in two separate stages; the first one will take place during 2014 – 2015, and will require an investment of approximately U.S.$21.5 million, which once completed will allow us to process increasing blueberries volumes. After the second stage is complete, our plant is expected to be the largest and most efficient in South America, allowing us to further expand throughout new agricultural projects.

We distribute our products through importers and distributors, agents and brokers, as well as directly, maintaining solid business relationships with many leading retail chains outside of Peru, mainly in Europe and the United States. In addition, we have sales offices in the Netherlands and the United States, which we use to strengthen our presence in certain of our key European markets by maximizing our attention and response times to our main customers. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with key export markets such as the United States and the European Union.

Camposol S.A. was founded and began operations in 1997, planting its first asparagus fields that year. It began harvesting, packaging and exporting asparagus in 1998. Camposol opened its first processing plant in Chao in 1999, and began to grow and export piquillo peppers and mangoes in 2001 and 2003, respectively. In October 2007, Dyer Coriat Holding S.L. (a company controlled by the Dyer Coriat family, and since renamed Generación del Pacífico Grupo S.L.), and a group of investors acquired Camposol S.A. from its previous controlling shareholders with the proceeds from a U.S.$184.0 million private placement carried out by Camposol AS, a predecessor company of Camposol Holding Ltd, the Parent Guarantor. Through a corporate reorganization that took place in 2008, Camposol Holding Ltd became the holding company of the Camposol group of companies and also listed its shares on the Oslo Stock Exchange (Oslo Børs). On December 13, 2013, Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.), the largest shareholder of Camposol Holding Ltd (owning 90.47% of its shares), completed a squeeze-out transaction of other shareholders, becoming the sole shareholder of Camposol Holding Ltd. On December 20, 2013, the shares of Camposol Holding Ltd were de-listed from the Oslo Stock Exchange. Camposol S.A. is a wholly-owned indirect subsidiary of Camposol Holding Ltd. In April 2014, the shareholders of Camposol Holding Ltd voted to convert the Parent Guarantor from a "Plc" (a public company limited by shares) to a "Limited" (a private company limited by shares) under the laws of Cyprus.

For the year ended December 31, 2013, we had revenues of U.S.$231.2 million and our EBITDA was U.S.$42.6 million. Our profit for the year was U.S.$31.5 million.

Our Strengths

We believe that our business strengths include the following:

- **Strategic location:** Our business benefits from the strategic location of our fields in the coastal desert plains of northern Peru, which has one of the fastest growing economies in Latin America. Due to prevailing weather patterns in the region, our crops are typically not subject to the primary adverse weather patterns that can traditionally affect crops, such as flood, drought or frost. We rely on an irrigation system that delivers water from the Peruvian Andes to our planted areas, and as a result we are not dependent on rain patterns in the region. These conditions allow us to have a year-round supply of asparagus and significantly better yields in the rest of our crops than competitors located in different countries. Furthermore, given Peru's location in the western hemisphere and proximity to the equator, we are able to export the majority of our crops in a different export window than those of our main competitors.
- **Vertical integration:** We are a fully integrated company and control the entire value chain of our business: fields, processing and distribution. We have the flexibility to commercialize our products as fresh, preserved or frozen. Approximately 75% of the products that we process come from our own fields, and we have sufficient production capacity to process each of the various types of products that

we produce. Because we produce a significant amount of the products that we process and export, we are able to achieve a very high degree of traceability of our products, which is essential for obtaining key food safety certifications. Our production complex is strategically located in terms of its proximity to key highways and ports, minimizing our transportation costs.

- **Diversified product portfolio:** We produce a diverse range of fruits and vegetables (avocadoes, asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines) and shrimps. Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocadoes are harvested in April through September, grapes from October through January and mangoes from December through February. We grow blueberries year-round, but we focus our harvest on periods when prices are highest in the U.S. market. This product mix effectively allows for year-round utilization of labor and our production facilities, resulting in strong operational efficiencies and reduced costs. We believe that our product diversity provides a natural hedge, helping to mitigate the natural cycles of each of our products. Furthermore, we commercialize our products in a variety of formats designed to optimize responsiveness to consumer demand: fresh, preserved and frozen. During the year ended December 31, 2013, fresh, preserved and frozen products represented 60%, 30% and 10% of our sales, respectively. Preserved and frozen products have longer shelf lives than fresh products, which also helps mitigate risks associated with lost or spoiled inventory.

- **Poised for growth in the fast-growing avocadoes sector:** We currently have 2,643 hectares of planted avocadoes trees, the substantial majority of which was planted in 2009, as part of a strategy to take advantage of the U.S. market opening to Hass avocadoes imports from Peru, as a result of the implementation of the free trade agreement between Peru and the United States. In January 2010, the U.S. Department of Agriculture, or USDA, amended its regulations to allow the import of Hass avocadoes from Peru, and in July 2010 we exported our first containers of Hass avocadoes to the United States. Subsequently, in August 2011 and after a lengthy evaluation process, Peruvian Hass avocadoes were cleared for full entry into the U.S. market without any type of quarantine treatment. The opening of the U.S. market in 2011 has positively impacted pricing dynamics for our avocadoes, and accordingly on our profitability. According to the Hass Avocado Board in 2011, the United States is the largest avocadoes market in the world, and the projected U.S. demand annual growth for avocadoes from 2012 to 2017 was 10%. Due to increased demand and decreasing U.S. domestic production since 2000, the aggregate volume of avocadoes imported into the United States has increased by approximately 450% from 2000 to 2013. The opening of the U.S. market to increased imports, and the resulting diversion of Peruvian supply from Europe to the United States, has caused the price of avocadoes in Europe to increase. As a result, in addition to achieving higher prices in our exports to the United States, our avocadoes exports to our major European markets have also become more profitable. Avocadoes trees in our fields yield their first crop in their third year of life and only 32% of our avocadoes planted areas have reached their period of peak yields. As our avocadoes crops continue to mature and increase their yields, we expect to increase our avocadoes production from existing planted fields and continue to take advantage of demand growth in the United States. Avocadoes had a 46.3% gross margin during the year ended December 31, 2013. As a result, increases in avocadoes sales are expected to have a proportionally larger impact on our total profitability.

- **Global reach with a diversified, world class customer base:** Our products are sold by the leading retailers in Europe and the United States, and we have a diversified client base, with no client accounting for more than 11% of our total sales. Distributors of our products include leading names, such as Dole, Wal-Mart, General Mills, Rewe, Green Giant, Groupe Casino and Coop, among others. We also maintain a strategic alliance with Riberebro, one of Europe's largest canned vegetable producers and distributors, under which we are their exclusive provider of preserved asparagus and piquillo peppers in Spain, France and Portugal.

- **Strong growth potential without substantial additional capital expenditures:** Our anticipated growth in avocadoes production is not dependent on the planting of new avocadoes fields, but rather on increases in production as existing planted fields mature and reach their period of peak yields. We believe this increase in avocadoes production will enable us to take further advantage of the growth in exports to the United States, the world's largest market for avocadoes. In addition, other important crops like blueberries and grapes still have significant volume increase potential as planted fields mature. As of December 31, 2013, only 54 and 363 hectares out of a total 212 and 451 hectares of planted blueberries and grapes, respectively, were mature. As a result, we believe that our growth potential gives us a strong competitive position compared to our local and international peers.

- **Investment in R&D:** We believe that innovation is a key aspect to boost our competitiveness and growth in the mid and long term. We do this through market research and analysis of potential new products and development of new technology. Our focus is on products that could benefit from the Peruvian climatic advantages and also help diversify our portfolio of products and clients. We have continuously invested in research and development, conducting more than 10 new crop tests, involving blueberries, genetic improvement of shrimps and shrimp larvae varieties, and on the reduction of pesticides and pests. Through such efforts, we were able to succeed with the blueberries trials, which we expect will be a major growth driver for us in the future and which has already yielded a harvest of 797 MT of blueberries as of December 31, 2013. This new crop started as a project in research and development in 2008. Our R&D department also seeks to find innovative solutions to extend the shelf life of fresh produce and reduce production costs. We expect our R&D department to continue to develop new products and crops which may be successfully planted in Peru and represent new sources of growth in the future.

- **High standards of corporate governance:** We have implemented corporate governance standards which comply with the standards of a company listed on the Oslo Stock Exchange *(*Oslo Børs*)*, notwithstanding our de-listing from the Oslo Stock Exchange on December 20, 2013. Currently, four out of our six directors are independent. We believe that the strength of our corporate governance sets us apart from our Peruvian, and certain of our international, competitors. Furthermore, our sole shareholder, Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.), is one of the most important business groups in Peru. The strength, experience and sophistication of our sole shareholder have contributed to the strength of our management and our overall culture of corporate responsibility.

Business Strategy

Over the next five years, our strategic vision is to continue to be a global company, with the support of an internationally positioned brand, admired due to its capabilities and the quality of its products.

- **Maintain focus on our core businesses:** We believe that the long-term demand and price outlook for our core products are likely to continue to strengthen in the U.S., Europe and Asia, as global demand and consumption for our core agricultural products such as avocadoes, asparagus and blueberries continues to strengthen. On the other hand, this will not prevent us from further diversifying our overall product mix by continuing to invest in R&D looking for the next growth opportunities (as we did with blueberries, which had been under testing during the last 5 years), as well as possibly introducing new products on our unused land if we believe doing so will enhance our profitability.

- **Consolidate our leadership position in avocadoes in the U.S. and Europe:** The U.S. is the largest avocadoes market in the world, and since formally opened for Peruvian Hass avocadoes, it had an immediate and significant positive impact on our profitability. Furthermore, we believe the opening of the U.S. market caused the price of avocadoes to increase in our existing European markets. These demand and pricing trends, along with our significant amount of planted hectares which are yet to achieve maturity, provides an opportunity to increase our profitability significantly with limited additional capital expenditure. We aim to optimize the commercialization of our anticipated substantial avocadoes crop over the next several years through new and existing distributor arrangements in the U.S. and Europe.

- **Improve operating efficiencies and margins:** We seek to improve our operating margins by maximizing the productivity of our existing land, our processing complex, our distribution strategy and our management and operational systems. We completed the implementation of SAP in the areas of payroll and human resources in 2012, and as we employ on average approximately 11,000 workers at any given time, we expect technology and logistics enhancements such as these to contribute significantly to our operating efficiency. In addition, during 2013 we invested U.S.$3.4 million in plant automation, such as state of the art asparagus sorting equipment and asparagus peeling equipment, which has reduced our costs and dependence on labor for these types of tasks.

- **Focus on long-term customer relationships and brand awareness:** We seek to develop stable and long-term relationships with our customers to provide them with a value-added offering and a level of service that increases their demand for our products. Our strategy is supported by periodic customer visits by our sales representatives that enable us to promote brand awareness and gain a deeper level of understanding of our customers' specific needs. Our existing sales offices in the Netherlands and U.S., further enhance our ability to provide top quality products and services to our major clients in key export markets.

- **Continue our commitment to minimizing the environmental impact of our business:** We are committed to minimizing the effects of our business on the environment. Our production process involves factors and conditions that interact with the environment, such as the use of water, fertilizers, generation of waste through emissions and solid waste management. We engage in several practices and initiatives designed to ensure the preservation of the environment. For example, we are currently implementing environmental education, internal campaigns, specialized treatment systems, quality management systems, certifications and community relations programs. Furthermore, as part of our commitment to institutionalizing a culture of social and environmental awareness, in 2010 we initiated our Sustainable Agriculture Program and presented our first Sustainability Report for the year 2009. We were the first Peruvian agro-industrial company to prepare this report. These reports are aligned with international best practices and Global Reporting Initiative (GRI) Indicators and reflect the base line and development of the main indicators that show our environmental and social performance, as well as the social responsibility programs and activities we develop.

The strategy mentioned above is based upon four important growth drivers: mature fields, upstream expansion, sourcing diversification, and commercial strengthening.

- **Mature Fields:** We expect increasing avocadoes volumes as our hectares continue to mature, growing from the current 33% of total planted avocadoes hectares to full maturity by 2015/2016. At the same time, our asparagus fields are mature in a favorable price environment, and our investment plan is designed to stabilize harvested asparagus volumes. We believe that a continuing focus on our core agricultural business will allow us to take advantage of our industry expertise and economies of scale.

- **Upstream Expansion:** We are investing in the diversification of our overall product mix, with the expansion of our upstream development of blueberries, with a goal of reaching 2,000 planted hectares, and the plan to double the total hectares we currently have dedicated to shrimp farming in Tumbes.

- **Sourcing Diversification:** We have put significant effort over the last four years into increasing our supply from third party growers, and our long term goal is to achieve up to 50% third party sourcing for our direct sales, while at the same time supplying our client base and employing our production facilities and employees on a year round basis.

- **Commercial Strengthening:** We continue to build our own commercial channels and promote direct sales to retailers, with a long term goal of 50% direct sales, as well as building our global customer base by strengthening our own distribution channels.

Recent Developments

Consent Solicitation. On April 8, 2014, the Company announced it commenced a solicitation of consents (the "Consent Solicitation") from holders of notes upon the terms and subject to the conditions set forth in a Notice of Consent Solicitation and the related Consent Form, each dated as of April 8, 2014 (the "Consent Solicitation Documentation"). Pursuant to the Consent Solicitation Documentation, the Company solicited consents from holders of notes to waive compliance by the Company with the covenant contained in Section 4.1(a)(i) of the Original Indenture, "Limitation on Indebtedness and Disqualified Stock," which covenant prohibits the Company from incurring debt unless a certain financial test is satisfied as further described under "Description of the Notes – Certain Covenants – Limitation on Indebtedness and Disqualified Stock," so as to permit the Company to incur up to U.S.$75 million in principal amount of new indebtedness on or before May 15, 2014, to fund its planned capital expenditures, including investments in plantations, particularly blueberries and shrimp plantations, as well as investments to expand its infrastructure.

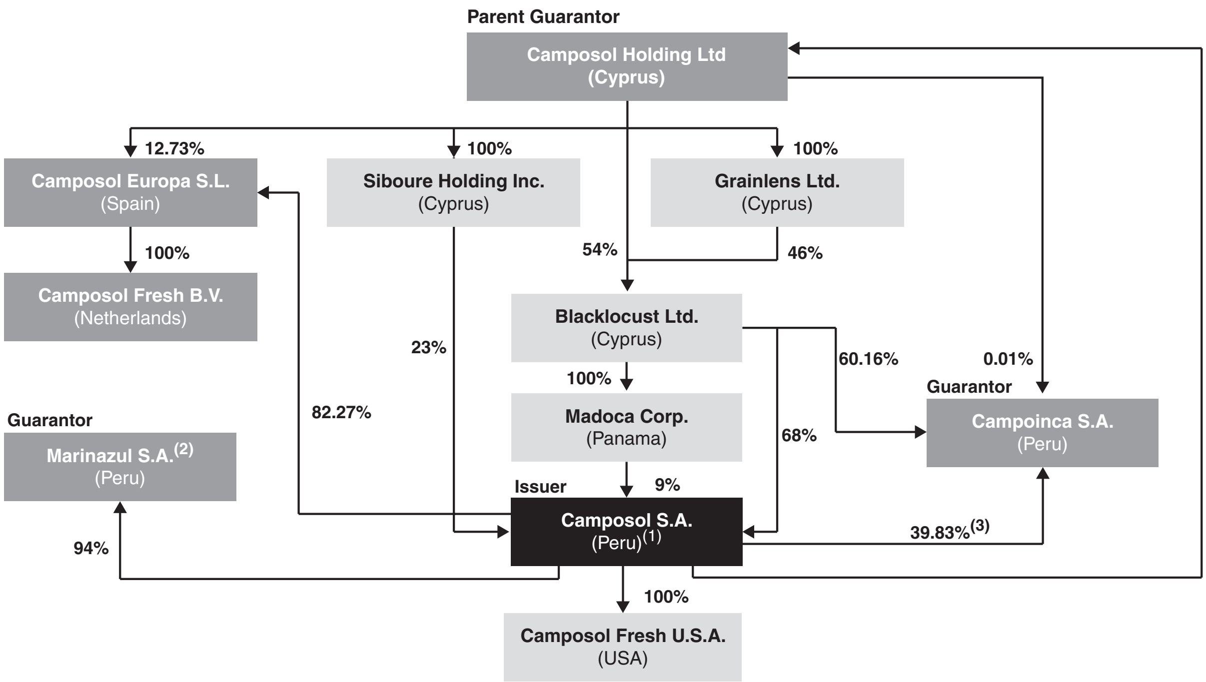
The Consent Solicitation expired at 5:00 p.m., New York City time, on April 16, 2014. On April 16, 2014, the Company announced that holders of notes representing 73.8% of the principal amount of notes outstanding validly delivered their consents pursuant to the Consent Solicitation Documentation and, therefore, the requisite consents under the Original Indenture to effect the waiver were obtained. On April 16, 2014, the Company, the Parent Guarantors, the Subsidiary Guarantors and the Trustee executed a first supplemental indenture to the Original Indenture (the "First Supplemental Indenture") to effect the proposed waiver. The First Supplemental Indenture and the proposed waiver will become operative only upon the satisfaction (or waiver by the Company) of customary conditions described in the Consent Solicitation Documentation, including incurrence by the Company of up to U.S.$75 million in principal amount of additional indebtedness on or before May 15, 2014, with a maturity date no earlier than February 2, 2017.

Corporate Structure

Camposol S.A. is part of the Camposol group of companies, the ultimate parent company of which is Camposol Holding Ltd. Camposol Holding Ltd is the Parent Guarantor of the notes, and as such the information regarding Camposol Holding Ltd contained in this offering memorandum reflects the group as a whole. Camposol S.A. is the primary operating company within the Camposol Holding Ltd corporate group.

Within the corporate structure of Camposol Holding Ltd and its subsidiaries, Camposol S.A. owns the productive land and is in charge of its operation. In addition, Camposol S.A. owns a series of subsidiary companies which contribute to its consolidated business activities. Less than 1% of Camposol Holding Ltd's net assets and less than 6% of Camposol Holding's EBITDA are derived from subsidiaries that are not guarantors of the Notes. Camposol Holding Ltd holds directly 0.01% of Campoinca S.A. and 99.99% indirectly through its subsidiaries.

Set forth below is a diagram summarizing our corporate structure including our principal subsidiaries:



(1) Includes 100% ownership of Muelles y Servicios Paita S.A.C., Balfass S.A. and Prodex S.A.C., as well as a 40% stake in Empacadora de Frutos Tropicales S.A. (with the remaining 60% owned by third parties) and a 68% stake in Marinasol S.A. (with the remaining 32% owned by Madoca Corp.).

(2) Includes 100% ownership of Camarones S.A.C. and Domingo Rodas S.A.

(3) Pending formalization and registration in the Share Ledger Book.

Company and Guarantor Information

Camposol S.A.'s principal executive offices are located at Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Peru, and our telephone number is +511-621-0800. We are incorporated in Peru under the taxpayer registration number 203 405 842 37 and our electronic number entry in the Lima Public Registry is 11009728.

Camposol S.A. was incorporated for an indefinite period on January 31, 1997. The creation and issue of the notes offered hereby was authorized by a resolution of the Board of Directors of the Camposol S.A. on March 31, 2014.

The Parent Guarantor's legal address is Kanika International Business Center, 6th Floor, Profiti Ilia 4, 4046 Limassol, Cyprus and its telephone number is +357-2582-0020. Camposol Holding Ltd is incorporated in Cyprus as a private company limited by shares, under the registration number HE203524.

The legal address of Marinazul, one of the Subsidiary Guarantors, is Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Perú, and the telephone number is +511-621-0800. Marinazul is involved in the shrimp farming business and was incorporated in Peru on July 13, 2006 under the taxpayer registration number 205 136 325 69 and its electronic number entry in the Lima Public Registry is 11906397. The legal address of Campoinca, the other Subsidiary Guarantor, is Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Perú, and the telephone number is +511-621-0800. Campoinca is involved in the agricultural business and was incorporated in Peru on April 3, 2007 under the taxpayer registration number 205 160 383 40 and its electronic number entry in the Lima Public Registry is 12011271.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description, see "Description of the Notes" in this offering memorandum.

Issuer	Camposol S.A.
Parent Guarantor	Camposol Holding Ltd.
Subsidiary Guarantors	Marinazul S.A. and Campoinca S.A.
Notes Offered	U.S.$75,000,000 aggregate principal amount of 9.875% Senior Notes due 2017. The notes being offered hereby will form a single series, and be fully fungible, with the Issuer's U.S.$125,000,000 aggregate principal amount of its 9.875% Senior Notes due 2017 issued on February 10, 2012.
Issue price	101.500% of the principal amount, plus accrued interest, from February 2, 2014. Purchasers of the notes will be required to pay accrued interest totaling U.S.$1,810,416.67, or U.S.$24.14 per U.S.$1,000 principal amount of notes, from and including February 2, 2014 to, but excluding April 30, 2014, the date we expect to deliver the notes.
Issue Date	April 30, 2014.
Maturity Date	February 2, 2017.
Interest	The notes will bear interest from and including February 2, 2014 at the rate of 9.875% per year, payable semi-annually in arrears.
Interest Payment Dates	Interest on the notes will be payable semi-annually on February 2 and August 2 commencing on August 2, 2014. Interest on the notes will be computed on the basis of a 360 day year comprised of twelve 30 day months.
Ranking	The notes will be unsecured obligations and will rank senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the notes; will rank at least *pari passu* in right of payment with all existing and future unsecured, unsubordinated Indebtedness of the Issuer (other than obligations preferred by statute or operation of law); will be irrevocably and unconditionally guaranteed by the Parent Guarantor on a senior basis; will be subordinated to existing and future secured obligations of the Issuer to the extent of the value of the assets serving as security therefor; and will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. The notes will not have the benefit of any collateral securing any of our existing or future secured indebtedness. The Parent Guarantee will be an unsecured obligation and will rank senior in right of payment to any obligations of the Issuer expressly

	subordinated in right of payment to the notes; will rank at least *pari passu* in right of payment with all existing and future unsecured, unsubordinated Indebtedness of the Parent Guarantor (other than obligations preferred by statute or operation of law); subordinated to existing and future secured obligations of the Parent Guarantor to the extent of the value of the assets serving as security therefor; and will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. The Parent Guarantee will not have the benefit of any collateral securing any of Camposol Holding Ltd's existing and future secured indebtedness. See "Risk Factors – Risks Relating to the Guarantees."
	The Subsidiary Guarantees will be irrevocable, unconditional and unsecured obligations and will rank senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the notes; will rank at least *pari passu* in right of payment with all existing and future unsecured, unsubordinated Indebtedness of each of the Subsidiary Guarantors (other than obligations preferred by statute or operation of law); will be subordinated to existing and future secured obligations of the Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and will be effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries. The Subsidiary Guarantees will not have the benefit of any collateral securing any of Camposol Holding Ltd's existing and future secured indebtedness. See "Risk Factors – Risks Relating to the Guarantees."
Use of Proceeds	We intend to use the net proceeds from this offering to fund our planned capital expenditures, including investments in plantations, particularly blueberries and shrimp plantations, as well as investments to expand our infrastructure.
Change of Control	If we experience a Change of Control Triggering Event (as defined in the Indenture), we must offer to repurchase the notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. See "Description of the Notes – Repurchase of Notes Upon a Change of Control Triggering Event."
Additional Amounts	Subject to certain conditions, all payments by us in respect to the notes, whether principal or interest, will be made without withholding or deduction for or on account of any Peruvian taxes and duties, unless required by law, in which case, subject to certain exceptions and limitations, we will pay additional amounts as may be required so that the net amount received by the holders of the notes in respect of principal, interest or other payments on the notes, after such withholding or deduction, will not be less than the amount that would have been received in the absence of any such withholding or deduction. See "Description of the Notes – Additional Amounts."

Optional Redemption	At any time and from time to time on or after February 2, 2015 we may redeem the notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth in "Description of the Notes – Optional Redemption." We may also redeem, at any time prior to February 2, 2015, up to 35.0% of the aggregate principal amount of the notes at any time with the net cash proceeds of one or more sales of stock of the Parent Guarantor or us at a redemption price of 109.875% of the principal amount of the notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65.0% of the aggregate principal amount of the notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering. We may also redeem the notes, at any time prior to February 2, 2015, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
Redemption for Taxation Reasons	We may redeem the notes in whole, but not in part, at any time at a redemption price equal to 100% of the principal amount, plus any unpaid accrued interest, if any, upon the occurrence of specified events relating to Cypriot and Peruvian tax law applicable to us. See "Description of the Notes."
Certain Covenants	Under the terms of the notes and the Indenture, we will agree to observe certain covenants, such as limitations on the incurrence of certain liens and limitations on sale and leaseback transactions for so long as the notes are outstanding. These covenants are subject to a number of important limitations and exceptions. See "Description of the Notes – Certain Covenants."
Events of Default	The indenture governing the notes will set forth events of default applicable to the notes. For a discussion of certain events of default that will permit acceleration of the principal of the notes plus accrued interest, see "Description of the Notes – Events of Default."
Denomination, Book-Entry Delivery and Form	The notes will be issued in fully registered form without interest coupons and with a minimum denomination of U.S.$2,000, and in multiples of U.S.$1,000 in excess thereof. The notes may be sold only (i) to qualified institutional buyers in reliance on Rule 144A under the Securities Act and (ii) to certain non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. Notes sold to qualified institutional buyers in reliance on Rule 144A will be issued in the form of beneficial interests in one or more permanent global securities in fully registered form and deposited

	with a custodian for, and registered in the name of a nominee of, DTC. Notes sold in offshore transactions in reliance on Regulation S will be issued in the form of beneficial interests in one or more permanent global securities in fully registered form and deposited with a custodian for, and registered in the name of a nominee of, DTC.
Listing	Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade the notes on the Euro MTF market. The approval for such listing is not a condition to the consummation of this offering.
Temporary Identifiers	The initial notes and the notes will share the same CUSIP and ISIN numbers and be fungible, except that the notes offered and sold in compliance with Regulation S shall be issued and maintained under temporary CUSIP and ISIN numbers and common codes during a 40-day distribution compliance period commencing on the date of issuance of the notes which is expected to end on or about June 9, 2014. The temporary CUSIP of the Regulation S Global Note is P19189 AB8, the temporary ISIN of the Regulation S Global Note is USP19189AB86 and the temporary common code of the Regulation S Global Note is 106382026. See below for the CUSIP, ISIN and Common Codes for the notes.
Transfer Restrictions; No Registration Right	The notes have not been and will not be registered under the Securities Act or any state securities laws. The notes may not be offered or sold except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. See "Transfer Restrictions." We will not be required to, nor do we intend to, register the notes for resale under the Securities Act or to offer to exchange the notes for notes registered under the Securities Act or the securities laws of any jurisdiction.
No Established Trading	The initial notes are listed on the Official List of the Luxembourg Stock Exchange and being traded on the Euro MTF market. Application has been made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade the notes on the Euro MTF market. We cannot assure you that an active or liquid trading market for the notes will develop. If an active or liquid trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.
Further Issuances	Subject to the covenants in the Indenture, we may from time to time, without the consent of the holders of the notes, issue further securities having the same terms and conditions as the notes in all respects. Any further issue may be consolidated with, and form a single series with, the notes sold in this offering and the January 2012 offering.

Governing Law; Submission to Jurisdiction	The Indenture and the notes will be governed by New York law. We will submit to the non-exclusive jurisdiction of the United States federal and state courts located in the Borough of Manhattan in The City of New York, in respect of any action arising out of or based on the notes.
Trustee, Registrar, Transfer Agent and Paying Agent	Wells Fargo Bank, National Association.
Luxembourg Listing, Paying Agent and Transfer Agent	Societe Generale Bank & Trust.
CUSIP	Rule 144A Global Note: 134638AA3; Regulation S Global Note: P19189AA0.
ISIN	Rule 144A Global Note: US134638AA39; Regulation S Global Note: USP19189AA04.
Common Code	Rule 144A Global Note: 074208169; Regulation S Global Note: 074141056.
Risk Factors	Investing in the notes involves substantial risks and uncertainties. See "Risk Factors" and other information included in this offering memorandum for a discussion of factors you should carefully consider before deciding to purchase any notes.

SUMMARY FINANCIAL AND OTHER INFORMATION

Camposol Holding Ltd

The following tables present summary consolidated financial and operating information of our parent company, Camposol Holding Ltd, as of the dates and for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, Camposol Holding Ltd's audited consolidated financial statements, including the notes thereto, included elsewhere in this offering memorandum.

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT DATA

	For the year ended December 31,		
	2011	**2012 (1) Restated**	**2013**
	(in thousands of U.S.$)		
Continuing operations:			
Sales:			
Avocadoes	39,873	31,436	49,244
Asparagus	57,870	68,078	69,955
Piquillo Peppers	20,420	15,299	18,730
Mangoes	16,021	14,722	18,689
Shrimp	13,300	21,149	26,629
Grapes	14,755	18,178	21,245
Artichokes	1,973	9,837	12,772
Blueberries	—	—	8,638
Other	3,598	4,482	5,339
Total sales	167,810	183,181	231,241
Cost of sales (2)	(109,543)	(138,299)	(156,880)
Gross profit	58,267	44,882	74,361
Gains arising from change in fair value of biological assets	34,112	40,367	40,057
Profit after adjustment for biological assets	92,379	85,249	114,418
Selling expenses	(20,581)	(22,961)	(26,174)
Administrative expenses	(19,050)	(20,115)	(22,389)
Other income	868	1,145	1,334
Other expenses	(2,302)	(1,736)	(3,415)
Operating profit	51,314	41,582	63,774
Shares of gain of associated companies	111	66	305
Financial income	27	1,557	81
Financial cost	(8,502)	(17,879)	(19,465)
Net foreign exchange transactions losses	(1,316)	(2,042)	(2,750)
Profit before income tax	41,634	23,284	41,945
Income tax credit / (expense)	(8,014)	(6,284)	(10,431)
Profit for the year from continuing operations	33,620	17,000	31,514
Discontinued operations:			
Loss for the year from discontinued operations	(275)	(147)	—
Profit for the year	33,345	16,853	31,514

(1) For a discussion on the restatement of the 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements" and Note 2.29 of the audited consolidated financial statements included in this offering memorandum.

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET DATA

	As of December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$)		
Inventories	44,349	52,696	63,082
Trade receivables	29,923	40,479	55,170
Current portion of biological assets	16,145	16,564	19,187
Other accounts receivable	11,058	15,951	12,628
Prepaid expenses	812	821	1,027
Cash and short-term deposits	6,604	28,523	27,240
Total current assets	108,891	155,034	178,334
Non-current assets			
Non-current portion of biological assets	193,015	242,536	282,982
Property, plant and equipment	117,354	127,733	128,604
Intangible assets	22,610	20,343	18,149
Deferred income tax	1,200	1,398	1,247
Investments in associates	493	559	864
Total non-current assets	334,672	392,569	431,846
Total assets	443,563	547,603	610,180
Current liabilities			
Trade payables	40,074	51,288	60,655
Bank loans	25,797	29,880	26,025
Other payables	11,178	18,052	18,811
Current portion of long-term debt	9,712	2,759	4,250
Total current liabilities	86,761	101,979	109,741
Non-current liabilities			
Long-term debt	55,031	132,352	133,327
Deferred income tax	25,119	31,462	41,371
Total non-current liabilities	80,150	163,814	174,698
Total liabilities	166,911	265,793	284,439
Shareholders' equity	276,083	281,230	324,935
Non-controlling interests	569	580	806
Total equity	276,652	281,810	325,741
Total liabilities and equity	443,563	547,603	610,180

(1) For a discussion on the restatement of the 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements" and Note 2.29 of the audited consolidated financial statements included in this offering memorandum.

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED CASH FLOW

	For the year ended December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$)		
Net cash generated from (used in)			
Operating activities	9,538	(14,547)	5,254
Investing activities	(19,617)	(24,933)	(16,860)
Financing activities	6,768	61,399	10,323
Net change in cash	(3,311)	21,919	(1,283)

CAMPOSOL HOLDING LTD AND SUBSIDIARIES

	For the year ended December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$)		
Operating profit	51,314	41,582	63,774
(+) Depreciation and amortization	12,003	15,067	16,851
(+) Stock options expense	155	5	—
(-) Change in fair value of biological assets	(34,112)	(40,367)	(40,057)
(-) Other income	(868)	(1,145)	(1,334)
(+) Other expenses	2,302	1,736	3,415
EBITDA (3)	30,794	16,878	42,649

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
OTHER FINANCIAL DATA

	At and for the year ended December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$, except percentages and ratios)		
EBITDA (3)	30,794	16,878	42,649
Gross margin	34.7%	24.5%	32.2%
Operating margin	30.6%	22.7%	27.6%
Net margin	19.9%	9.3%	13.6%
Total debt (4)	90,540	164,991	163,602
Total net debt (5)	83,936	136,468	136,362
Total debt / EBITDA (3)(4)	2.9x	9.8x	3.8x
Total net debt / EBITDA (3) (5)	2.7x	8.1x	3.2x
EBITDA (3)/ gross interest expense	3.6x	0.9x	2.2x

(1) For a discussion on the restatement of the 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements" and Note 2.29 of the audited consolidated financial statements included in this offering memorandum.

(2) Sales include charges for cost of freight when, at our customer's request, we pay such freight cost.

(3) EBITDA represents sales minus cost of sales minus administrative expenses minus selling expenses plus depreciation plus amortization of intangibles plus stock options expense, and excluding the effect (positive or negative) of net change in fair value of biological assets. Although EBITDA is a widely used financial indicator of a company's ability to service and incur debt, you should not consider it in isolation, as an alternative to net income, as an indicator of our operating performance or as a substitute for analysis of our results as reported under IFRS, since, among others:

- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect our interest expense or the cash requirements to service the interest or principal payments of our debt;
- it does not reflect any cash income taxes we may be required to pay;
- it does not reflect the effect of non recurring expenses or gains;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of changes in financial position.

Because of the above, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under IFRS and it may not be comparable to similar titled measures presented by other companies in our industry because not all companies use the same definition. As a result, you should rely primarily on our IFRS results and use our EBITDA measurement only as a supplement.

(4) Total debt includes bank debt and financial lease obligations, reported in our audited financial statements under the captions "Long-term debt", "Current portion of long-term debts" and "Bank loans."

(5) We define the total net debt as total debt minus cash and short-term deposits.

RISK FACTORS

You should consider carefully the following risk factors, as well as the other information presented in this offering memorandum, before investing in the notes. The risks and uncertainties described below are not the only ones that we face. Additional risks and uncertainties may also affect us that we do not know about or that we currently think are immaterial or we do not view as risks. Any of the following risks, if they actually occur, could materially and adversely affect our business, results of operations, financial condition and our ability to service our debt. In that event, the market price and liquidity of the notes could be materially adversely affected, and you could lose all or part of your investment in the notes.

Risks Related to our Business and Industry

We are dependent on continuing global demand for fruits and vegetables.

Our business and revenues depend on continued demand in our primary export markets for the products which we grow, package and sell, including avocadoes, asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines. Overall consumption of our products has expanded in recent years, but this trend may not continue and present or projected consumption levels may not be maintained in the future. Demand for fruits and vegetables is affected by numerous factors beyond our control, including fluctuations resulting from adverse changes in general economic conditions and evolving consumer preferences in our main export markets. Accordingly, decreases in demand for our products could materially and adversely affect our business, results of operations and financial condition.

Our fruits and vegetables are subject to price fluctuations.

Our financial performance and future development depend to a considerable extent on the market prices of the fruits and vegetables that we produce and sell. Most of the products we sell are soft commodities, and market prices generally follow a cyclical pattern. The consumption level of fruits and vegetables is an important force that drives prices. The current consumption level is impacted by the nutritional value of fruits and vegetables and the global trend towards vegetable consumption and healthy living. Short term supply, and therefore pricing, is mainly threatened by climactic events that could affect field yields. Also, supply and pricing of crops annually and long term are driven in the short term by the amount of cultivated area. Our fresh products are more price sensitive than our preserved and frozen products, mainly due to the ability to store preserved and frozen products for longer periods. The prices for fresh products vary according to the amount of volume supplied of the same product as well as the prices of other fresh products being offered during the same period of time.

The availability and price of agricultural products are subject to wide fluctuations due to unpredictable factors such as weather, acreage planted, government farm programs and policies, changes in global demand resulting from population growth and changes in standards of living, global production of similar and competitive crops and outbreaks of disease which produce temporary imbalances in demand and supply. These factors have historically caused volatility in the agricultural products industry and, consequently, in the availability and price of the agricultural products we originate and distribute. Reduced supply of agricultural products due to any of the foregoing factors could adversely affect our business, financial condition and operating results by increasing the cost of the agricultural products we grow.

In addition, future declines in agricultural products, such as the ones we produce and sell, could have an adverse impact on our results of operations and financial condition.

Growth in the sale and distribution of new products, including blueberries, depends in part on infrastructure improvements, which may not occur on a timely basis, if at all.

In contrast to the well-established logistical operations and infrastructure supporting avocadoes and asparagus exports, blueberries exports demand more complex preparation and means of distribution, including outlets from our facilities to airports and shipping to other countries. Substantial infrastructure development by persons and entities outside our control is required for our operations to grow. Areas requiring expansion include, but are not limited to, additional airport cargo capacity and additional storage facilities. Any delay or failure in making the changes in or expansion of infrastructure may hurt the demand for or prices of our products, prevent our products' delivery, impose additional costs on us or otherwise have an adverse effect on our business, financial condition and operating results. Our business relies on the continuing availability of infrastructure, and any infrastructure disruptions may have a material adverse effect on our business, financial condition and operating results.

Our operations may be affected by climatic events such as El Niño and La Niña.

Although the Peruvian lands on which our products are grown generally enjoy favorable growing conditions due to stable weather patterns and absence of extreme weather patterns such as frost or heavy rain, when a natural phenomenon such as El Niño or La Niña occurs, supply can be threatened for that season. Such phenomena affect each crop differently because we produce a variety of fruits and vegetables, and it is difficult to predict the consequences of any such phenomena on our operations as a whole, as changes in weather patterns can have both a positive or negative effects on us, depending on the particular crop. However, as an agricultural business, we are subject to inherent risks associated with changes in weather patterns, and natural phenomena such as these can disrupt and adversely affect our operations.

La Niña can disrupt our operations. "La Niña" generally means that the winter is colder than usual, and this can result in either a positive or negative repercussion on our activities, depending on the particular crop. For example, in the case of avocadoes, the cold weather reduces the growth rate of the fruit, and by harvest time the fruit is at a lower weight than usual. In the case of asparagus, however, although growth slows during cold periods, the plants that are maturing and will be harvested at the end of the year typically yield volumes in excess of the average.

"El Niño", which can usually be predicted some months in advance, increases both summer and winter temperatures. This phenomenon can benefit the avocadoes plant, resulting in a larger and heavier fruit. On the other hand, El Niño reduces the harvest levels of asparagus in the months following warmer weather. The last two important El Niño events occurring in 1983 and 1998. Other relatively significant El Niño events occurred in 1988, 1992 and 2010. The effects of El Niño on production can also negatively affect the cash flow of agri-businesses such as ours during the harvest season in which the phenomenon occurs.

Our sales may be affected by economic developments.

Exports account for a considerable proportion of our total sales. Lower economic growth or a downturn in our primary export markets, in particular the European Union and the U.S., could have a negative effect on our business and profitability. This could take the form of reduced demand, losses on receivables resulting from customers' inability to pay their debts, or other factors. This could have a negative impact on our sales, profitability and results of operations.

Changes in laws and regulations (or the interpretations thereof) in Peru or any of our principal export markets may adversely affect our business, financial condition and results of operations.

Our industry is subject to numerous statutes, rules, and regulations, both within Peru and internationally, including health regulations. To operate our land and production plants, for example, we must comply with certain administrative requirements, such as acquiring appropriate permits, licenses, concessions, authorizations, certifications and registrations, some of which are granted for fixed terms and therefore require periodic renewal. Changes to any of the laws, regulations, rules, or policies regarding the licensing, harvesting, production, processing, preparation, distribution, restrictions on exports, packaging, or labeling of our products, or environmental matters, or a stricter interpretation or enforcement thereof, may increase our operating costs or impose restrictions on our operations which, in turn, could have a significant impact on our business, results of operations, financial condition and ability to repay the notes.

Furthermore, we depend substantially on a large labor force to operate our business. As in most countries, labor is subject to regulation in Peru, and such regulation is subject to changes which may or may not be foreseeable. Future changes in labor regulations applicable to us could have a material adverse effect on our business or results of operations.

In addition to being required to comply with Peruvian regulations, the governments of countries in which we sell our products, including the European Union, the U.S., China, Japan and Canada, from time to time consider new regulatory proposals relating to raw materials, food safety and environmental regulations. If adopted, such regulations could lead to disruptions in the distribution of our products and increase our operational costs, which, in turn, could affect our results of operations and cash flows. To the extent that we increase our product prices as a result of such changes, our sales volume and revenues may be adversely affected. Furthermore, governments may change regulations or impose taxes or duties on certain imports, which may have an adverse effect on our financial condition and results of operations.

Failure by us to comply with current or future laws, regulations, rules, or policies that apply to us may subject us to revocation of licenses or to civil or regulatory proceedings, including fines, injunctions, recalls, suspension of operations, imposition of criminal liability for non-compliance or seizures, which may have a material adverse effect on our financial condition and results of operations.

We face competition from other fruit and vegetable producers located throughout the world and are subject to consumer product substitution.

We have several competitors for our products in Peru and around the world. Some competitors for certain products are larger than we are and have greater financial resources than we do. Competition is based on price, logistics, service offerings and geographic location. With respect to our main products, we face competition from producers in diverse parts of the world. For example, our primary competitors for asparagus are located in China, and our main competition in the avocadoes market is from producers located in California, Mexico and South Africa. Accordingly, our competitors operate in diverse regions characterized by different weather patterns, geographies and regulatory regimes, as well as varying labor, production, transportation and other costs. Many of the risks associated with the agri-business industry are inherently local; for example a natural disaster or labor disruption in Peru may affect our crop yields, but are unlikely to affect simultaneously those of our North American, Asian or African competitors.

Furthermore, the market for our products is highly price-competitive and sensitive to product substitution. Consumers have been shown to change their fruit and vegetable purchasing preferences based on material changes in price. For example, consumers may substitute peaches for mangoes, or broccoli for asparagus, depending on the prices offered to end users. Competition could cause us to lose market share, exit certain lines of business, or reduce prices, each of which could adversely affect our business, financial condition and operating results.

In addition, potential changes to international trade regulations and agreements, as well as other political and economic arrangements (including direct or indirect subsidies) may benefit agro-industrial companies or traders operating in countries other where our operations are currently located or adversely affect our export costs when we engage in international transactions. We cannot assure you that we will be able to compete on the basis of price or other factors with companies that in the future may benefit from favorable regulations, trading or other agreements or that we will be able to maintain our export costs.

Government policies affecting the agricultural industry could adversely affect our business, financial condition and operating results.

Agricultural production and trade are subject to extensive government policies and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies and import and export restrictions on agricultural commodities and commodity products, can influence which crops are planted, the location and size of crop production, trade in unprocessed or processed commodity products, the volume and types of imports and exports, and industry profitability. In addition, international trade disputes can adversely affect agricultural commodity trade by limiting or disrupting trade between countries or regions. Future government policies may adversely affect the supply of, demand for, and prices of products we originate and distribute, restrict our ability to do business in our existing and target markets, reduce our access to water to irrigate our fields and otherwise adversely affect our business, financial condition and operating results.

Compliance with such government policies and regulations may require us to incur costs and capital expenditures on an ongoing basis. Such regulations may require us to obtain and maintain authorizations, permits and licenses for, among other things, the use of water for irrigation purposes, construction of new facilities, the installation and operation of new equipment used in our operations. Such authorizations, permits and licenses may be subject to periodic renewal and challenge from third parties. In this regard regulatory agencies may take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance.

Water shortages or any failure to maintain existing licenses for water rights could adversely affect our business.

We grow our crops in an arid, desert region of northern Peru that is characterized by low levels of rainfall. Therefore, the continued supply of water is essential for our business. We obtain the vast majority of the water used to irrigate our crops pursuant to licenses granted to us by the Peruvian Water National Authority (*Autoridad Nacional de Agua*, or the ANA). These rights permit us to use a system of canals that diverts water from major rivers that are fed by melting snow in the Andes mountains. These licenses generally do not have an expiration date.

Water rights, including licenses, may be terminated by government authorities or courts under certain circumstances, including: (i) a titleholder’s resignation; (ii) nullification of the resolution approving the corresponding permit, authorization and/or license, declared by the ANA, based on certain infringements of applicable laws and regulations; and (iii) failure to pay an applicable water rights fee. Under Peruvian law, authorities may grant temporary water rights, as well as rights for indefinite periods, such as those licenses that have been granted to us as of the date of this offering memorandum. Our licenses are subject to our compliance with certain customary legal conditions related to the permitted use of the water. For example, Peruvian law requires that water rights must be used efficiently without adversely affecting water quality or the environment, and taking into account primary uses (such as water for food preparation, human direct consumption, agricultural activities and personal hygiene) and rights for the use of water previously granted.

Although we continue to seek alternative sources of water to minimize the risk of any disruption, the available water supply may be adversely affected by shortages or changes in governmental regulations that may reduce the available volumes of water to which we currently have access. We cannot assure you that water will be available in sufficient quantities to meet our future needs or will prove sufficient to meet our water supply needs. In addition, we cannot assure you that our existing licenses related to water rights will be maintained. If our water supply is reduced, this could adversely affect our business, results of operations, financial condition and ability to repay the notes. See “Regulatory Environment – Water Supply Law”.

Environmental regulation may adversely affect our business.

We are subject to a broad range of environmental laws and regulations which require us to incur costs and capital expenditures on an ongoing basis and expose us to substantial liabilities in the event of non-compliance. These laws and regulations apply mainly to our land and plants and cover, among other things, emissions into the atmosphere, disposal of solid waste and water effluents, management, transportation and disposal of hazardous wastes, and other activities incidental to our business. These laws and regulations also require us to obtain and maintain environmental permits, licenses and authorizations for the construction of new facilities or the installation and operation of new equipment required for our activities. Such permits, licenses and authorizations are subject to periodic renewal. In this regard, government environmental agencies could take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of permits, licenses and authorizations, suspension of operations or imposition of criminal liability for non-compliance.

In addition, any change to environmental regulations will likely include environmental compliance costs. Compliance with new or modified environmental regulations could require us to make significant capital investments in additional pollution controls or process modifications. These expenditures may not be recoverable and may consequently divert funds away from planned investments in a manner that could adversely affect our business, results of operation, financial condition and ability to repay the notes. See "Regulatory Environment – Environmental Matters."

We are dependent on exports to the European Union, the United States and our other main export markets.

In recent years, the principal markets for our products have been Spain, the Netherlands, the U.S., France and Germany. In particular, our business is highly dependent on the European Union, as it traditionally has been the largest importer of our products. Sales of Hass avocadoes to the U.S., which we believe will be of significant importance to our future operations, commenced materially only recently, in August 2011. The imposition of tariffs, quotas, trade barriers, import bans or any other restrictions in the European Union, the United States or any of our export countries would affect our pricing structure, competitiveness and our ability to sell into these countries, and it may be difficult to place our products in other countries.

Our ability to compete effectively in our export markets could be materially and adversely affected by a number of factors beyond our control, including deterioration in macroeconomic conditions, exchange rate volatility or government subsidies. Moreover, the demand for our products may decrease materially if there are any unforeseen events such as outbreak of wars, terrorist attacks or other political, economic or social events in our principal markets that lead to a protracted economic downturn. If our ability to sell our products competitively in one or more of our significant export markets were impaired by any such development, we might not be able to reallocate our products to other markets on equally favorable terms, and our business, financial condition and results of operations might be adversely affected.

Disruption of transportation and logistics services could adversely affect our operating results.

Our products are delivered by truck to ports and shipped in chartered container vessels to markets in Europe, the U.S. and Asia, among other destinations. If there is any disruption in the shipping delivery due to weather conditions, port or union strikes, social unrest or any other factors, our sales may be adversely affected. Any disruptions in our supply chain may potentially increase our operating costs and impact our business, results of operations and financial condition.

Our operations rely on dependable and efficient transportation services. These services require continuing expansion, improvement and maintenance of the highway and shipping infrastructure we use. Due to the location of our fields, we rely heavily on one main highway in Peru, the Panamerican highway. Additionally, we use the services provided by port terminal operators who are exposed to changes in law and port regulations that may, for example, require the hiring of additional, more expensive unionized workers. We also purchase and sell ocean freight services globally.

A disruption in any of these transportation services could adversely impact our origination, transportation, and distribution operations. A natural disaster, an accident, human error, rising fuel costs, port congestion, a strike, work slowdown or other labor action, or other circumstances could result in disruptions in regional and international transportation systems that could materially and adversely affect our logistics and distribution operations and ultimately could adversely affect our business, financial condition and operating results.

Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows.

We produce a diverse range of fruits and vegetables, each of which is subject to its own pattern of planting, growth and harvesting. For example, we harvest white asparagus during every month of the year, while avocadoes are harvested in April through September and mangoes are harvested from December through February. We tend to experience high and low periods of sales revenues, which have a corresponding effect on our cash flows, due to the nature of our business as an agricultural company. Any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows.

We may undertake additional acquisitions that may be significant in size and that may change the scale of our business.

Although we believe that future acquisition opportunities to acquire agro-business companies in Peru are likely to be limited, we expect to evaluate opportunities to acquire additional processing assets and/or businesses from time to time. If those future acquisitions were significant in size, they could change the scale of our business and may expose us to new geographic, political, operating and financial risks. Our ability to make any such acquisitions would depend on our ability to identify suitable acquisition candidates, acquire them on acceptable terms and integrate their operations successfully. Any acquisitions would be accompanied by risks, including risks related to the quality of the facilities acquired; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of our ongoing business; the inability of management to maximize our financial and strategic position through the successful integration of acquired assets and businesses; the inability of management to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and businesses. In addition, we would need additional capital to finance an acquisition. Debt financing related to any acquisition will expose us to the risks associated with borrowing money, while equity financing may cause existing shareholders to suffer dilution. We may not be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Restrictive covenants under the indenture governing the notes will restrict the manner in which we can operate our business.

The indenture governing the notes contains covenants that impose substantial limitations on, among other things, our ability to:

- incur additional debt;
- make restricted payments;
- pay dividends or distributions on our capital stock, repurchase our capital stock, or sell or transfer property or assets;
- guarantee indebtedness;
- enter into transactions with our affiliates;
- create liens on our assets to secure debt;

- enter into sale and leaseback transactions;
- sell assets;
- make investments; and
- merge or consolidate with another company.

Such covenant restrictions could impair our ability to respond on a timely basis to changes in the business or regulatory environment in which we operate, to take advantage of business opportunities that arise in our sector or to make strategically essential investments, any of which could materially and adversely affect our business, results of operations, financial condition and prospects. See "Description of the Notes – Certain Covenants." In addition, our agreements with respect to future indebtedness may contain additional affirmative and negative covenants that could be more restrictive than those contained in the indenture governing the notes.

Under a consent solicitation undertaken in April 2014, a majority of the existing holders of our 9.875% Senior Notes due 2017 approved a waiver to permit us to incur up to U.S.$75 million in principal amount of new indebtedness on or before May 15, 2014, to fund our planned capital expenditures, including our investments in plantations, particularly blueberries and shrimp plantations, as well as investments to expand our infrastructure, but we cannot assure you that noteholders will consent to any similar waivers of our covenant obligations in the future.

Our seasonal business requires working capital and capital expenditures, and if we are unable to access short-term and long-term financing it would adversely affect our results of operations.

We have ongoing working capital needs to operate our seasonal business, and we could need additional financing in the future, which may be substantial, to support our working capital and capital expenditures. In addition, our land, production facilities, machinery, equipment and our compliance with applicable laws and regulations require ongoing capital expenditures. Currently, we seek to meet our working capital needs from our ongoing operations and from financing pursuant to non-committed lines of credit when needed. These lines may no longer be available to us if there is an adverse change in our business, results of operations or prospects. The availability of future debt and equity financing is subject to many uncertainties beyond our control, including, among others, international and regional macroeconomic, political and capital market conditions. The cost and availability of financing for Peruvian companies such as us are influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the cost and availability of financing to issuers in other countries, including Peru. As a result, additional capital or other types of financing may not be available when needed or, if available, the terms of such financing may not be favorable to us. Failure to obtain sufficient financing on attractive terms may result in postponing needed improvements or expansions of our production facilities and/or increase in our financial expense which would adversely affect our results of operations.

The land and processing plants we operate or manage may suffer loss or damage which may not be covered by our insurance policies.

We may experience property and casualty loss, or the operation of our land or processing plants may be temporarily interrupted, arising from a number of causes, including adverse weather, collision, stranding, fire, mechanical failure and human error. Any such event could result in direct losses and liabilities, loss of income or increased costs. We believe that we maintain insurance at reasonable levels and in line with other companies in our industry. However, if any of the above-mentioned or similar events occurs, our insurance may not compensate us for all of our losses and our contingency plan may be inadequate. If so, such events could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to foreign exchange rate risk.

Management has determined the functional currency of our principal operating entities to be the U.S. dollar. These entities sell their products in international markets to customers in a number of countries, and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in U.S. dollars and the price of certain raw materials and supplies are influenced by the U.S. dollar. The borrowings and cash balances of these entities are held in U.S. dollars. Management has used its judgment to determine our functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the U.S. dollar. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. During the year ended December 31, 2013, 29% of our production costs were related to labor, which are incurred in *nuevos soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *nuevo sol*. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in Euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the Euro and the U.S. dollar. Fluctuations in exchange rates could have a significant impact on the portion of our costs denominated in *nuevos soles*, or the portion of our sales denominated in Euros, thus affecting our results of operations. See "Exchange Rates."

We may incur additional indebtedness in the future that could adversely affect our financial health and our ability to generate sufficient cash to satisfy our outstanding debt obligations.

After the offering of the notes, we may incur additional indebtedness that may have the following direct or indirect effects on you. Such debt may:

- limit our ability to satisfy our obligations under the notes and other debt;
- increase our vulnerability to adverse general economic and industry conditions;
- require us to dedicate a portion of our cash flow from operations to servicing and repaying our indebtedness which may place us at a competitive disadvantage to our competitors with less debt;
- limit our flexibility in planning for or reacting to changes in our business and the industry in which we operate;
- limit, along with the financial and other restrictive covenants of our indebtedness, among other things, our ability to borrow additional funds, and
- increase the cost of additional financing.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. If we are unable to service our indebtedness, we will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditure, selling assets, restructuring or refinancing our indebtedness, or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all.

In addition, certain of our financing arrangements impose operating and financial restrictions on our business. Our ability to meet our financial ratios, such as those under the Indenture, may be affected by events beyond our control. These provisions may negatively affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, or withstand a continuing or future downturn in our business. Any of these could materially and adversely affect our ability to satisfy our obligations under the notes and the ability of our parent company to satisfy its obligations under its guarantee of the notes.

In the future, we may from time to time incur substantial additional indebtedness. Although the indenture governing the notes restricts us and our subsidiaries from incurring additional debt, these restrictions are subject to important exceptions and qualifications. If we or our subsidiaries incur additional debt, the risks that we face as a result of our existing indebtedness could further intensify.

Our products may be subject to contamination, as a result of which we may be subject to product recalls or other liabilities that could cause us to incur significant additional costs.

We are subject to food industry risks that include, but are not limited to, spoilage, contamination, tampering or other adulteration of products, product recalls, government regulation, shifting customer and consumer preferences and concerns, and potential product liability claims, especially contaminants. In addition, any contamination, recall or other such event affecting any of our products could lead to significant harm to our corporate image, business interruption or unforeseen liabilities, each of which could have a material adverse effect on our financial condition and results of operations.

We are subject to labor risks and a dispute with one or more of our labor unions could have an adverse effect on our results of operations.

Our business is labor intensive with labor costs being a significant cost for our production. Changes in labor regulations and increases in labor costs would have a significant effect on our operations.

Approximately 8.47% of our employees are covered by collective bargaining agreements with labor unions. A work slowdown, work stoppage, strike or other labor dispute may occur prior to or upon the expiration of our other labor agreements, and we are unable to estimate the adverse effect of any such work slowdown, stoppage or strike or other dispute on our production and sales. Given our high concentration and dependency of labor in specific tasks, work slowdowns, stoppages, strikes or other labor-related developments affecting us could have an adverse effect on our business, financial condition, and results of operations or prospects.

We require large numbers of workers and future expansion of our operations will require additional workforce, including in regions of Peru where agricultural workers are not readily available. If we are unable to hire, train and retain qualified employees, our business could be harmed and we may be unable to implement our growth plans.

We have a highly skilled senior management team, as well as other key personnel, and our business may be disrupted if we lose their services.

Our senior management team possesses extensive operating experience and industry knowledge. We rely upon our senior management to set our strategic direction and manage our business, both of which are crucial to our success. Furthermore, our continued success depends upon our ability to attract and retain a large group of experienced professionals. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of experienced personnel could have an adverse effect on our operations and profitability. We do not maintain any key person insurance on any of our senior management or employees. Our ability to retain senior management as well as experienced personnel will in part depend on us having in place appropriate staff remuneration and incentive schemes. The remuneration and incentive schemes we have in place may not be sufficient in retaining the services of our experienced personnel.

Our sole shareholder may have interests that differ from those of the holders of the notes.

Generación del Pacífico Grupo S.L. (formerly Dyer Coriat Holding S.L., and which is controlled by the Dyer Coriat family) is the sole shareholder of Camposol Holding Ltd, our parent company (and a guarantor under the Indenture governing the notes). The interests of the Dyer Coriat family may not be the same as those of the holders of our notes. In circumstances involving a conflict of interest between our sole shareholder and the holders of the notes, our sole shareholder may seek to cause us to act in a manner that would benefit them to the detriment of the holders of the notes. See “Shareholders.”

An increase in our production expenses relating to the cost of packaging materials, fuel, fertilizers or crop protection products could reduce our profitability.

Changes in our production expenses have a major impact on our profitability. Other than labor, our main production expenses relate to the cost of packaging materials such as cans and glass jars, fuel, fertilizers and crop protection products, which represent a significant portion of our cost of production. Changes in the prices of such materials (which may be linked to changes in global commodity prices), as well as general price inflation, may lead to increases in production expenses. Such increases could have a material adverse impact on our profitability. If we are unable to pass on any increases in our raw materials or other production expenses through higher product prices, or if increases in prices of packaging materials, fuel, fertilizer and/or crop protection products impair our ability to package our products in a cost effective manner or increase or maintain our crop yields, this could have a material adverse effect on our business, results of operations and financial condition.

We would be adversely affected by any significant or prolonged disruption to our production facilities.

Any prolonged and/or significant disruption to our production facilities, whether due to repair, maintenance or servicing, industrial accidents, mechanical equipment failure, human error or otherwise, would disrupt and adversely affect our operations. Further, any major or sustained disruptions in the supply of utilities such as water or electricity or any fire, flood or other natural calamities or communal unrest or acts of terrorism may disrupt our operations or damage our production facilities or inventories and adversely affect our business, financial performance and prospects.

Various diseases, pests and certain weather conditions could affect quality and quantity of our agricultural products.

Various diseases, pests, fungi, viruses, drought, frosts and certain other weather conditions could affect the quality and quantity of our agricultural products, decreasing the supply of our products and negatively impacting profitability. We cannot guarantee that we will succeed in preventing contamination in existing or future fields we may acquire. Future government restrictions regarding the use of certain materials used in agricultural production may increase maintenance costs and/or reduce production.

We do not have significant experience cultivating and selling innovative, non-traditional crops and, therefore, we may not achieve the expected benefits from the diversification of our product mix.

Camposol is a relatively young company and we do not have significant experience cultivating and selling certain crops, such as avocadoes, blueberries and grapes, and we are not certain how these crops will perform over an extended period of time. For example, our 54 hectares of blueberries have had impressive yields during the first eighteen months of cultivation, but we do not have experience growing the crop on a large scale after the third year. Yields of these crops over an extended period may differ than the expected or "theoretical" yields, which could affect unit costs and consequently our financial performance. As a result, we may not achieve the expected benefits from the diversification of our product mix.

Our facilities are located near known earthquake fault zones and the occurrence of an earthquake or other catastrophic disaster could cause damage to our facilities and equipment that could require us to cease or curtail operations.

Peru has experienced severe earthquakes in the past that have caused damage to buildings and other infrastructure and have interrupted commerce. Most recently, in 2007 a 6.9 (Richter scale) earthquake affected a large area on the Peruvian coast near the region of Ica. Substantially all of our offices and plants are located in Peru and could be materially adversely affected or disrupted by an earthquake or other natural disasters.

IFRS accounting standards require us to make numerous estimates in the compilation and preparation of our financial results and limit the comparability of our financial statements to similar issuers using U.S. GAAP.

IFRS accounting standards for agricultural companies require that we make assumptions and estimates relating to, among other things, future agricultural commodity yields, prices, and production costs extrapolated through a discounted cash flow method. For example, the value of our biological assets with a production cycle lasting more than one year generated initial recognition and changes in fair value of biological assets amounting to U.S.$40.1 million for the year ended December 31, 2013. These assumptions and estimates, and any changes to such prior estimates, directly affect our reported results of operations. If actual market conditions differ from our estimates and assumptions, there could be material adjustments to our results of operations. In addition, the use of such discounted cash flow method utilizing these future estimated metrics differs from U.S. GAAP. As a result, our financial statements and reported earnings are not directly comparable to those of similar companies in the United States.

Risks Related to Peru

Economic and political developments in Peru could affect our business, financial condition and results of operations.

The vast majority of our operations is conducted in Peru and is dependent upon the performance of the Peruvian economy. As a result, our business, financial condition and results of operations may be affected by the general conditions of the Peruvian economy, price instability, inflation, interest rates, regulation, taxation, social instability, political unrest and other developments in or affecting Peru, over which we have no control. In the past, Peru has experienced periods of weak economic activity and deterioration in economic conditions. If such conditions return it may have a material and adverse effect on our business, financial condition or results of operations.

Our 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. Peru's president, Ollanta Moisés Humala Tasso from the *Gana Perú* political coalition, took office on July 28, 2011. As part of his economic policies, President Humala has named Harvard University trained economist Luis Miguel Castilla as economy minister, Rene Cornejo as prime minister, and Piero Ghezzi as production minister. Each appointment has been well received by the financial markets. President Humala has, since his inauguration, substantially maintained the moderate economic policies of former president Alan García Pérez, whose administration from 2006 to 2011 was characterized by business-friendly and open-market economic policies that sustained and fostered economic growth, while controlling the inflation rate at historically low levels. However, it is possible that President Humala and the Peruvian government may not continue to pursue business-friendly and open-market economic policies or policies that stimulate economic growth and social stability, in particular given President Humala's left-leaning political history and statements made during his presidential campaigns in 2006 and 2011. Any changes in the Peruvian economy or the Peruvian government's economic policies may have a negative effect on our business, financial condition and results of operations.

During the past several decades, Peru has experienced political instability that has included a succession of regimes with differing economic policies. 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 assure you whether the Peruvian government, including the administration of President Ollanta Humala, who was inaugurated in July 2011, will continue to pursue open market economic policies that are designed to foster and 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 resurgence, it will not disrupt the economy 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 over the past several years, 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 implementation of certain laws by the Peruvian government, most notably restrictive exchange rate policies, could have an adverse effect on our business, financial condition and results of operations.

Since 1991, the Peruvian economy has undergone a major transformation from a highly protected and regulated system to a free-market economy. During this period, protectionist and interventionist laws and policies have been gradually dismantled to create a liberal economy dominated by private sector and market forces. The Peruvian economy has, in general, responded well to this transformation, growing at an average annual rate of over 5.28% during the period from 1998 to 2013. Currently, there are no exchange controls or restrictions on remittances of profits, dividends and royalties in effect. Prior to 1991, Peru exercised control over the foreign exchange markets by imposing multiple exchange rates and placing restrictions on the possession and use of foreign currencies. In 1991, the presidential administration of Alberto Fujimori eliminated all foreign exchange controls and unified exchange rates. Currently, foreign exchange rates are determined by market conditions, with regular operations by the Central Bank of Peru in the foreign exchange market to reduce volatility in the value of Peru's currency against the U.S. dollar.

The Peruvian government may institute restrictive exchange rate policies in the future. Any such restrictive exchange rate policy could affect our ability to access foreign currency or to engage in foreign exchange activities and make payments on the notes in U.S. dollars, and could also have a material adverse effect on our business, financial condition and results of operations.

Inflation could adversely affect our financial condition and results of operations.

As a result of reforms initiated in the early 1990s, Peruvian inflation has decreased significantly in recent years from triple-digit inflation during the 1980s. Over the five-year period ended on December 31, 2013, the Peruvian economy experienced annual inflation averaging approximately 2.5% per year, as measured by the Peruvian Consumer Price Index, or CPI. The CPI is calculated by the *Instituto Nacional de Estadística e Informática* (the National Institute of Statistics and Information, or INEI) and measures variations in prices of a selected group of goods and services typically consumed by Peruvian families. Inflation may not remain at these levels. The Peruvian Central Bank establishes annually a target inflation rate for each fiscal year and announces this target rate in order to shape market expectations.

If Peru experiences substantial inflation in the future, our costs may increase, our operating and net margins may decrease, which may adversely affect our business and results of operations. An effect on our value may also result in a decrease in the value of the notes.

Inflationary pressures may also curtail our ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Peruvian economy. Our operating results and the value of our securities, including the notes, may be adversely affected by higher inflation.

The current market volatility generated by distortions in the international financial markets may affect the Peruvian capital markets and the Peruvian banking system.

The volatility in the international markets may adversely affect the Peruvian capital markets as well. The Peruvian banking system has not experienced any significant liquidity problems as a result of the recent international liquidity environment, primarily because the major source of funds for local banks is represented by the deposit base. However, we cannot assure you that future market volatility will not affect the Peruvian banking system or that such volatility will not have an adverse effect on our business, financial condition or results of operations.

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

Peru may adopt new tax laws or modify existing laws to increase taxes applicable to our business. These changes may include modifications in the rate of assessments and, on occasion, enactment of temporary taxes. For example, a decrease in the rate of drawback (benefit to recover import or custom duties previously paid) may affect our financial performance. Historically, the rate for drawback has been 5.0%. However, this rate was temporarily increased to 8.0% in 2009, before being reduced to 6.5% in July 2010 and reduced again to its historic rate of 5.0% at the beginning of 2011. Additionally, under current Peruvian law, an individual or a legal entity that grows crops is entitled to a reduced income tax rate of 15%, compared to a general income tax rate of 30%.

Peru may impose new taxes or increase taxes in the agro-industry business or cease favorable tax treatment for the agricultural industry. The imposition of new taxes or increases on the rates of existing taxes could negatively affect our overall financial performance.

Risks Relating to the Guarantees

Camposol Holding Ltd does not currently have significant operations or assets.

Our parent company Camposol Holding Ltd has guaranteed the notes but is a holding company that does not have significant operations or assets other than its shareholding in us. As a result, we cannot assure you that Camposol Holding Ltd will have the funds necessary to satisfy our financial obligations under the notes if we are unable to do so.

You may not be able to enforce civil liabilities against Camposol Holding Ltd, the Subsidiary Guarantors or its directors, officers and controlling persons.

Camposol Holding Ltd is organized under the laws of Cyprus, the Subsidiary Guarantors are organized under the laws of Peru, and a majority of their directors, officers and controlling persons reside in Peru (with a substantial majority of them residing outside the U.S.). In addition, substantially all of their assets and the assets of their directors, officers and controlling persons are located outside of the U.S. As a result, it may be difficult for investors to effect service of process on such persons outside of Peru or to enforce judgments against them, including in any action based on civil liabilities under foreign laws, including the U.S. federal securities laws. There is no guarantee that a judgment against such persons in Cyprus and Peru will be enforceable, whether in original actions or in actions to enforce judgments of U.S. courts or other foreign courts, based solely on the U.S. federal securities laws or other foreign laws. In addition, punitive damages related to actions brought in the United States or elsewhere may be unenforceable in Cyprus and Peru.

The Parent Guarantee may be challenged under applicable insolvency or fraudulent transfer laws, impairing its enforceability.

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in Cyprus and other jurisdictions where future guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- issued such guarantee by means of misrepresentation;
- incurred the indebtedness with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's

insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;

- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, indebtedness beyond its ability to repay it upon its maturity.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the jurisdiction which are being applied. Generally, however, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debt as they became absolute and matured.

Under Cypriot law, in the event of liquidation of the Parent Guarantor, obligations under the guarantee would be subordinated to statutory preferences in the mandatory statutory order of distribution of assets upon winding up.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration.

If a court voided the guarantee, subordinated such guarantee to other indebtedness of Camposol Holding Ltd or held the guarantee unenforceable for any other reason, holders of the notes would cease to have a claim against Camposol Holding Ltd based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) of Camposol Holding Ltd, and would solely be creditors of us. After providing for all prior claims, there may not be sufficient assets to satisfy the claims of the holders of the notes.

Risks Related to the Notes

The notes are effectively subordinated to the existing and future liabilities of our non guarantor subsidiaries.

At issuance the notes will be guaranteed by only two of our subsidiaries, Marinazul and Campoinca, and therefore are effectively subordinated to all existing and future liabilities of our subsidiaries other than Marinazul and Campoinca. Although certain of our other subsidiaries could become guarantors of our obligations under the notes in the future, they will only become guarantors at our option. As of December 31, 2013, the aggregate amount of indebtedness of our subsidiaries was U.S.$5.8 million (excluding intercompany liabilities and the liabilities of Marinazul and Campoinca). Notwithstanding the foregoing, however, our operating cash flow and our ability to service our indebtedness, including the notes, is dependent to a large extent on the operating cash flow of our subsidiaries and the payment of funds by such subsidiaries to us through loans, dividends or otherwise. The subsidiaries, however, are separate legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the terms of the notes or to make any funds available for such purpose. The payment of dividends by such subsidiaries will be subject to legal and, in certain instances, contractual restrictions and will depend upon the earnings and cash flow of each subsidiary, which are speculative. In the event of a bankruptcy, liquidation or dissolution of one or more of our subsidiaries, following payment by such subsidiaries of their liabilities, they may not have sufficient assets to make payments to us.

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 and court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the notes.

An active trading market for the notes may not develop.

There is no public market for the notes and we cannot assure you that an active trading market will develop for the notes. We cannot assure you regarding the future development of a market for the notes, the ability of holders of the notes to sell their notes or the prices at which holders may be able to sell their notes. If a trading market develops for the notes, the notes may trade at prices that may be higher or lower than the initial offering price depending on various factors, such as prevailing interest rates, our results of operations and financial condition, political and economic developments in and affecting Peru and the market for similar securities. The initial purchasers have advised us that they currently intend to make a market in the notes but they are not under any obligation to do so, and any market-making with respect to the notes may be discontinued at any time without notice at the sole discretion of the initial purchasers.

The notes are subject to transfer restrictions that could limit your ability to resell your notes.

The notes have not been registered under the Securities Act or any U.S. 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 U.S. state securities laws. These exemptions include those for offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act and in accordance with any applicable securities laws of any other jurisdiction and sales to qualified institutional buyers as defined under Rule 144A under the Securities Act. For a discussion of certain restrictions on resale and transfer, see "Transfer Restrictions."

We may not be able to fulfill our repurchase obligations with respect to the notes upon a change of control.

If we experience certain change of control events, we are required by the indenture governing the notes to offer to repurchase all outstanding notes at a repurchase price equal to 101% of the principal amount of notes repurchased, plus accrued and unpaid interest and special interest, if any, to the applicable repurchase date. See "Description of the Notes – Repurchase of the Notes Upon a Change of Control Triggering Event." If a change of control event were to occur, we may not have sufficient funds to repay any notes that we would be required to offer to purchase or that would become immediately due and payable as a result of such change of control event. We may require additional financing from third parties to fund any such repurchases, and we cannot assure you that we would be able to obtain additional financing on satisfactory terms or at all. Our failure to repay holders who tender notes for repurchase following a change of control event could result in an event of default under the indenture governing the notes.

Developments in other emerging markets may adversely affect the market price of the notes.

The market price of the notes may be adversely affected by decreases in the international financial markets and world economic conditions. The market for securities of Peruvian issuers is influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities markets and demand for, and the prices of, securities of issuers in other countries, including Peru. As a result, developments in regional or other financial markets may adversely affect the market value of the notes.

You may not be able to enforce civil liabilities against us or our directors, officers and controlling persons.

We are organized under the laws of Peru. All of our directors, officers and controlling persons reside outside the United States and substantially all of our assets and the assets of our directors, officers and controlling persons are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. There is no guarantee that a judgment against such persons in Peru will be enforceable, whether in original actions or in actions to enforce judgments of U.S. courts, based solely on the U.S. federal securities laws.

We may redeem the notes prior to maturity.

The notes may also be redeemable at our option for certain reasons, and with certain limitations, as specified in "Description of the Notes." We may choose to redeem those notes at times when prevailing interest rates may be relatively low. Accordingly, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the notes.

Our compliance with corporate governance standards is based on the laws of Peru and Cyprus applicable to private companies, which may not be comparable to the standards of companies in certain other countries or that have shares listed on a stock exchange.

The shares of our parent company and the guarantor of the notes, Camposol Holding Ltd, were listed on the Oslo Stock Exchange until December 20, 2013, and we continue to maintain the corporate governance standards of a listed company on that Exchange. Notwithstanding, the corporate governance standards of the Oslo Stock Exchange (to which we voluntarily comply) and of the Luxembourg Stock Exchange may be less stringent than those imposed by securities exchanges in other countries, such as the United States. Also, because we are no longer listed on the Oslo Stock Exchange, our compliance with that Exchange's corporate governance standards is voluntary, and we may discontinue our compliance at any time.

At the same time, we are subject to certain reporting obligations in respect of the notes, both under the Original Indenture and as a result of the notes being listed on the Official List of the Luxembourg Stock Exchange. Notwithstanding, the level of information about us, the Parent Guarantor and the Subsidiary Guarantor may be less than that available for publicly traded companies and less than what an investor is accustomed to.

The liquidity and price of the notes following the offering may be volatile.

The price and trading volume of the notes may be highly volatile. Factors such as variations in our revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the notes to change. Any such developments may result in large and sudden changes in the volume and price at which the notes will trade.

If certain changes to tax laws were to occur, we would have the option to redeem the notes as a whole.

The notes may be redeemed, in whole but not in part, at our option, if, subject to certain conditions, as a result of (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Peru or Cyprus affecting taxation; or (2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), we or Camposol Holding Ltd, as the case may be, is, or on the next Interest Payment Date (as defined herein) would be required to pay Additional Amounts (as defined herein) with respect to taxes in Peru at a rate in excess of (x) 4.99% in the aggregate with respect to interest paid on the notes or (y) 30% in the aggregate with respect to any payments other than interest or principal on the notes that a Holder (as defined herein) would realize were such notes be redeemed on such Interest Payment Date.

We are not able to determine whether such an increase in the withholding tax rate will ultimately occur; however, if such an increase were to occur, and certain other conditions are met, the notes would be redeemable at our option at a redemption price equal to 100% of the principal amount thereof; together with accrued and unpaid interest (and any Additional Amounts).

USE OF PROCEEDS

We intend to use the net proceeds from this offering (expected to be approximately U.S.$75,300,000), after deducting the underwriting discount and other estimated expenses payable in connection with this offering to fund our planned capital expenditures, including our investments in plantations, particularly blueberries and shrimp plantations, as well as investments to expand our infrastructure.

EXCHANGE RATES

Peruvian Nuevo Sol/U.S. Dollar

There have been no exchange controls in Peru since 1991, and since that time foreign exchange transactions have been based on free market exchange rates. During the previous two decades, however, the Peruvian currency had experienced a significant number of large devaluations. Therefore, Peru has adopted and operated under various exchange rate control practices and exchange rate determination policies. These policies have ranged from strict control over exchange rates to market-determination of rates. Investors are allowed to purchase foreign currency at free market exchange rates through any member of the Peruvian banking system.

The following table shows, for the periods indicated, certain information regarding the exchange rates for U.S. dollars expressed in nominal *nuevos soles* per U.S. dollar. The Federal Reserve Bank of New York does not report a noon buying rate for *nuevos soles*.

	Low (1)	High (1)	Period Average (2)	Period End
Year:				
2009	2.853	3.259	3.012	2.891
2010	2.787	2.885	2.826	2.809
2011	2.694	2.834	2.755	2.697
2012	2.551	2.710	2.640	2.551
2013	2.541	2.820	2.702	2.796
2014 (through April 23)	2.774	2.825	2.806	2.793

(1) Exchange rates are actual high / low, on a day-by day basis, for each period.
(2) Calculated as the average of the month-end exchange rates during the relevant period.
Source: Superintendency of Banking, Insurance and Pension Funds Managers (*Superintendencia de Banca, Seguros & AFP*).

Euro/U.S. Dollar

A material portion of our sales are made to customers in Europe, with such sales being made in Euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the Euro and the U.S. dollar. The table below shows, for the periods indicated, certain information regarding the exchange rates for U.S. dollars expressed in U.S. dollars per euro.

	Low (1)	High (1)	Period Average (2)	Period End
Year:				
2009	1.2530	1.5134	1.3948	1.4321
2010	1.1923	1.4513	1.3266	1.3384
2011	1.2907	1.4830	1.3926	1.2961
2012	1.2061	1.3458	1.2860	1.3193
2013	1.2780	1.3802	1.3283	1.3801
2014 (through April 23)	1.3486	1.3934	1.3725	1.3817

(1) Exchange rates are actual high / low, on a day-by-day basis, for each period.
(2) Calculated as the average of daily exchange rates over the relevant period.
Source: Bloomberg.

CAPITALIZATION

The following table sets forth the capitalization and indebtedness of Camposol Holding Ltd (i) as of December 31, 2013 and (ii) as adjusted to give effect to the issuance of U.S.$75 million of notes offered hereby, as if such issuance had occurred on December 31, 2013. This table should be read in conjunction with, and is qualified in its entirety by reference to, "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Summary Financial and Other Information" and the audited consolidated financial statements and related notes of Camposol Holding Ltd included elsewhere in this offering memorandum.

	As of December 31, 2013	
	Actual	**As adjusted**
		(unaudited)
	(in thousands of U.S. dollars)	
Bank loans	26,025	26,025
Current portion of long-term debt	4,250	4,250
Total short-term debt and current portion of long-term debt	30,275	30,275
Long-term debt	133,327	133,327
Issuance of U.S.$75 million 9.875% Senior Notes due 2017	—	75,000
Total long-term debt	133,327	208,327
Total debt	163,602	238,602
Shareholders' equity	324,935	324,935
Non-controlling interest	806	806
Total equity	325,741	325,741
Total capitalization	489,343	564,343

SELECTED FINANCIAL AND OTHER INFORMATION

Camposol Holding Ltd

The following tables present summary consolidated financial and operating information of our parent company, Camposol Holding Ltd, as of the dates and for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, Camposol Holding Ltd's audited consolidated financial statements, including the notes thereto, included elsewhere in this offering memorandum.

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT DATA

	For the year ended December 31,		
	2011	**2012 (1) Restated**	**2013**
	(in thousands of U.S.$)		
Continuing operations:			
Sales:			
Avocadoes	39,873	31,436	49,244
Asparagus	57,870	68,078	69,955
Piquillo Peppers	20,420	15,299	18,730
Mangoes	16,021	14,722	18,689
Shrimp	13,300	21,149	26,629
Grapes	14,755	18,178	21,245
Artichokes	1,973	9,837	12,772
Blueberries	—	—	8,638
Other	3,598	4,482	5,339
Total sales	167,810	183,181	231,241
Cost of sales (2)	(109,543)	(138,299)	(156,880)
Gross profit	58,267	44,882	74,361
Gains arising from change in fair value of biological assets	34,112	40,367	40,057
Profit after adjustment for biological assets	92,379	85,249	114,418
Selling expenses	(20,581)	(22,961)	(26,174)
Administrative expenses	(19,050)	(20,115)	(22,389)
Other income	868	1,145	1,334
Other expenses	(2,302)	(1,736)	(3,415)
Operating profit	51,314	41,582	63,774
Shares of gain of associated companies	111	66	305
Financial income	27	1,557	81
Financial cost	(8,502)	(17,879)	(19,465)
Net foreign exchange transactions losses	(1,316)	(2,042)	(2,750)
Profit before income tax	41,634	23,284	41,945
Income tax credit / (expense)	(8,014)	(6,284)	(10,431)
Profit for the year from continuing operations	33,620	17,000	31,514
Discontinued operations:			
Loss for the year from discontinued operations	(275)	(147)	—
Profit for the year	33,345	16,853	31,514

(1) For a discussion of our restatement of our 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements."

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET DATA

	As of December 31,		
	2011	**2012 (1)**	**2013**
	(in thousands of U.S.$)		
Inventories	44,349	52,696	63,082
Trade receivables	29,923	40,479	55,170
Current portion of biological assets	16,145	16,564	19,187
Other accounts receivable	11,058	15,951	12,628
Prepaid expenses	812	821	1,027
Cash and short-term deposits	6,604	28,523	27,240
Total current assets	108,891	155,034	178,334
Non-current assets			
Non-current portion of biological assets	193,015	242,536	282,982
Property, plant and equipment	117,354	127,733	128,604
Intangible assets	22,610	20,343	18,149
Deferred income tax	1,200	1,398	1,247
Investments in associates	493	559	864
Total non-current assets	334,672	392,569	431,846
Total assets	443,563	547,603	610,180
Current liabilities			
Trade payables	40,074	51,288	60,655
Bank loans	25,797	29,880	26,025
Other payables	11,178	18,052	18,811
Current portion of long-term debt	9,712	2,759	4,250
Total current liabilities	86,761	101,979	109,741
Non-current liabilities			
Long-term debt	55,031	132,352	133,327
Deferred income tax	25,119	31,462	41,371
Total non-current liabilities	78,950	163,814	174,698
Total liabilities	166,911	265,793	284,439
Shareholders' equity	276,083	281,230	324,935
Non-controlling interests	569	580	806
Total equity	276,652	281,810	325,741
Total liabilities and equity	443,563	547,603	610,180

CAMPOSOL HOLDING LTD AND SUBSIDIARIES
CONSOLIDATED CASH FLOW

	For the year ended December 31,		
	2011	**2012 (1) Restated**	**2013**
	(in thousands of U.S.$)		
Net cash generated from (used in)			
Operating activities	9,538	(14,547)	5,254
Investing activities	(19,617)	(24,933)	(16,860)
Financing activities	6,768	61,399	10,323
Net change in cash	(3,311)	21,919	(1,283)

(1) For a discussion of our restatement of our 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements."

CAMPOSOL HOLDING LTD AND SUBSIDIARIES

	For the year ended December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$)		
Operating profit	51,314	41,582	63,774
(+) Depreciation and amortization	12,003	15,067	16,851
(+) Stock options expense	155	5	—
(−) Change in fair value of biological assets	(34,112)	(40,367)	(40,057)
(−) Other income	(868)	(1,372)	(1,334)
(+) Other expenses	2,302	1, 736	3,390
EBITDA (3)	30,794	16,878	42,649

CAMPOSOL HOLDING LTD AND SUBSIDIARIES

OTHER FINANCIAL DATA

	At and for the year ended December 31,		
	2011	2012 (1) Restated	2013
	(in thousands of U.S.$ except percentages and ratios)		
EBITDA (3)	30,794	16,878	42,649
Gross margin	34.7%	24.5%	32.2%
Operating margin	30.6%	22.7%	27.6%
Net margin	19.9%	9.3%	13.6%
Total debt (4)	90,540	164,991	163,602
Total net debt (5)	83,936	136,468	136,362
Total debt / EBITDA (3) (4)	2.9x	9.8x	3.8x
Total net debt / EBITDA (3) (5)	2.7x	8.1x	3.2x
EBITDA (3)/ gross interest expense	3.6x	0.9x	2.2x

(1) For a discussion on the restatement of the 2012 consolidated financial statements, see "Presentation of Financial and Other Information – Restatement of 2012 consolidated financial statements" and Note 2.29 of the audited consolidated financial statements included in this offering memorandum.

(2) Sales include charges for cost of freight when, at our customer's request, we pay such freight cost.

(3) EBITDA represents sales minus cost of sales minus administrative expenses minus selling expenses plus depreciation plus amortization of intangibles plus stock options expense, and excluding the effect (positive or negative) of net change in fair value of biological assets. Although EBITDA is a widely used financial indicator of a company's ability to service and incur debt, you should not consider it in isolation, as an alternative to net income, as an indicator of our operating performance or as a substitute for analysis of our results as reported under IFRS, since, among others:

- it does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect our interest expense or the cash requirements to service the interest or principal payments of our debt;
- it does not reflect any cash income taxes we may be required to pay;
- it does not reflect the effect of non recurring expenses or gains;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of changes in financial position.

Because of the above, our EBITDA measure should not be considered a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. EBITDA is not a recognized financial measure under IFRS and it may not be comparable to similar titled measures presented by other companies in our industry because not all companies use the same definition. As a result, you should rely primarily on our IFRS results and use our EBITDA measurement only as a supplement.

(4) Total debt includes bank debt and financial lease obligations, reported in our audited financial statements under the captions "Long-term debt", "Current portion of long-term debts" and "Bank loans."

(5) We define the total net debt as total debt minus cash and short-term deposits.

Unaudited Combined Financial Information of Subsidiary Guarantors

The following table sets forth certain condensed combining financial information of the Subsidiary Guarantors, Marinazul and Campoinca, for the periods indicated. The unaudited combined summary financial information of Subsidiary Guarantors is presented for illustrative purposes only and should not be considered as audited consolidated financial information prepared in accordance with IFRS for these periods. The table does not reflect any transactions occurring after December 31, 2013.

	As of and for the year ended December 31, 2011	As of and for the year ended December 31, 2012	As of and for the year ended December 31, 2013
		(in thousands of U.S.$)	
Revenue	13,965	21,148	26,711
Gross profit	2,002	3,817	8,866
Profit for the period	(803)	1,277	3,868
Total assets	24,239	28,212	34,739
Total long-term debt	846	505	183

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

The following discussion and analysis should be read together with Camposol Holding Ltd's audited consolidated financial information, including the notes thereto, beginning on page F-1 in this offering memorandum. Camposol Holding Ltd's audited annual financial statements as of and for the years ended December 31, 2011, 2012 and 2013, included elsewhere in this offering memorandum, have been prepared in accordance with IFRS as adopted by the European Union.

Overview

Camposol is the leading agro-industrial company in Peru in terms of exports. We are the largest white asparagus exporter in the world as measured by export volume, and we believe that we are, based on industry information, the largest producer of Hass avocadoes in the world as measured by the number of planted hectares. We plant, harvest, process, package and export a wide selection of agricultural products, including avocadoes, white and green asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines. Among these products, asparagus and avocadoes have been, and are expected to continue to be, the most important products in terms of our results of operations, in addition to blueberries. Our fruits and vegetables are exported as fresh, preserved or frozen products mainly to markets in Europe, the United States and Asia. Our portfolio of products consists of a broad range of fruits and vegetables, many of which are strongly positioned in foreign markets. We manage our fields using advanced agricultural practices and technology, which has enabled us to consistently increase our levels of productivity, achieving production during 2013 in terms of volumes harvested of 27,825 MT of avocadoes, 24,276 MT of asparagus, 11,852 MT of mangoes, 7,804 MT of piquillo peppers, 11,375 MT of grapes and 797 MT of blueberries, among other crops.

We are a fully integrated company and manage our entire supply chain: fields, processing and distribution. Approximately 75% of the products that we processed during the year ended December 31, 2013, came from our own fields, and we have sufficient production capacity to process each of the various types of products that we produce, in fresh, frozen and preserved formats.

We distribute our products through importers and distributors, agents and brokers, as well as directly, maintaining solid business relationships with many leading retail chains outside of Peru. In addition, we have sales offices in the United States and the Netherlands, which we use to strengthen our presence in certain of our key markets by maximizing our attention and response times to our main customers. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with both the United States and China. A free trade agreement was signed with the European Union in June 2012.

As of December 31, 2013, we owned a total of 26,132 hectares, of which we estimate approximately 18,192 to be useful for agricultural purposes. Of these, approximately 6,585 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao, Virú and Piura, which are located in the regions of La Libertad and Piura. We own and operate a processing plant for fresh, preserved and frozen products. In addition, we, through our subsidiary Marinazul, have shrimp farms in the region of Tumbes. We maintain on average approximately 11,000 part- and full-time employees.

Principal factors affecting results of operations and financial condition

The primary factors affecting our results of operations include the following:

- **The maturity of our crops and resulting yields.** The productive curve of a plant, determined as volumes harvested per hectare (MT/Ha) in a year, depends on its age. This curve starts low and increases as plants reach peak years, during which it remains stable before declining during old age. The productive curve varies from crop to crop. As a result, our production increases as new investments approach their period of maximum yields and decreases when they pass that point.

Because the cost of maintaining a plant remains fairly stable during its lifetime, costs per unit decrease sharply as yields increase. We expect increasing volumes of avocadoes for the period between 2014 and 2015, since we planted a significant number of avocadoes trees in 2009. In Peru avocadoes plants typically take three years to grow and begin production, and another three years to mature and achieve peak stable yields. By 2015, we expect that most of our avocadoes plants will be in their fully productive stage. At December 31, 2013, we had 2,395 hectares of planted asparagus between six and seven years old, which we expect to have a peak performance generating around 7 MT/Ha in the following years until 2017. Once these plants reach their average productive life cycle of 10 years, we expect production will decrease considerably until reaching levels of 2.5 MT/Ha.

- **The effects of supply and demand on the prices of our products.** Our results of operations depend substantially on the sales prices of the fruits and vegetables we produce. Our main export competitors are primarily based outside of Peru. For example, we compete mainly with Chinese exporters in the preserved asparagus market, and with Californian and Mexican exporters in the fresh avocadoes market in the United States and South African exporters in the European market. Due to the global nature of our business, any event which has a positive or negative effect on production levels in a competitor's home country may have the opposite effect on our sales and profitability. For example, adverse climatic conditions in South Africa would reduce the amount of fresh avocadoes available for Europe and increase the price at which we sell our fruit in this market, or vice versa. Furthermore, shifts in consumer demand for certain products can affect our results. In the case of asparagus, China, which has historically been a major exporter, has reduced its exports of preserved white asparagus to Europe over the last several years, mainly due to a rise in internal demand. The result has been a significant rise in Peruvian asparagus exports to Europe, including our own asparagus. Furthermore, the opening of the U.S. avocadoes market to Peruvian imports without quarantine treatment in 2011 not only had the direct effect of opening a major new market to our avocadoes, but it also reduced the supply of imported avocadoes in Europe, thereby raising the price at which we sold avocadoes to our traditional European customers. All of these factors directly affected our results in 2011, 2012 and 2013.

- **Free trade agreements, the lifting of import barriers and access to our principal export markets.** We derive our revenues from the export of our products to several countries around the world. Our results have benefited significantly in recent years from the execution by Peru of free trade agreements with both the United States and China. Further, a free trade agreement was signed with the European Union in April 2011. In addition, the USDA amended its regulations to allow the import into the U.S. of Hass avocadoes from Peru, and in July 2010 we exported our first containers of avocadoes to the U.S. In August 2011, Peruvian avocadoes were cleared for full entry to the U.S. market without quarantine treatment. The opening of the U.S. market in 2011 has positively impacted pricing dynamics for our avocadoes, and accordingly on our profitability. Because the U.S. market was not open until August 2011, we were only able to export 24% of our avocadoes crop to that market in 2011. In 2012 and 2013, this share increased to 31% and 33%, respectively. Furthermore, the opening of the U.S. market to increased imports and the resulting diversion of supply from Europe to the U.S. has caused the price of avocadoes in Europe to increase.

- **Seasonality.** Agriculture is inherently seasonal in nature. Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocadoes are harvested in April through September and mangoes are harvested from December through February. We maintain a strategically diversified mix of export products that are characterized by varying harvest seasons, largely to mitigate risks associated with seasonality. However, significant periodic variations in our working capital needs, revenues and cash flows depend on the crop cycles of our products. In 2013, 18% of our sales were generated in the first quarter, 20% in the second quarter, 27% in the third quarter and 35% in the fourth quarter. In the following years as our products reach peak yields, we expect that the breakdown of sales by quarter will vary. Any circumstance that adversely affects our business during our harvesting seasons can have a disproportionate effect on our annual results of operations and cash flows. As a result of the foregoing, we may not achieve steady quarterly cash flows and are particularly vulnerable to any adverse events or other unforeseen circumstance which may impact our activities during the harvesting seasons. See "Risk Factors – Risks Relating to our Business and Industry – Our results are seasonal, and any circumstance that adversely affects our business during high seasons would have a disproportionately significant effect on our annual results of operations and cash flows."

- **Inventory carry requirements.** We commercialize our products in a variety of forms designed to optimize responsiveness to consumer demand: fresh, preserved and frozen. Fresh, preserved and frozen products represented 60%, 30% and 10% of our sales during the year ended December 31, 2013, respectively. Fresh products, because of their very nature, have a much quicker rotation and almost no inventory of finished products. Frozen and preserved products remain in our inventory on average between 60 and 90 days. However, preserved products may be stored for up to five years, and this means that in the distribution chain there are times of very high or very low inventories that have a significant impact on prices. Fresh products tend to be more profitable, followed by frozen products and finally preserved goods.
- **Economic situation globally, and in particular in our main export markets.** Our business and results of operations are directly affected by developments in the global economy, and in particular in Europe and the U.S., where our primary export markets are located. While we have been increasing the portion of our total exports directed to the Americas (primarily the U.S.) in recent years, Europe has continued to be our primary export market. Our total sales to Europe in 2011, 2012, and 2013 represented 64%, 56% and 50% of our total sales, respectively. Sales to the Americas represented 29%, 35% and 42% of our total sales during such years, respectively. Customer demand in these countries is directly tied to the prevailing economic situation. The global economic crisis directly affected our results of operations in 2009. The lower availability of credit and economic difficulties in Europe, particularly in 2008, led to reduced demand for our preserved asparagus in the distribution chain, as markets sought to reduce their inventory levels. This resulted in an abnormally large inventory that we carried over into 2009 in both volume, as explained above, and costs, due to a combination of high supply costs in 2008 and low yields of the asparagus fields, as a large portion of our asparagus fields were young. In order to reduce our inventory carry costs in 2009, we sold this surplus preserved asparagus inventory at a lower price than we would typically achieve.
- **Exchange rates between the U.S. dollar and the Peruvian *nuevo sol*, and the U.S. dollar and the Euro.** Notwithstanding the fact that substantially all of our assets are located in Peru, our functional currency is the U.S. dollar, primarily as a result of our export driven business and the fact that our primary revenues and costs are denominated in U.S. dollars. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. During the year ended December 31, 2013, 29% of our production costs were related to labor, which are incurred in *nuevos soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *nuevo sol*. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in Euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the Euro and the U.S. dollar.
- **Climate-related risk.** Even though our operations are located in a region characterized by limited fluctuations in temperature, such fluctuations may affect both the yields and the quality of our products.

Critical Accounting Policies

A summary of our significant accounting policies is included in Note 2 to our audited consolidated financial statements as of and for the years ended December 31, 2011, 2012 and 2013, included elsewhere in this offering memorandum.

The presentation of our financial condition and results of operation in conformity with IFRS requires us to make certain judgments and estimates regarding the effects of matters that are inherently uncertain and that impact the carrying value of our assets and liabilities. Actual results could differ from those estimates. To provide an understanding about how we form our judgments and estimates about certain future events, including the variables and assumptions underlying the estimates, and the sensitivity of those judgments to different variables and conditions, we have summarized the critical accounting policies set forth below under IFRS that may be impacted by our judgments and estimates.

Functional Currency

Management has determined the functional currency of our principal operating entities to be the U.S. dollar. These entities sell their products in international markets to customers in a number of countries, and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in U.S. dollars and the price of certain raw materials and supplies are influenced by the U.S. dollar. The borrowings and cash balances of these entities are held in U.S. dollars. Management has used its judgment to determine our functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the U.S. dollar.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life. Depreciation is calculated on a straight-line basis over the estimated useful life of individual assets, as follows:

	Years
Buildings and other constructions	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management. Land is not depreciated. The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year end. An asset's carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'Other income and expenses – net' in the consolidated statement of comprehensive income.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date we assess if there are indicators of impairment and if so, or if an impairment test for an asset is required, an assessment is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the assessment is undertaken at cash-generating unit level. If the carrying amount of an asset or of a cash-generating unit exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of their value in use or fair value less costs to sell. Fair value is based on an estimate of the amount that we may obtain in a sale transaction on an arm's length basis. 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 an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Our cash-generating units are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For assets excluding goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized in prior periods. Impairment losses relating to goodwill are not reversed in future periods.

Impairment of financial assets

We assess at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that we use to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- We, for economic or legal reasons relating to the borrower's financial difficulty, grant to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including: (i) adverse changes in the payment status of borrowers in the portfolio; and (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

We first assess whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, we may measure impairment on the basis of an instrument's fair value using an observable market price.

A provision for impairment of trade receivables is estimated when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is determined as explained in the paragraph above. Bad debts are written off when they are assessed as uncollectible.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

Biological assets

Biological assets are living animals or plants managed for sale. These are avocadoes, asparagus, blueberries, mangoes, grapes, piquillo peppers, tangerines and shrimps, which are to be harvested as agricultural produce or as aquaculture products.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: avocadoes, asparagus, blueberries, mangoes, grapes, piquillo peppers, tangerines and shrimps). Costs of producing and harvesting biological assets are expensed as incurred. Costs that increase the number of units produced of the biological asset owned or controlled by us are added to the carrying amount of the relevant assets. Bearer biological assets are classified as current and non-current depending on their maturity period.

Expenses that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals, fertilizers and others. The line item "cost of agricultural produce and biological assets sold and services rendered" includes:

- the cost of agricultural produce held in inventory,
- biological assets valued at fair value less costs to sell, and
- the costs of providing agricultural services.

Therefore, "cost of production" accumulates the costs incurred during the growth of the biological assets and the line item "cost of agricultural produce and biological assets sold and services rendered" accumulates the costs of items from inventory and/ or biological assets expensed when sold.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

- the productive life of the asset;
- the period over which the asset will mature;
- the expected future sales price;
- the cost expected to arise through the life of the asset; and
- a pre-tax discount rate.

The application of the factors mentioned above requires the use of estimates and judgments by management.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical and statistical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise. Agricultural produce and aquaculture production harvested from our biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce and aquaculture production is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the consolidated statement of comprehensive income for the period in which it arises. The cost of the agricultural produce and aquaculture production included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

During the fair value evaluation of our biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at December 31, 2012 was understated by U.S.$13.4 million. This understatement impacted our consolidated statement of financial condition as of December 31, 2012 and our consolidated statement of comprehensive income for the year ended December 31, 2012. See note 2.29 to Camposol Holding Ltd's audited consolidated financial statements and "Presentation of Financial and Other Information — Restatement of 2012 consolidated financial statements" included elsewhere in this offering memorandum.

Inventories

Inventories are valued at the lower of average cost and net realizable value. The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest. The net realizable value is the estimated sale price in the ordinary course of business, less estimated costs to place inventories in selling condition and commercialization and distribution expenses.

The cost of inventories may not be recovered if: (i) those inventories are damaged or become wholly or partially obsolete; and (ii) their selling prices decline or the estimated necessary costs to be incurred to make the sale increase. In such circumstances, inventories are written down to their net realizable value. We determine the provision for obsolescence as follows:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years 100% of cost at expiration

The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (same crop, market and other similar characteristics).

Trade receivables

Current trade receivables are recognized initially at fair value and subsequently re-measured at amortized cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that we will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the consolidated statement of comprehensive income. Bad debts are written off when they are assessed as uncollectible.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of our activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within our group companies.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of avocadoes, asparagus, mangoes, grapes and blueberries. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced) which is determined on current market prices at the date of issuance of the export invoice. In the case of sales on a preliminary liquidation basis, an adjustment to the provisional price is made based on current market prices at the date agreed with the customer, usually within a period ranging from 7 to 30 days after the export delivery. The value of the provisionally priced fresh products is re-measured using the forward selling price for the respective quotational period agreed with the customer until this quotational period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts is recorded as an adjustment to revenue and to trade receivables.
- Exports of preserved products. This mainly includes asparagus, piquillo peppers and artichokes. Revenue is recognized when export delivery conditions are met.
- Export of frozen products. This mainly includes shrimps and avocadoes. Revenue is recognized when export delivery conditions are met.
- Domestic sales. Revenue is recognized on delivery.

Interest income

Revenue is recognized as interest accrues using the effective interest method.

Results of Operations

The following table provides a breakdown of Camposol Holding Ltd's results of operations, and such information as a percentage of revenue, for the periods indicated.

	Year ended December 31,					
	2011	% of total sales	2012 (1) Restated	% of total sales	2013	% of total sales
	(in thousands of U.S.$ except for ratios)					
Revenue	167,810	100%	183,181	100%	231,241	100%
Cost of sales (2)	(109,543)	(65.3)	(138,299)	(75.5)%	(156,880)	(67.8)%
Gross profit	58,267	34.7%	44,882	24.5%	74,361	32.2%
Gains arising from change in fair value of biological assets	34,112	20.3%	40,367	22.0%	40,057	17.3%
Profit after adjustment for biological assets	92,379	55.0%	85,249	46.5%	114,418	49.5%
Selling expenses	(20,581)	(12.3)%	(22,961)	(12.5)%	(26,174)	(11.3)%
Administrative expenses	(19,050)	(11.4)%	(20,115)	(11.0)%	(22,389)	(9.7)%
Other income	868	0.5%	1,145	0.6%	1,334	0.6%
Other expenses	(2,302)	(1.4)%	(1,736)	(0.9)%	(3,415)	(1.5)%
Operating profit	51,314	30.6%	41,582	22.7%	63,774	27.5%
Shares of (loss) / gain of associated companies	111	0.1%	66	0.0%	305	0.1%
Financial income	27	0.0%	1,557	0.8%	81	0.0%
Financial cost	(8,502)	(5.1)%	(17,879)	(9.8%	(19,465)	(8.4)%
Net foreign exchange transactions losses	(1,316)	(0.8)%	(2,042)	(1.1)%	(2,750)	(1.2)%
Profit before income tax	41,634	24.8%	23,284	12.7%	41,945	18.1%
Income tax credit / (expense)	(8,014)	(4.8)%	(6,284)	(3.4)%	(10,431)	(4.5)%
Profit for the year from continuing operations	33,620	20.0%	17,000	9.3%	31,514	13.6%
Discontinued operations:						
Loss for the year from discontinued operations	(275)	(0.2)%	(147)	(0.1)%	x	0.0%
Profit for the year	33,345	19.9%	16,853	9.2%	31,514	13.6%

(1) For a discussion on the restatement of the 2012 consolidated financial statements, see "Presentation of Financial and Other Information Restatement of 2012 consolidated financial statements" and Note 2.29 of the audited consolidated financial statements included in this offering memorandum.

(2) Sales include charges for cost of freight when, at our customers' request, we pay such freight cost.

The tables below provide a breakdown of our sales by product for the periods indicated.

	Year ended December 31, 2011			
	Sales	% of total sales	Gross Profit	Gross Profit Margin
Avocadoes	39,873	23.8%	26,549	66.6%
Asparagus	57,870	34.5%	13,349	23.1%
Blueberries	—	0%	—	0%
Artichokes	1,973	1.2%	640	32.4%
Grapes	14,755	8.8%	6,807	46.1%
Piquillo peppers	20,420	12.2%	5,193	25.4%
Mangoes	16,021	9.5%	4,191	26.2%
Shrimp	13,300	7.9%	2,721	20.5%
Other	3,598	2.1%	(1,183)	(32.9)%
Total	167,810	100.0%	58,267	34.7%

	Year ended December 31,							
	2012				2013			
	(in thousands of U.S.$ except where indicated)							
	Sales	% of total sales	Gross Profit	Gross Profit Margin	Sales	% of total sales	Gross Profit	Gross Profit Margin
Avocadoes	31,436	17.2%	16,295	51.8%	49,244	21.3%	22,784	46.3%
Asparagus	68,078	37.2%	12,282	18.0%	69,955	30.3%	18,447	26.4%
Blueberries	—	—	—	—	8,638	3.7%	7,065	81.8%
Artichokes	9,837	5.4%	2,407	24.5%	12,772	5.5%	1,866	14.6%
Grapes	18,178	9.9%	6,335	34.8%	21,245	9.2%	7,277	34.3%
Piquillo peppers	15,299	8.4%	2,486	16.2%	18,730	8.1%	3,014	16.1%
Mangoes	14,722	8.0%	1,893	12.9%	18,689	8.1%	4,267	22.8%
Shrimp	21,149	11.5%	4,191	19.8%	26,629	11.5%	9,802	36.8%
Other	4,482	2.4%	(1,007)	(22.5)%	5,339	2.3%	(161)	(3.0)%
Total	183,181	100.0%	44,882	24.5%	231,241	100.0%	74,361	32.2%

The following discussion comparing our financial results of operations for the years ended December 31, 2011, 2012 and 2013 is based on Camposol Holding Ltd's consolidated financial statements and consolidated condensed financial information included elsewhere in this offering memorandum.

Years Ended December 31, 2012 and 2013

Revenues

In 2013, our revenues were U.S.$231.2 million, which represented an increase of U.S.$48.1 million, or 26.2%, compared to revenues of U.S.$183.2 million in 2012. The main reasons for the increase in revenues were higher volume sold of avocadoes, grapes and blueberries, as well as higher prices of shrimp and asparagus.

Avocadoes

In 2013, avocadoes revenues totaled U.S.$49.2 million, which represented an increase of U.S.$17.8 million, or 56.7%, from U.S.$31.4 million in 2012. In 2013, avocadoes sales represented 21.3% of our total sales, compared to 17.2% of total sales in 2012. These changes were mainly the result of field volumes back on track due to normal climatic conditions during 2013 and additional fields entering medium and high yield production phase.

We sold 25,379 net MTs of fresh avocadoes during 2013, at an average price of U.S.$1.70 per net kg representing an increase of 114.5% in volume sold and a decrease of 8.5% in price compared to the same period of 2012. We sold 1,446 net MT of frozen avocadoes in 2013, which represented a decrease of 36.2% over 2012. The average price of frozen avocadoes sold during 2013 was U.S.$3.97 per net kg, which was 0.9% lower than 2012.

In 2013, our gross margin for avocadoes was 46.3%, compared to 51.8% in 2012, mainly due to 211 Has having entered into its early productive stage during 2012, resulting in lower cost for that year, since only harvest cost is taken into consideration during the first commercial harvest.

Asparagus

In 2013, asparagus revenues totaled U.S.$70.0 million, which represented an increase of U.S.$1.9 million, or 2.8%, from U.S.$68.1 million in 2012. In 2013, asparagus sales represented 30.3% of our total sales, compared to 37.2% of total sales in 2012. This decrease was caused mainly by lower volumes of asparagus and increased volumes of all other products. White asparagus is our main product, which represented 22.7% of our total sales and 76.0% of our total asparagus sales of 2013.

During 2013, we sold a total of 5,054 net MT of fresh white asparagus at an average price of U.S.$4.46 per net kg, which represented a decrease of 5.7% in volume sold and a price increase of 21.8% compared to 2012. In 2013, we sold a total of 10,299 net MT of preserved white asparagus at an average price of U.S.$2.85 per net kg, which represented a 31.2% decrease in volume sold and 18.2% increase in average price compared to 2012.

In 2013, total gross margin for asparagus was 26.4%, compared to 18.0% in 2012.

Mangoes

In 2013, our mangoes revenues totaled U.S.$18.7 million, which represented an increase of U.S.$4 million, or 27.2%, from U.S.$14.7 million in 2012. In 2013, mangoes sales represented 8.1% of our total sales, compared to 8.0% of total sales in 2012. This increase was caused mainly by the increase of third party sourcing.

In 2013, we sold 10,060 net MTs of fresh mango at an average price of U.S.$1.10 per net kg. This represents an increase of 20.1% in volume sold and a price increase of 4.7% compared with 2012. In 2013, we sold 4,013 net MTs of frozen mango at an average price of U.S.$1.77 per net kg. This represents an increase of 47.8% in volume sold and a price decrease of 13.7% compared to 2012. In 2013, our gross margin for mangoes was 22.8%, compared to 12.9% in 2012, mainly due to logistic and industrial improvements and their corresponding impact in our operational costs, as well as increased third party raw material volumes sold.

Piquillo peppers

In 2013, piquillo peppers revenues totaled U.S.$18.7 million, which represented an increase of U.S.$3.4 million, or 22.2%, from U.S.$15.3 million in 2012. These changes were mainly the result of the recovery of the Spanish economy – main market for piquillo peppers – which boosted the demand for our products, as well as the commercial alliance with Riberebro.

In 2013, piquillo peppers sales represented 8.1% of our total sales, compared to 8.4% of total sales in 2012. This decrease was caused mainly by the increase in other crops such as avocadoes.

During 2013, we sold 8,732 net MTs of preserved piquillo peppers at an average price of U.S.$1.94 per net kg. This represents an increase of 15.1% in volume sold and a price decrease of 0.5% compared to the same period in 2012. In 2013, our gross margin for piquillo peppers was 16.1%, a similar level as in 2012, when it reached 16.2%.

Grapes

In 2013, grapes revenues totaled U.S.$21.2 million, which represented an increase of U.S.$3.1 million, or 16.9%, from U.S.$18.2 million in 2012. These changes were mainly the result of greater field harvested volumes.

In 2013, grapes sales represented 9.2% of our total sales, compared to 9.9% of total sales in 2012. This decrease was caused mainly by the increase in other crops such as avocadoes.

We sold 9,599 net MTs of fresh grapes at an average price of U.S.$2.20 per net kg. This represents an increase of 26.6% in volume sold and a price decrease of 7.4% compared to 2012.

In 2013, our gross margin for grapes was 34.3%, compared to 34.8% in 2012, mainly due to lower prices.

Shrimps

In 2013, shrimp revenues totaled U.S.$26.6 million, which represented an increase of U.S.$5.5 million, or 25.9%, from U.S.$21.1 million in 2012.

In both 2012 and 2013, shrimp sales represented 11.5% of our total sales. During 2013, we sold 2,152 net MT of shrimp at an average price of U.S.$12.37 per kg. This represented a decrease in volumes of 311 net MT or 12.6% and a price increase of U.S.$3.79 per kg or 44.1%. These changes were mainly the result of higher prices as a result of lower global produced volumes due to the Early Mortality Syndrome, also known as EMS.

In 2013, our gross margin for shrimp was 36.8%, compared to 19.8% in 2012, mainly due to higher prices.

Artichokes

In 2013, artichokes revenues totaled U.S.$12.8 million, which represented an increase of U.S.$2.9 million, or 29.9%, from U.S.$9.8 million in 2012. These changes were mainly the result of business growth following a volume strategy with an effect on prices, in order to gain market share in a scenario where the industry had a negative price impact due to over production in Spain. In 2013, artichokes sales represented 5.5% of our total sales, compared to 5.4% of total sales in 2012.

We sold 4,860 net MT of preserved artichoke during 2013, at an average price of U.S.$2.56 per net kg, representing an increase of 38.7% in volume sold and a decrease of 8.6% in price compared to 2012.

In 2013, our gross margin for artichokes was 14.6%, compared to 24.5% in 2012, mainly due to lower prices and higher costs as a consequence of lower yield field production.

Blueberries

Blueberries are a new product for Camposol and represent a potential growth product for us, as they are traditionally consumed in North America, a fast growing market, with growth driven by blueberries' increasing popularity as a result of the media identification of their health-promoting properties. Blueberries have some of the highest antioxidants concentration available among fruits and are rich in potassium and Vitamin C.

Our first significant harvest of blueberries began in 2013, as 54 out of the 212 hectares we planted in 2011 are bearing fruit for the first time. Our blueberries plantations are located in Chao, La Libertad.

In 2013, we harvested a total of 797 MT of blueberries. During 2013, we obtained an average yield of 15 MT/Ha. Our theoretical peak yield is 15 MT/Ha; however, this theoretical yield lacks historical data in La Libertad region, meaning that either greater yields or lower yield can be achieved in the future. The life of this crop is usually 11 years.

The table below shows blueberries production per field for the year ended 2013, detailing the age of the field since it was first planted. Due to our favorable climatic conditions, blueberries can be harvested year long; however we aim to harvest and commercialize during favorable price windows.

Field	Hectares planted	Average age	Harvest (in MT)
Total hectares planted with blueberries	212	2	797

We expect blueberries to increase its contribution to our revenues and gross profit as the planted hectares reach their fully productive stage. Investments must be made to process increasing volumes of blueberries, and we plan to invest U.S.$21.5 million in a new processing plant in La Libertad.

Our blueberries are currently all sold fresh, mainly to the U.S. market and in a smaller proportion to Europe.

Cost of Sales

Cost of sales mainly consists of inventories recognized as expenses and personnel expenses. Total cost of sales in 2013 was U.S.$156.9 million compared to U.S.$138.3 million in 2012, representing an increase of U.S.$18.6 million, or 13.4%. This increase was primarily related to an increase in volumes sold.

Gross profit

As a result of the foregoing, during 2013 our gross profit increased, reaching U.S.$74.4 million, as compared to U.S.$44.9 million in 2012. This represented an increase of U.S.$29.5 million, or 65.7%. This resulted in an improved gross margin of 32.2% for 2013, as compared to a gross margin for 2012 of 24.5%.

Net adjustment from change in fair value of biological assets

We recognize in our results the effect of adjustments originated by income for biological assets, which correspond to changes in fair value of agricultural crops and shrimp made as of the reporting date. Biological assets of avocadoes, blueberries, asparagus, mangoes, artichokes, piquillo pepper, grapes and shrimp are stated at their fair value less point of sales costs. See "Critical Accounting Policies – Biological Assets." During the fair value evaluation of our biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at December 31, 2012 was understated by U.S.$13.4 million. See "Presentation of Financial and Other Information — Restatement of 2012 consolidated financial statements" and note 2.29 to Camposol Holding Ltd's audited consolidated financial statements included elsewhere in this offering memorandum.

Net adjustment from change in fair value of biological assets in 2013 was U.S.$40.1 million compared to U.S.$40.4 million in 2012, a decrease of U.S.$0.3 million, or 0.7%.

Selling expenses

Our selling expenses in 2013 totaled U.S.$26.2 million, a U.S.$3.2 million increase compared to 2012. The table below sets forth our selling expenses for the periods indicated.

	For the period ended December 31,					
	2011	**% of 2011 total sales**	**2012**	**% of 2012 total sales**	**2013**	**% of 2013 total sales**
	(in thousands of U.S. dollars, except percentages)					
Freight	11,574	6.9%	11,681	6.4%	11,712	5.1%
Customs	4,403	2.6%	4,535	2.5%	6,761	2.9%
Personnel expenses	987	0.6%	1,184	0.6%	1,300	0.6%
Selling commission	637	0.4%	946	0.5%	674	0.3%
Amortization of customer relationships	447	0.3%	2,132	1.2%	2,132	0.9%
Consulting services	670	0.4%	818	0.4%	624	0.3%
Travel and business expenses	558	0.3%	561	0.3%	907	0.4%
Insurance	523	0.3%	382	0.2%	598	0.3%
Depreciation	6	0.0%	—	0.0%	—	0.0%
Other expenses	776	0.5%	722	0.4%	1,466	0.6%
Total	20,581	12.3%	22,961	12.5%	26,174	11.3%

Administrative expenses

In 2013, our administrative expenses totaled U.S.$22.4 million, compared to U.S.$20.1 million in 2012, representing an increase of U.S.$2.3 million, or 11.3%. This increase resulted from the expected growth of our commercial offices as well as non-recurring payments.

The table below sets forth our administrative expenses for the periods indicated.

Other income

For 2013, other income totaled U.S.$1.3 million compared to U.S.$1.1 million during 2012, an increase of U.S.$0.2 million, or 18.2%. This change was mainly attributable to an increase in services to third parties.

Other expenses

For 2013, other expenses totaled U.S.$3.4 million compared to U.S.$1.7 million during 2012, an increase of U.S.$1.65 million, or 97.1%. Our other expenses were higher in 2013 compared to 2012 primarily as a result of tax contingencies, inventory impairment and late charges and penalties.

Operating profit

As a result of the foregoing, in 2013 our operating profit totaled U.S.$63.8 million, an increase of U.S.$22.2 million, or 53.4%, from U.S.$41.6 million in 2012. EBITDA for 2013 increased to U.S.$42.7 million from U.S.$16.9 million for 2012.

Financial cost

Financial cost for 2013 totaled U.S.$19.5 million, compared to U.S.$17.9 million for 2012, an increase of U.S.$1.6 million, or 8.9%. The increase in financial cost was largely due to additional working capital financing and the unrealized loss on investment instruments.

Net foreign exchange transaction losses

Net foreign exchange transaction losses for 2013 were U.S.$2.8 million, an increase of U.S.$0.8 million from U.S.$2.0 million net foreign exchange transaction losses in 2012. Our translation differences are mainly explained by the change in the value of our accounts receivable in Euros when converted to our functional currency which is the U.S. dollar and by the change in value of certain investment instruments held in Peruvian Nuevos Soles when converted to our functional currency. This increase was mainly due to a revaluation of the Euro/U.S. dollar exchange rate and the devaluation of the U.S. dollar/Peruvian Nuevo Sol during this period.

Income tax expense

Income tax expense for 2013 was U.S.$10.4 million, while in 2012 our income tax expense was U.S.$6.3 million.

Profit for the year

As a result of the foregoing, in 2013 we recorded a profit of U.S.$31.5 million, compared to a profit of U.S.$16.9 million during 2012. This represented an increase of U.S.$14.6 million, or 86.4%.

Years Ended December 31, 2011 and 2012

Revenues

In 2012, our revenues amounted to U.S.$183.2 million, which represented an increase of U.S.$15.4 million, or 9.2%, compared to our revenues of U.S.$167.8 million in 2011. The main reason for the increase in revenues was related to higher volumes purchased from third parties, as a response to lower volumes produced of avocadoes and asparagus due to a moderate El Niño effect, and higher prices for all products, except for avocadoes and piquillo peppers. The reasons for these changes are more fully described below.

Avocadoes

In 2012, avocadoes revenues totaled U.S.$31.4 million, which represented a decrease of U.S.$8.5 million, or 21.3%, from U.S.$39.9 million in 2011. These changes were mainly the result of lower volumes due to El Niño effect and unusually low prices as a result of greater production of avocadoes in California.

In 2012, avocadoes sales represented 17.2% of our total sales, compared to 23.8% of total sales in 2011. This decrease was caused mainly by lower volumes and prices.

In 2012, we sold 11,830 net MTs of fresh avocado, at an average price of U.S.$1.86 per net kg representing a decrease of 25.2% in volume sold and a decrease of 13.4% in price, compared to the same period of 2011. Volumes were affected by climate conditions in Peru, while prices were affected by peak production volumes in Mexico and California, which directly affected the U.S. market. In 2012 we sold 2,266 net MTs of frozen avocado, which represented an increase of 26.7% compared to 2011. The average price of frozen avocadoes sold during 2012 was U.S.$4.01 per net kg, 21.8% higher than 2011.

In 2012, our gross margin for avocadoes was 51.8%, compared to 66.6% in 2011, mainly due to lower volumes and prices.

Asparagus

In 2012, asparagus revenues totaled U.S.$68.1 million, which represented an increase of U.S.$10.2 million, or 17.6%, from U.S.$57.9 million in 2011. These changes were mainly the result of higher prices. In 2012, asparagus sales represented 37.2% of our total sales, compared to 34.5% of total sales in 2011. This increase was caused mainly by higher prices

During 2012, we sold a total of 5,357 net MT of fresh white asparagus at an average price of U.S.$3.66 per net kg, which represented an increase of 17.2% in volume sold and a price increase of 1.2% compared to 2011. In 2012, we sold a total of 14,962 net MT of preserved white asparagus at an average price of U.S.$2.41 per net kg, which represented a 1.5% decrease in volume sold and 16.7% increase in average price compared to 2011.

In 2012, our gross margin for asparagus was 18.0%, compared to 23.1% in 2011, mainly due to lower produced volumes.

Mangoes

In 2012, mangoes revenues totaled U.S.$14.7 million, which represented a decrease of U.S.$1.3 million, or 8.1%, from U.S.$16.0 million in 2011. These changes were mainly the result of lower volumes produced as a consequence of bad weather conditions. In 2012, mangoes sales represented 8.0% of our total sales, compared to 9.5% of total sales in 2011. This decrease was caused mainly by generally lower yields in the industry.

In 2012 we sold 8,374 net MTs of fresh mango at an average price of U.S.$1.05 per net kg. This represents a decrease of 19.6% in volume sold and a price increase of 13.5% compared with 2011. In 2012 we sold 2,715 net MTs of frozen mango at an average price of U.S.$2.04 per net kg. This represents a decrease of 29.4% in volume sold and a price increase of 31.8% compared to 2011.

In 2012, our gross margin for mangoes was 12.9%, compared to 26.2% in 2011, mainly due to higher costs as a result of lower yields in the industry.

Piquillo peppers

In 2012, piquillo peppers revenues totaled U.S.$15.3 million, which represented a decrease of U.S.$5.1 million, or 25.1%, from U.S.$20.4 million in 2011. These changes were mainly the result of lower prices and volumes as a result of a diminished Spanish demand linked to an adverse Spanish economic situation. In 2012, piquillo peppers sales represented 8.4% of our total sales, compared to 12.2% of total sales in 2011. This decrease was caused mainly by lower volumes and prices.

During 2012, we sold 7,589 net MTs of preserved piquillo peppers at an average price of U.S.$1.95 per net kg. This represents a decrease of 22.8% in volume sold and a price decrease of 6.3% compared to 2011.

In 2012, our gross margin for piquillo peppers was 16.2%, compared to 25.4% in 2011, mainly due to lower volumes and prices.

Grapes

In 2012, grapes revenues totaled U.S.$18.2 million, which represented an increase of U.S.$3.4 million, or 23.2%, from U.S.$14.8 million in 2011. These changes were mainly the result of maturing fields getting closer to their high yield production phase. In 2012, grapes sales represented 9.9% of our total sales, compared to 8.7% of total sales in 2011. This increase was caused mainly by a decrease in volumes in other crops such as avocadoes and asparagus.

In 2012, we sold 7,585 net MTs of fresh grape at an average price of U.S.$2.38 per net kg. This represents an increase of 18.2% in volume sold and a price increase of 3.4% compared to 2011. Grapes were one of the crops affected by lower than projected volumes and higher unitary costs due to unfavorable climate conditions.

In 2012, our gross margin for grapes was 34.8%, compared to 46.1% in 2011, mainly due to lower prices.

Shrimps

In 2012, shrimp revenues totaled U.S.$21.1 million, which represented an increase of U.S.$7.8 million, or 58.6%, from U.S.$13.3 million in 2011. These changes were mainly the result of increased volumes from acquired shrimp farms. In 2012, shrimp sales represented 11.5% of our total sales, compared to 7.9% of total sales in 2011. This increase was caused mainly by greater volumes.

We sold 2,463 net MTs of shrimp during 2012 at an average price of U.S.$8.03 per net kg. This represents an increase of 50.7% in volume sold and a price decrease of 1.4% compared to 2011. Such increase in volumes comes from investments performed in 2011 to upgrade our recently acquired ponds.

In 2012, our gross margin for shrimp was 19.8%, compared to 19.9% in 2011.

Artichokes

In 2012, artichokes revenues totaled U.S.$9.8 million, which represented an increase of U.S.$7.7 million, or 400.0%, from U.S.$2.0 million in 2011. These changes were mainly the result of our decision to re-enter into the artichoke production business. In 2012, artichokes sales represented 5.4% of our total sales, compared to 1.2% of total sales in 2011. This increase was caused mainly by business expansion.

We sold 3,505 net MTs of preserved artichoke during 2012, at an average price of U.S.$2.80 per net kg representing an increase of 351.1% in volume sold and an increase of 10.2% in price compared to 2011.

In 2012, our gross margin for artichokes was 24.5%, compared to 32.4% in 2011, mainly due to industrial and commercial cost related to re-entering the business.

Cost of Sales

Total cost of sales in 2012 was U.S.$138.3 million compared to U.S.$109.5 million in 2011, representing an increase of U.S.$28.8 million, or 26.3%. This increase was primarily related to greater cost of sales as a result of El Niño effect.

Gross profit

In 2012 our gross profit decreased U.S.$13.4 million, or 23.0%, reaching U.S.$44.9 million, as compared to U.S.$58.3 million in 2011. This resulted in a reduced gross margin of 24.5% for 2012, as compared to a gross margin of 34.7% for 2011.

Net adjustment from change in fair value of biological assets

Net adjustment from change in fair value of biological assets in 2012 was U.S.$40.4 million compared to U.S.$34.1 million in 2011, an increase of U.S.$6.3 million, or 18.5%. This resulted primarily from the planting of 128 additional hectares of avocadoes, 35 additional hectares of mangoes, 206 hectares of blueberries (out of which 53 were planted in late 2011) and an increase in future fields of avocadoes prices during 2011. See "Critical Accounting Policies – Biological Assets." During the fair value evaluation of our biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at December 31, 2012 was understated by U.S.$13.4 million. See "Presentation of Financial and Other Information — Restatement of 2012 consolidated financial statements" and note 2.29 to Camposol Holding Ltd's audited consolidated financial statements included elsewhere in this offering memorandum.

Selling expenses

Our selling expenses in 2012 totaled U.S.$23.0 million, an increase compared to U.S.$20.6 million in 2011. The table below sets forth our selling expenses for the periods indicated.

	For the period ended December 31,					
	2011	% of 2011 total sales	2012	% of 2012 total sales	2013	% of 2013 total sales
	(in thousands of U.S. dollars, except percentages)					
Freight	11,574	6.9%	11,681	6.4%	11,712	5.1%
Customs	4,403	2.6%	4,535	2.5%	6,761	2.9%
Personnel expenses	987	0.6%	1,184	0.6%	1,300	0.6%
Selling commission	637	0.4%	946	0.5%	674	0.3%
Amortization of customer relationships	447	0.3%	2,132	1.2%	2,132	0.9%
Consulting services	670	0.4%	818	0.4%	624	0.3%
Travel and business expenses	558	0.3%	561	0.3%	907	0.4%
Insurance	523	0.3%	382	0.2%	598	0.3%
Depreciation	6	0.0%	—	0.0%	—	0.0%
Other expenses	776	0.5%	722	0.4%	1,466	0.6%
Total	20,581	12.3%	22,961	12.5%	26,174	11.3%

Administrative expenses

In 2012, our administrative expenses totaled U.S.$20.1 million, compared to U.S.$19.0 million in 2011, representing an increase of U.S.$1.1 million, or 5.8%. This increase was mainly due to the opening of the commercial office in the United States (Florida) following the opening of the U.S. market in 2011.

Other income

For 2012, other income totaled U.S.$1.1 million compared to U.S.$0.9 million during 2011, an increase of U.S.$0.2 million, or 22.2%. This change was mainly attributable to the gain on sale of property, plant and equipment.

Other expenses

For 2012, other expenses totaled U.S.$1.7 million compared to U.S.$2.3 million during 2011, a decrease of U.S.$0.6 million, or 26.1%. Our other expenses were lower in 2012 compared to 2011 primarily as a result of a smaller inventory impairment in 2012 and a loss on sale of property, plant and equipment recorded in 2011.

Operating profit

In 2012 our operating profit totaled U.S.$41.6 million, a decrease of U.S.$9.7 million, or 18.9%, from U.S.$51.3 million in 2011. EBITDA for 2012 decreased to U.S.$16.9 million from U.S.$30.8 million for 2011.

Financial cost

Financial cost for 2012 totaled U.S.$17.9 million, compared to U.S.$8.5 million for 2011, an increase of U.S.$9.4 million, or 110.6%. The increase in financial cost was largely due to the issuance of the initial notes in January of 2012.

Net foreign exchange transaction losses

Net foreign exchange transaction losses for 2012 were U.S.$2.0 million, an increase of U.S.$0.7 million compared to 2011. Our translation differences are mainly explained by the change in the value of our accounts receivable in Euros when converted to our functional currency which is the U.S. dollar and by the change in value of certain investment instruments held in Peruvian Nuevos Soles when converted to our functional currency.

Income tax expense

Income tax expense for 2012 was U.S.$6.3 million, while in 2011 our income tax expense was U.S.$8.0 million.

Profit for the year

In 2012 we recorded a profit of U.S.$16.9 million, compared to a profit of U.S.$33.3 million during 2011. This represented a decrease of U.S.$16.4 million or 49.2%.

Material Long-Term Debt Agreements

On February 2, 2012, we issued U.S.$125 million aggregate principal amount of our 9.875% Senior Notes due 2017. The notes accrue interest at a rate of 9.875% per year; interest payments are made semi-annually in arrears on February 2 and August 2 of each year. See "Description of the Notes—Certain Covenants".

Liquidity and Capital Resources

Historically, we have generally met our ordinary course cash requirements for working capital, debt service and capital expenditures with a combination of funds provided by operations and ordinary course external financing, and we believe that the same general combination of funds from our operations and ordinary course external financing are likely to be sufficient to meet our working capital, debt service and capital expenditure requirements for the foreseeable future.

As of December 31, 2011, 2012 and 2013, we had cash and cash equivalents of U.S.$6.6 million, U.S.$28.5 million and U.S.$27.2 million, respectively.

Cash Flow Information

The following table presents selected cash flow information for the periods indicated.

	Year ended December 31,		
	2011	2012	2013
	(in thousands of U.S.$)		
Net cash generated from (used in)			
Operating activities	9,538	(14,547)	5,254
Investing activities	(19,617)	(24,933)	(16,860)
Financing activities	6,768	61,399	10,323
Net change in cash	(3,311)	21,919	(1,283)

Cash Flows from Operating Activities

Years ended December 31, 2011, 2012 and 2013

In 2013, we generated U.S.$5.3 million from operations, partly by an increase in working capital, particularly trade accounts receivable, mainly explained by higher sales in 2013. In 2013, we increased our operational working capital by U.S.$15.7 million, from U.S.$41.9 million or 22.9% of sales as of December 31, 2012, to U.S.$57.6 million or 24.9% of sales as of December 31, 2013.

In 2012, we had a negative cash flow of U.S.$14.5 million from operations, mainly due to higher purchases. In 2012, we increased our operational working capital by U.S.$7.7 million, from U.S.$34.2 million or 20.4% of sales as of December 31, 2011 to U.S.$41.9 million or 22.9% of sales as of December 31, 2012.

Cash Flows from Investing Activities

Years ended December 31, 2011, 2012 and 2013

In 2013, we used cash flow in investing activities in an amount of U.S.$16.9 million, mainly in the maintenance of crops of avocadoes and blueberries and other investments related to improve our packing facilities and fields.

In 2012, cash flow from investing activities reached U.S.$24.9 million, which resulted mainly from investments in the maintenance of the new planted areas, mainly of avocadoes, blueberries and tangerines and other investments related to the improvement in our packing facilities and fields.

In 2011, cash flow from investing activities reached U.S.$19.6 million, as a result of investments in equipment and infrastructure to improve our packing facilities, the improvement of shrimp ponds and the maintenance of crops such as avocadoes and grapes.

Cash Flows from Financing Activities

Years ended December 31, 2011, 2012 and 2013

Cash flow from financing activities in 2013 was U.S.$10.3 million, compared to U.S.$61.4 million in 2012.

During 2012, cash flow from financing activities was U.S.$61.4 million. On February 2, 2012, we issued U.S.$125.0 million aggregate principal amount of our 9.875% Senior Notes due 2017. The net proceeds from the offering of the initial notes were used to prepay a syndicated loan facility with Interbank.

Cash flow from financing activities in 2011 was U.S.$6.8 million to fund investment activities of the period.

We incur inventory-backed short-term bank debt to finance working capital needs during each season. Working capital debt typically reaches its highest seasonal balances in the second and fourth quarters of each year and is repaid as production of products is invoiced and shipped.

The following table sets forth our outstanding financial indebtedness at December 31, 2013.

Bank	Amount	Maturity
Senior Notes due 2017 (1)	U.S.$122.3 million	2017
Other	U.S.$41.3 million	N/A (2)

(1) U.S.$125.0 million aggregate principal amount of our 9.875% Senior Notes due 2017, which on an accounting basis is reflected as U.S.$122.3 million in our financial statements.
(2) Includes short term debt and leasing.

At its annual shareholders' meeting held on May 24, 2011, Camposol Holding Ltd was authorized to acquire its own shares up to a maximum of 10% of shares outstanding. As of December 31, 2012, Camposol S.A. and Camposol Holding Ltd held 2,613,139 and 355,372 shares of Camposol Holding Ltd, respectively, jointly constituting approximately 9.95% of the outstanding shares of Camposol Holding Ltd. Camposol Holding Ltd paid U.S.$11.6 million for the purchase of 2,968,502 of its own shares.

On October 21, 2013, the board of directors of Camposol Holding Ltd unanimously approved the tender of the 2,968,502 shares held by Camposol Holding Ltd and Camposol S.A. Camposol Holding Ltd received a total amount of U.S.$12,417 for the sale of 2,968,502 of its own shares. The gain on disposal of treasury stock amounted to U.S.$825, and was recognized in the financial statements as part of other reserves, in the consolidated statements of changes in equity.

Dividend Policy

We have not declared any dividends since the purchase of shares by the Dyer Coriat family in 2007. Under the terms of the notes, our ability to pay dividends will be restricted by certain covenants. See "Description of the Notes – Limitation on Restricted Payments."

Capital Expenditures

Since the acquisition of Camposol S.A. in 2007 by investors led by Dyer Coriat Holding (since renamed Generación del Pacífico Grupo S.L.), we have made substantial investments in diversifying crops, significantly growing planted area of avocadoes, opening the U.S. market for Peruvian Hass avocadoes and table grapes. In addition, we also invest yearly in research and development, which includes costs associated with physical facilities, purchase of new equipment, new technologies and other expansion and improvement projects associated with our business.

One of our principal strategic investments has been the development of the Yakuy Minka project, the largest private irrigation project in Peru, which was completed in 2010 and provided irrigation for 1,406 hectares in the first phase and an additional 2,248 hectares in the second phase. We invested a total of U.S.$10.2 million in this project, which included investments in infrastructure work, the irrigation system, the preparation of the land, installation of piping, machinery, labor, organic material and seeds. The Yakuy Minka farm is located at kilometer 500 on the Pan-American Highway North, in the Chao District, province of Virú, in La Libertad. The project required building a covered canal, four siphons, a 530 meter long tunnel and a 100,000 m^3 reservoir. The canal is 12 km long, and its maximum water transporting capacity is 3 m^3 /second. This project allows us to irrigate our avocadoes, asparagus, piquillo pepper and grapes crops.

During 2012 we invested a total of U.S.$24.7 million, including U.S.$10.5 million in the maintenance of new planted areas, mainly of avocadoes, blueberries and tangerines, U.S.$10.4 million in equipment and infrastructure to improve our packing facilities, fields and offices and U.S.$3.8 million in the additional planting of other products in current and new fields.

During the year ended December 31, 2013, we invested a total of U.S.$17.3 million, of which U.S.$6.0 million was invested in equipment and infrastructure to improve our packing facility, U.S.$0.9 million was invested in improving our shrimp ponds, U.S.$3.3 million was invested in the planting of other products and U.S.$7.1 million was invested in the maintenance of the newly planted areas of avocadoes and other products. These investments were financed with bank debt and cash.

We intend to fund capital expenditures in 2014 with the proceeds of the offering of the notes and in the future with existing cash. We may modify our capital expenditure plans at any time to address, among others, changes in market conditions for our products, changes in general economic conditions in Peru, the U.S., Europe or any other relevant country or region, changes in the prices of raw materials, interest rate changes, inflation and competitive conditions. Accordingly, our projected capital expenditures may not be actually made, or if made, the actual amount of such capital expenditures could be significantly greater or less than projected.

Quantitative and Qualitative Disclosure about Market Risk

In the normal course of business, we are exposed to fruits and vegetables price and interest rate risks. The following discusses our exposure to these risks. This discussion contains forward-looking statements that are subject to risks and uncertainties. Actual results could vary materially as a result of a number of factors including those set forth in the risk factors section of this offering memorandum. Uncertainties that are either non-financial or not quantifiable, such as political, economic, tax, other regulatory, or credit risks, are not included in the following assessment of our market risks.

Price Risk

We are exposed to the risk of fluctuations in the prices for our products, as international prices of fruits and vegetables are subject to changes. Although we seek to mitigate our exposure to price risk by selling a portion of our production from each season on a forward basis, the amount and terms of any such forward sales is subject to market risk and other commercial uncertainties, and we do not hedge the price at which our products are sold and as a result are fully exposed to the effects of changes in prevailing market prices of fruits and vegetables. A decline in the market price of fruits and vegetables would adversely impact our revenues, net income and cash flows and could have a material adverse effect on our ability to repay our debt and meet our other financial obligations.

Exchange Rate Risk

Our activities and borrowings in foreign currency expose us to the risk of fluctuations in U.S. dollar exchange rates. We seek to mitigate this risk partially by maintaining debt balances in foreign currency. Notwithstanding the fact that substantially all of our assets are located in Peru, our functional currency is the U.S. dollar, primarily as a result of our export driven business and the fact that our primary revenues and costs are denominated in U.S. dollars. We buy and sell our products and services and obtain funding for our working capital and investments mainly in U.S. dollars. During the year ended December 31, 2013, 29% of our production costs were related to labor, which are incurred in *nuevos soles*. As a result, our financial results are affected by exchange rate fluctuations between the U.S. dollar and the *nuevo sol*. Furthermore, a material portion of our sales are made to customers in Europe, with such sales being made in Euros. As a result of our functional currency being the U.S. dollar, our financial results are affected by the exchange rate between the Euro and the U.S. dollar. Future variations in exchange rates could have a significant impact on the portion of our costs denominated in *nuevo soles* or the portion of our sales denominated in Euros, thus affecting our results of operations.

Interest Rate Risk

Our exposure to interest rate risk arises primarily from short-term borrowings. Borrowings issued at variable rates expose us to interest rate risk. As of December 31, 2013, our long term debt contracts are set at a fixed interest rate. Our short term debts are also set at a fixed interest rate during the life of the contracts, though they are initially negotiated at current market conditions.

Off-Balance Sheet Arrangements

As of December 31, 2013, we did not have any material off-balance sheet obligations that were not reflected in our consolidated financial statements at such date.

INDUSTRY

Overview

We plant, harvest, process and export avocadoes (fresh and frozen), white asparagus (fresh, frozen and preserved), green asparagus (fresh, frozen and preserved), blueberries (fresh and frozen), mangoes (fresh, frozen and preserved), piquillo peppers (frozen and preserved), table grapes (fresh), artichokes (frozen and preserved), tangerines (fresh, frozen and preserved) and shrimps (frozen).

We have benefited from a combination of factors that have supported the rapid growth of the Peruvian agri-business export sector. Peru's export industry benefits from a business climate that welcomes foreign investors and encourages trade. Free trade agreements with all major trading partners, such as the United States, the European Union (which is pending implementation), and China, provide an invaluable stimulus to the export industry. The agricultural sector continues to be very labor intensive, and Peru's agri-business industry benefits from its access to abundant and relatively cheap farm labor. Lastly, Peru's climate is very well suited for the production of a wide range of fruits and vegetables.

The favorable business environment and strong land ownership rights in Peru have supported capable producers and agricultural entrepreneurs who have adopted state-of-the-art technology and organizational standards. Furthermore, this investor-friendly business climate has contributed to the signing of several trade agreements including a free trade agreement with the U.S. that eliminated most tariffs on Peru's exports to the United States. Having access to the U.S. market is of great value to the Peruvian export sector. Peru is also working toward expanding its trade base and has signed free trade agreements with most major trading partners, most notably with China and the European Union.

Relatively low labor costs have helped Peru to compete successfully in the world market. As a lower middle-income country with a very skewed income distribution, average wages are below those of many of its competitors. Low agricultural wages are a result of an abundant supply of unskilled rural workers.

Finally, Peru's main competitive advantage in fruit and vegetable production is its climate. The country's temperature is relatively constant and mild due to the Humboldt Current, which brings cold water from the Antarctic to most of Peru's coast and thus moderates otherwise hot temperatures. The proximity of Peru to the equator gives the country a relatively even length of daylight and supply of sunshine throughout the year and guarantees the absence of frost. This spring-like climate allows crops such as asparagus to be harvested 12 months out of the year, under the proper water-management techniques. As a Southern Hemisphere fruit and vegetable exporter, Peru has the advantage of being able to supply the high-income and populous Northern Hemisphere markets in their off-season and in a different export window vis-à-vis other exporters located further south, such as Chile and South Africa.

Peru's combination of business climate, trade agreements, low labor costs, and climatic conditions helped lay the foundation for developing a competitive and successful agricultural export industry. We have taken advantage of these factors to grow and consolidate our existing business, and become the leading player in the Peruvian agri-business sector.

Avocadoes

Peru is an emerging avocadoes exporter, with several competitive advantages in its production due to the country's location and climate. Given its specific climatic factors, Peru's avocadoes production is able to achieve higher yields and reach the U.S. within a window of low production by its competitors such as Mexico and Chile. Global avocadoes consumption is growing rapidly, particularly in the United States. In July 2011, Peruvian Hass avocadoes were fully cleared to enter the U.S. market without quarantine treatment, and can do so tariff-free given the free-trade agreement between both countries. The U.S. market currently has a supply-demand imbalance that creates a significant supply shortfall, even when including imports. According to trade groups such as the Hass Avocado Board, this supply gap in the United States will continue over the next few years, as demand growth continues to significantly outpace increases in supply.

Crop description

Avocadoes are an edible fruit of the laurel family, with a pear-like or round shape and a thick skin. The fruit's flesh (its edible part) is generally yellow and may include a thin layer of bright green directly beneath the skin. The trees are generally 9-18 meters high. The main avocadoes species are the West Indian, Guatemalan and Mexican types, with hybrids between the three also being common (particularly the Hass variety, which is a Guatemalan-Mexican hybrid and the most widely consumed type). The main varieties grown in Peru include the Hass, Fuerte, Siempre Fuerte, Nabal, Queen, Linda and Collinred.

Avocadoes consumption is believed to yield a significant amount of health benefits, mainly due to its high levels of vitamins A, B, E and G, high levels of potassium (higher than bananas) and high levels of monosaturated fat. In an article published by the American Journal of Medicine (December 1999), research showed that avocadoes are rich in beta-sitosterol, a natural substance believed to significantly lower blood cholesterol levels. The oil produced by the fruit's skin is also widely used in the beauty products industry, mostly for the production of facial creams, hand lotions and fine soap, and the remaining pulp residue after oil extraction being used as stock feed for livestock.

In Peru, specifically in the region of La Libertad, avocadoes are generally harvested on an annual basis, with a lag time of approximately three years between planting and the first harvest. They begin to yield their first harvest in year three, with yields of approximately 4 MT per hectare. By year six, yields have increased and stabilized between 18 MT per hectare to 22 MT per hectare, with the production becoming sustainable over the next two decades. Avocadoes yields are generally subject to the phenomenon of alternation, a natural effect in which fruit trees typically produce higher harvested volumes in one year and lower volumes in the next.

Global avocadoes yields, by major Hass avocadoes producer (in MT per hectare)	
Peru	10.8
South Africa	10.8
Mexico	10.1
United States	9.8
Chile	4.3
World (avg.)	9.0

Source: FAOSTAT. Data as of 2012.

In terms of crop yield, the world average during 2012 was 9.0 MT per hectare. Compared to the largest avocadoes producers, Peru has the highest yield at 10.8 MT per hectare. Moreover, Peru's La Libertad region, where we have our fields, has an even higher yield at 14.5 MT per hectare.

Demand

Global avocadoes demand comes primarily from North America (mostly the United States) and Europe, which together accounted for around 84.3% of imports in 2012. The U.S. is the largest importer of avocadoes, accounting for 42% of global imports during the same year. Other high-demand countries include the Netherlands, France, Japan, the U.K. and Spain.

Global avocadoes imports (U.S.$ in millions)	**2001**	**2012**	**CAGR**
North America	114	1,037	22.2%
Europe	246	783	11.1%
Japan	25	162	18.5%
Global	U.S.$422	U.S.$2,159	16.0%

Source: International Trade Center.

The Hass variety of avocadoes has the highest demand on the international market, according to the Hass Avocado Board, and comprises the majority of avocadoes exports, given its high yields and longer post-harvest lifetime making it easier to transport over long distances.

The U.S. market is the fastest-growing market for avocadoes, with per capita consumption growing from 1.0 kg. to 2.1 kg. per year between 2000 and 2011. The U.S. avocadoes market's sharp growth has been driven mainly by a higher level of public awareness of the fruit's nutritional benefits and advertising to such effect, the rapidly growing Hispanic population in the United States, and increased year-round availability of fresh avocadoes. Although the U.S. is currently the largest avocadoes importer, there is still significant growth potential, as U.S. avocadoes consumption per capita still lags that of other countries, such as Mexico and Chile.

U.S. per capita avocadoes consumption Year Kilograms	'00-01	'01-02	'02-03	'03-04	'04-05	'05-06	'06-07	'07-08	'08-09	'09-10	'10-11	CAGR
	1.0	1.1	1.1	1.3	1.4	1.6	1.6	1.6	1.7	1.9	2.1	6.9%

Source: USDA

The U.S. produces avocadoes primarily in California and Florida. However, decreasing domestic production volumes and increasing demand over the past decade have created a growing supply gap, which has been increasingly met by imports. This situation is forecasted to continue into the future. According to the Hass Avocado Board in 2011, the United States is the largest avocadoes market in the world, and the projected U.S. demand annual growth for avocadoes from 2012 to 2017 was 10%, a higher percentage than the projected growth in total supply of 3%. The supply gap generated by the strong U.S. demand growth, combined with higher product quality, has also led to higher price growth over the past three decades.

U.S. avocadoes sales, by product origin (000 MT)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Domestic production	159	190	132	272	100	141	82	261	120	192	209
Imports	136	161	245	181	365	329	406	317	396	499	556
Total	295	351	376	454	465	469	488	578	516	691	765

Source: Hass Avocado Board.

The main sources of avocadoes imports for the U.S. market over the past three years have been Mexico, Chile, the Dominican Republic and Peru, with Mexico accounting for the vast majority of the imported volumes.

U.S. avocadoes imports by country of origin (000 MT)	1Q'13	2Q'13	3Q'13	4Q'13
Mexico	174	120	70	147
Chile	3	—	2	18
Dominican Republic	8	1	2	6
Peru	—	3	18	0

Source: International Trade Center

Peruvian Hass avocadoes production and exports to the U.S. have historically been substantially lower than the countries listed above, however Peruvian production and exports have increased over the past few years, as the free-trade agreement with the U.S. and the lifting of certain sanitation requirements have provided increased access for Peruvian exporters. In July 2011, the U.S. Animal and Plant Health Inspection Service ("APHIS") agreed to permit Peruvian avocadoes imports to enter the country without a quarantine period, eliminating the need to submit the fruit to cold treatment before shipping and allowing exporters to lower their costs, while significantly increasing the quality of the fruit.

As shown in the table above, avocadoes exports from the main exporting countries to the U.S. decreased materially in the second and third quarter of 2013. The fact that Peru's Hass production window is during the second and third quarters of the year means that it coincides with periods of low imports from other countries. This provides Peruvian avocadoes exporters a significant opportunity to obtain better prices for their production.

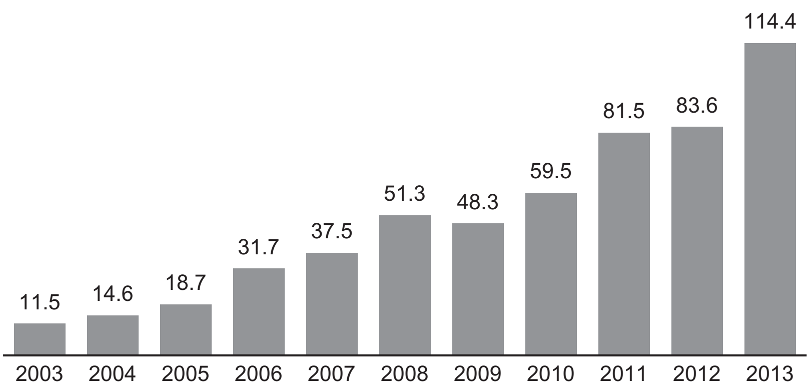
The European Union market is mainly supplied by Peru, South Africa and Israel, together contributing around 48% of total imports in 2013, according to International Trade Center. European Union avocadoes imports grew by 17% between 2009 and 2012, and are expected to continue increasing in the coming years. Similar to the main U.S. demand catalysts, European Union demand growth is mainly driven by increased awareness of the fruit and its potential uses and benefits, as well as through promotional campaigns from producing countries.

Supply

Global avocadoes production is highly concentrated; with a handful of countries accounting for most of the world's output. The main avocadoes producers in 2012 were Mexico, the U.S., Indonesia, the Dominican Republic, Kenya, Chile, Colombia, and Peru. Mexico's production accounted for 43% of total global output in 2012. During this period, Peru was the world's sixth-largest producer. Hass variety producers' countries are United States, Mexico, Chile, Peru and South Africa.

According to the Peruvian Ministry of Agriculture (*Ministerio de Agricultura* – MINAG), at the end of 2012 Peru had around 23,642 hectares of producing Hass avocadoes plantations. Peruvian Hass production is highly competitive given its harvest timing, consistent quality and high yield levels. Average Hass yields in Peru were 10.8 MT per hectare in 2012. During 2012 average yields in the main avocadoes-growing region in Peru, La Libertad, were higher than the national average, at above 14.6 MT per hectare. Avocadoes are generally exported under two different formats: fresh and frozen, with Camposol exporting both varieties.

Peruvian avocadoes exports (in thousands of MT)



Source: Figures for 2003-2013 from ADEX – ADUANAS.

Asparagus

Peru is the largest asparagus exporter and one of the most important suppliers for the crop in the world. Peruvian asparagus production is highly efficient given the country's geographic location and climatic advantage, with the highest yields among asparagus producers (11.4 MT per hectare). Global asparagus consumption has increased over the past years, in line with increased demand for healthier food, according to FAOSTAT. In addition, China, the largest producer of asparagus in the world (as well as the largest consumer), has been decreasing its production due to lower yields in its plantations and increased labor costs.

Crop description

Asparagus is a perennial vegetable with fleshy roots and fernlike, feathery foliage. The plant grows about 3 feet tall. The part that is eaten is the tender young stem. Asparagus plantations live from 12 to 15 years or longer; however, they usually reach peak production between years 8 and 10. To optimize production yield, asparagus in commercial plantations is usually replanted in Peru by year 8 or 9, which coincides with the period in which yields start to decline below optimal levels.

In Peru, asparagus fields reach maturity on average by the third year and produce on average 10 to 15 MT of product per hectare. Yields may vary for green and white asparagus, with the green variety typically producing closer to 10 MT and the white variety typically producing closer to 15 MT.

Asparagus can be found in the green and white varieties. Green asparagus is the most common in the United States, while the white is more popular in Europe. The main difference between both varieties is the method for growing them. White asparagus is grown under the soil, blocking the sunlight from reaching the plant, and therefore not allowing it to produce the chlorophyll necessary to produce the green color. Both varieties are marketed fresh, frozen and preserved.

Production of asparagus is labor intensive, as it requires large amounts of personnel to manually harvest each stem from the ground. In the case of white asparagus (which grows underground), the process requires added work time and labor per unit of production, as skilled laborers need to judge a crop's location before digging and exercise extreme care while harvesting the crops to avoid damaging the stalks.

During 2012, the global average yield in asparagus was 5.5 MT per hectare. During this period, Peru's yield reached 11.4 MT/Ha, the highest yield amongst the world's largest producing countries, and close to double the world average.

Main asparagus producers – Yield (MT/Ha) 2012	
Peru	11.4
Mexico	7.4
Italy	6.1
China	5.4
Germany	5.3
Chile	5.0
Japan	4.7
France	4.4
Spain	4.2
USA	3.4
World (avg.)	5.5

Source: FAOSTAT.

As consumers have become more health conscious, opportunities for marketing asparagus have increased. The perceived health benefits of asparagus include:

- Anti-cancer agents;
- The ability to strengthen the immune systems;
- A richness in folic acid, a vitamin especially beneficial to pregnant women as it can reduce the risk of birth defects; and
- Anti-aging properties.

Demand

The largest consumers of asparagus are China, the United States and Germany. China is the largest consumer as well as the largest producer of asparagus, with total production of 7.4 million MT in 2012 (the most recent year for which data is available). It is estimated that most of China's production is destined to its internal market, a trend that has been increasing in recent years. The U.S. is the second largest consumer of asparagus as well as an important producer; however, in the last few years, U.S. production of asparagus has been declining mainly due to the entry of competitively priced, tariff-free imports. Germany is the third-largest asparagus consumer in the world, particularly of white asparagus, both fresh and preserved.

Fresh asparagus imports – 2012 (U.S.$ millions)	
United States	U.S.$ 511.4
Japan	96.0
Germany	92.8
Canada	84.5
Netherlands	62.3
United Kingdom	61.0
Switzerland	50.6
Others	258.5
Total	U.S.$1,217.2

Preserved asparagus imports – 2012 (U.S.$ millions)	
Spain	U.S.$ 92.7
France	60.9
Germany	46.3
United States	39.7
Netherlands	16.0
Belgium	9.2
Australia	7.9
Others	50.5
Total	U.S.$323.3

Source: International Trade Center.

Supply

During 2012, global asparagus production reached 8.3 million MT, a 13% increase from 2009. This increase resulted from growth in China's production to 7.4 million MT with a larger presence in white asparagus production (65% of total production). China's production represented 88.5% of global supply of asparagus followed by Peru (4.5%), Mexico (1.4%), Germany (1.2%), Spain (0.5%) and the United States (0.4%).

Main asparagus producers (in thousands of MT)	2012 Production ('000 MT)	2012 Market share
China	7,350	88.5%
Peru	**377**	**4.5%**
Mexico	120	1.4%
Germany	102	1.2%
Thailand	65	0.8%
Spain	45	0.5%
USA	35	0.4%
Japan	30	0.4%
Italy	30	0.4%
France	20	0.2%
Others	127	1.5%
Total	8,301	100.0%

Main asparagus exporters (in thousands of MT)	2012 Exports (U.S.$ million)	2012 Market share
Peru	**486**	**35.8%**
Mexico	229	16.9%
USA	155	11.4%
China	123	9.0%
Netherlands	111	8.2%
Spain	58	4.2%
Germany	29	2.1%
Greece	28	2.0%
France	23	1.7%
Italy	22	1.6%
Rest of world	95	7.0%
Total	1,358	100.0%

Source: FAOSTAT, International Trade Organization. Data for 2012, National Superintendency of Tax Administration (*Superintendencia Nacional de Administración Tributaria* – SUNAT)

According to the USDA Foreign Agricultural Service, in recent years Chinese production has been decreasing due to Chinese producers' shifting to other less labor intensive crops. In addition, severe weather conditions in recent years have caused lower yields in Chinese asparagus fields, which has caused Chinese producers to shift some production to better yielding crops. This reduction in Chinese asparagus productions is expected to continue as Chinese producers continue to reduce planted area.

In contrast with China, where production is mostly destined to local consumption, Peru's production (376,645 MT during 2012) is almost entirely intended for the international market, making Peru the largest asparagus exporter in the world.

Peru – Historical asparagus production

	2008	2009	2010	2011	2012	CAGR
Production (000's MT)	**328.4**	**313.9**	**339.7**	**392.3**	**376.6**	**3.5%**
Growth (%)	*NA*	*(4.4)%*	*8.2%*	*15.5%*	*(4.0)%*	
Fresh	109.2	119.9	122.3	123.2	118.0	2.0%
Preserved	63.7	56.3	50.4	60.2	54.0	(4.1)%
Frozen	13.7	9.2	11.3	14.6	13.2	(1.0)%
Exports (000's MT)	**186.6**	**185.4**	**184.0**	**198.1**	**185.2**	**(0.2)%**
Fresh	225.9	247.6	290.6	293.7	342.9	11.0%
Preserved	178.3	112.1	106.1	144.3	144.0	(5.2)%
Frozen	35.2	23.5	30.2	47.8	51.3	9.9%
Exports (U.S.$ million)	**439.4**	**383.2**	**426.9**	**485.8**	**538.2**	**5.2%**

Source: MINAG, ADEX.

After coffee, asparagus is Peru's largest agricultural export product, with total value of exports of U.S.$538.2 million in 2012. Domestic demand is very low for asparagus, which is not a native vegetable and has not made inroads into Peruvian cuisine; thus, most of the country's production is exported.

Between 2001 and 2012 Peru increased asparagus exports by approximately three times, significantly increasing its market shares in global exports. China, previously the world's largest exporter, has been reducing its exports of preserved white asparagus to Europe, while Mexico, and to a lesser extent the United States, have emerged as important exporters. Peru on average has twice the yield of Mexico and the U.S., making it difficult for these and other nations to compete, according to FAOSTAT data.

The cultivation of Peruvian asparagus for export began in the early 1950's in the Virú Valley in La Libertad region in the northern part of the country. The combination of excellent climatic conditions and the quality of the soils on the Peruvian coast, provided for excellent yields since the early production years. In the late 1980's, dripping irrigation equipment from Israel was introduced, which allowed to asparagus cultivation to expand into large scale desert areas rapidly. The total asparagus planted area in Peru has increased significantly from less than 1,512 hectares in 1980 to 33,063 hectares in 2012. Plantations are located along the Peruvian coastal region, with the main areas being Ica and La Libertad.

Due to mild temperatures and almost non-existent rainfall that prevent asparagus from entering a dormant stage, Peru is one of the few countries where high quality asparagus is harvested year-round. European countries do not produce asparagus during the second half of the year, and the U.S. stops producing in the last quarter. Peru records lower exports during the first quarter of the year due to competition from the U.S. and Mexico, and increases shipments during the second half of the year when other producers reduce or stop their production.

While Peru's asparagus exports face no tariffs in their main markets, including the United States, sanitary and phytosanitary (SPS) barriers affect trade. The USDA Animal and Plant Health Inspection Service (APHIS) is trying to prevent entry of the moth Copitarsia decolora, which has been found on asparagus in Peru but not on asparagus in the United States. APHIS requires every shipment of fresh green asparagus to the United States to be fumigated with the pesticide methyl bromide.

Blueberries

Traditionally consumed in North America, blueberries have been increasing in popularity due to the media identification of its health-promoting properties. Blueberries have some of the highest antioxidants concentration available among fruits and are rich in potassium and Vitamin C.

According to the DGC Blueberry report, global production of blueberries has increased significantly in recent years, especially in Europe, Asia and Latin America, and all regions have added a considerable amount of hectares to further production in order to keep pace with demand. These added hectares are now starting to come to fruition, and as such global production has increased substantially in the past 3 to 4 years. Production has increased at an annual rate of 10.6% globally since 2008; as growers recognize the potential and profitability of the crop and seek to meet demand for both fresh and processed blueberries products. Overall, global production increased by 49.7% between 2008 and 2012, from 406 million kgs. to 608 million kgs. with emerging markets in South America, Africa and Asia expanding the most, both in terms of planted hectares and delivered product.

In terms of cultivated blueberry production, world hectares have increased from 41,997 hectares in 2005 to 93,577 in 2012; an overall uplift in the productive asset base of 51,580 or 122.8%. This shows that hectares committed to blueberries have grown at a rate of 22.2% per year for the past 4 years.

Consumption of blueberries is increasing globally, and over 4,000 new products containing blueberries enter the market every year according to North America Blueberries Council. In the United States; the world's largest consumer of the crop; average per capita consumption of fresh blueberries has grown at an annual rate of 6.6% since 1980. Most blueberries are highly attractive for modern retailers given the reduced space they occupy and the high price they command. In the US, modern retail represents approximately 98% of the total distribution of fresh blueberries in the country.

According to FAO, North America (United States and Canada) is currently the region with largest producers and consumers of blueberries. These two countries represented approximately 75% of global consumption in 2012. Canada and the United States consume 3.0 and 0.8 kgs per capita of fresh blueberries per annum, respectively. In less than 10 years, Chile has become the largest exporter of blueberries to the US and Canada given its complementary export window (during North America's unproductive season).

Blueberries – Imports (U.S.$ millions)

	Imports	Market share
United States of America	438.3	69.3%
Canada	42.6	6.7%
Germany	37.2	5.9%
France	18.5	2.9%
Netherlands	18.3	2.9%
United Kingdom	15.0	2.4%
Italy	13.3	2.1%
Austria	8.2	1.3%
Poland	7.7	1.2%
Lithuania	7.6	1.2%
Rest of the world	25.7	4.1%
Total	632.3	100.0%

Source: FAOSTAT. Trade data for 2011.

Most recently, countries like Peru and Mexico have begun planting blueberries with great success, achieving superior yields than North America and Chile.

Blueberries production yields, by country (MT per hectare)	Yield
Mexico	8.1
USA	6.8
Chile	5.8
Germany	4.8
Poland	3.6
Canada	3.2
World (average)	4.8

Source: FAOSTAT. Data for 2012.

The United States market currently has a penetration rate (measured as the percentage of retail outlets which offer readily available blueberries in the fresh produce section out of the entire retail outlets in the country) of 51% and among the highest consumption per capita levels globally. Increasing consumption in Europe and large emerging markets such as China have prompted growers in several geographies to increase planted hectares to prepare for growing demand. The North American Blueberry Council (NABC) estimates global supply will grow at a rate of 10% for the foreseeable future.

Grapes

Peruvian grape production is relatively young compared to other crops, such as asparagus and avocadoes, and has not reached its full potential. High yields and quality of product provide Peruvian producers with a competitive advantage, in addition to availability of product during the low production season in the northern hemisphere. Main markets for Peruvian grapes include the Netherlands, the U.K. and Hong Kong.

Crop description

Grapes are edible fruits of the vitis family, which grow in long perennial vines. The grape stems can grow up to 35 meters long, but are generally kept between one and three meters long through periodical pruning. The fruit are pulpy berries with their skin adhering to their pulp, are oval, ellipsoid or round shape, and green, yellow, red or purplish-black in color. Grapes generally grow in large, long clusters, and generally include 2–3 seeds per fruit, although they are also currently grown in a new "seedless" variety. The grapevine has a productive life of between 15 and 20 years, and can yield up to two annual harvests. Grape plantations are generally ready for harvesting in the second year after planting. However, due to Peru's unique climatic characteristics, Peruvian grape plantations typically yield their first harvest within one year of being planted.

Grape production yields, by country (MT per hectare)	Yield
Peru	19.8
Brazil	18.3
USA	17.1
China	16.0
Chile	15.7
South Africa	14.8
Argentina	12.7
Australia	11.2
Italy	8.4
France	7.0
World (average)	9.6

Source: FAOSTAT. Data as of 2012.

In terms of crop yield, the world's average during 2012 was 9.6 MT per hectare. In this same period, Peru's plantations achieved a yield of 19.8 MT per hectare, nearly double the world average and the highest yield among the largest grape producing countries in the world.

Demand

Global grape imports are led by the E.U., the United States and Japan. Total grape imports in 2012 amounted to U.S.$7.8 billion, up from U.S.$2.9 billion in 2001. The main growth drivers for grape imports were increasing consumption in both developed countries and China, with North America, Europe and China all at least doubling their grape imports over the period. Most of the growth in worldwide grape demand has been focused on the seedless varieties, particularly in Asia.

Global grape imports (U.S.$ millions)	2001	2012
Europe	1,387	3,293
North America	963	1,751
China	159	754
Global	$2,509	$5,798

Source: International Trade Organization.

Supply

The global supply of grapes is mostly made up by countries that produce for their own domestic consumption and for wine production, such as China, Italy and France (the world's first, second and fifth-largest producers, respectively).

Although Peru is not a major grape producer or exporter, only six of the world's top 25 exporters – Chile, South Africa, Argentina, Brazil, Australia, and Peru – are located in the Southern Hemisphere, meaning that Peru is one of only a handful of countries that can supply markets during the Northern Hemisphere's winter. Peru exports grapes mainly from October to March, with the greatest volume from November to February. The height of Peru's production season coincides with the strong demand associated with worldwide December holiday celebrations, as well as the Chinese New Year.

Grapes – Production (in thousands of MT)			Grapes – Exports (U.S.$ millions)		
	Production	Market share		Exports	Market share
China	9,600	14.3%	Chile	1,481.0	20.8%
United States	6,662	9.9%	United States of America	974.9	13.7%
Italy	5,819	8.7%	Italy	769.2	10.8%
France	5,339	8.0%	Netherlands	628.6	8.8%
Spain	5,238	7.8%	South Africa	431.2	6.1%
Turkey	4,276	6.4%	Peru	365.4	5.1%
Chile	3,200	4.8%	Spain	271.7	3.8%
Argentina	2,800	4.2%	Hong Kong, China	260.5	3.7%
Iran	2,150	3.2%	Egypt	224.3	3.1%
India	1,240	1.8%	Turkey	162.7	2.3%
Peru	365	0.5%	Mexico	160.1	2.2%
Rest of the world	20,378	30.3%	Rest of the world	1,394.6	19.6%
Total	67,067	100.0%	Total	7,124	100.0%

Source: FAOSTAT. International Trade Organization. Data for 2012.

The opening of new markets for Peruvian grape exports will make it possible to diversify export destinations, mainly toward Asia. The free trade agreement with China (reduction of duties in 7 years), the lifting of phytosanitary barriers by Japan and the free trade agreements engaged with Korea and the European Union are providing broader export opportunities.

Mangoes

Mangoes are a crop produced in over 100 countries; however, the majority of mangoes produced are consumed internally, with only 4% of global output entering into the international market during 2011. At the same time, mangoes' year round availability, few trade barriers, long shelf life and consumer demand make it an increasingly interesting crop for producers. The major importers of mangoes are the U.S. and China, which together represented 34% of total imports during 2012.

Mangoes teens and, guavas imports – 2012

	(U.S.$ millions)	Market share
United States of America	425.0	22.6%
China	206.9	11.0%
Netherlands	186.1	9.9%
Germany	102.0	5.4%
United Kingdom	96.8	5.1%
Canada	82.7	4.4%
Hong Kong, China	77.0	4.1%
Rest of the world	707.5	37.6%
Total	$1,883.9	100.0%

Source: International Trade Organization. Data for 2012.

In terms of production, India is the largest producer of mangoes and the second largest exporter. Even though Peru is not among the world's 10 largest producers; it was the 6th largest exporter during 2012 in terms of value.

Mangoes, teens and guavas – Production (in thousands of MT)

	Production	Market share
India	15,250	36.2%
China	4,400	10.4%
Kenya	2,782	6.6%
Thailand	2,650	6.3%
Indonesia	2,376	5.6%
Pakistan	1,950	4.6%
Mexico	1,761	4.2%
Brazil	1,176	2.8%
Bangladesh	945	2.2%
Nigeria	860	2.0%
Rest of world	7,990	19.0%
Total	42,140	100.0%

Mango, teens and guavas – Exports (U.S.$ millions)

	Exports	Market share %
Mexico	255.1	16.1%
India	166.9	10.5%
Netherlands	165.4	10.4%
Brazil	137.9	8.7%
Thailand	128.1	8.1%
Peru	120.0	7.5%
Philippines	70.9	4.5%
Hong Kong, China	45.1	2.8%
Pakistan	44.3	2.8%
Spain	41.8	2.6%
Rest of the world	413.5	26.0%
Total	$1,589.0	100.0%

Source: FAOSTAT, International Trade Organization. Data for 2012.

In recent years Peruvian exports of mangoes have been fueled by the increased demand from the Netherlands and the U.S. However, producers intend to increase exports to Asian markets with the objective of extending the crop's season and matching the months when local production is at its peak with demand from this market.

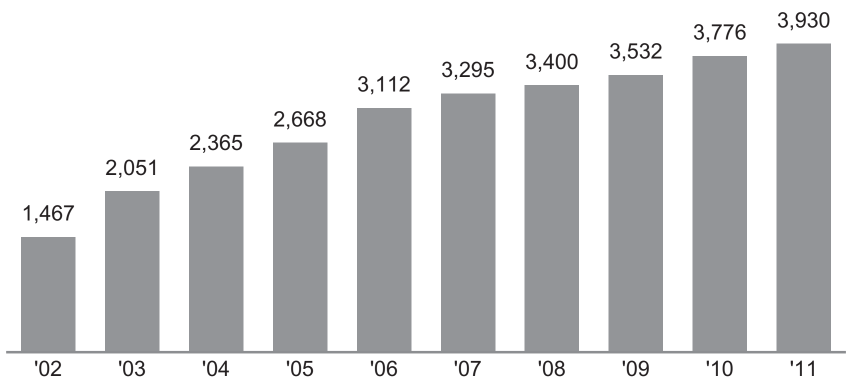
Shrimp

World production of shrimp, both captured and farmed, is approximately 7 million tons. Recent world shrimp farming is approximately 4.0 million tons per year. Shrimp is now the most important internationally traded fishery commodity in terms of value, accounting for about 15% of the total value of internationally traded fish products in 2011. In many tropical developing countries like Honduras, Ecuador and Brazil it is the most valuable fishery export.

World demand for shrimp peaked in 2011, with the value of global shrimp imports growing by 17% as a result of the economic recovery and a slight decrease in international production that caused a sharp increase in prices. Global imports for shrimp accounted for U.S.$18,409 million in 2011. Production in the fishery sector fell in 2012 by 2.7% compared to 2011. The reduction of seawater shrimp from January to September 2012 fell by 24.1% compared to the same period in the previous year. This was because shrimp farmers lacked the incentive to expand their production in the face of lower shrimp prices caused by a decrease in orders received from their major customer, the United States, which was facing an economic crisis. In addition, farmers in some areas, such as Eastern Thailand were facing an increased incidence of Early Mortality Syndrome (EMS), which had an adverse effect on their levels of production.

Shrimp production is sold in three formats: frozen, fresh and preserved shrimp. The United States is the largest importer of both frozen and preserved shrimp. The United States imported U.S.$4.0 billion of frozen shrimp and U.S.$1.3 billion of preserved shrimp in 2011. Hong Kong imported U.S.$204 million worth of frozen shrimp in 2011.

Global shrimp aquaculture production (in thousands of MT)



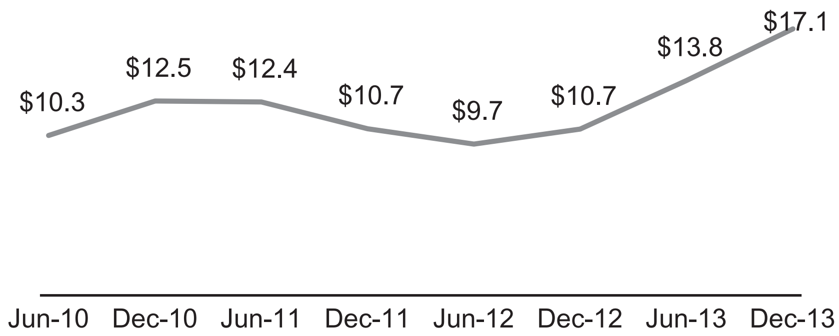
Source: FAOSTAT.

Shrimp production in Peru is mostly focused on farming as opposed to fishing. Peru produces only the white shrimp variety, and is the twelfth-largest white shrimp farmer in the world, and the sixth-largest in the Americas, according to FAO data for 2012. Future production in Peru is currently limited by the little availability of suitable land for shrimp farming.

Recently, warm water prawns, including top culinary species like giant tiger prawns and white leg shrimp, are being reduced by a virulent emerging disease caused by bacteria called Early Mortality Syndrome (EMS). Although the pathogen has now been identified, there is still a lack of knowledge about the environmental factors that trigger the die-offs. EMS is concentrated on Southeast Asia and China shrimp farms. On the upside, there are a few pointers emerging as to how to deal with the problem, in terms of species selection.

Average import price of fresh shrimp

(U.S.$ per Kg.)



Source: Bloomberg.

BUSINESS

Overview

Camposol is the leading agro-industrial company in Peru in terms of exports. We are the largest white asparagus exporter in the world as measured by export volume, and we believe that we are, based on industry information, the largest producer of Hass avocadoes in the world as measured by the number of planted hectares. As of December 31, 2013, we owned a total of 26,132 hectares, of which we estimate approximately 18,192 to be useful for agricultural purposes. Of these, approximately 6,585 hectares are currently planted. Our agricultural properties are located along the northern Peruvian coast, at Chao, Virú and Piura, which are located in the regions of La Libertad and Piura. We own and operate a state of the art processing plant for fresh, preserved and frozen products. In addition, through our subsidiary Marinazul, we own and operate shrimp farms in the region of Tumbes. We maintain on average approximately 11,000 part- and full-time employees.

We plant, harvest, process, package and export a wide selection of agricultural products, including avocadoes (Hass, Lamb Hass and Ettinger varieties), asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines. Among these products, asparagus and avocadoes have been, and are expected to continue to be, the most important products in terms of our results of operations, in addition to blueberries. Our fruits and vegetables are exported as fresh, preserved or frozen products mainly to markets in Europe, the United States and Asia. We manage our fields using advanced agricultural practices and technology, which have enabled us to consistently increase our levels of productivity, achieving in 2013 production volumes harvested of 24,276 MT of asparagus, 27,825 MT of avocados, 11,852 MT of mangoes, 7,804 MT of piquillo peppers, 11,375 MT of grapes and 797 MT of blueberries, among other crops.

We are a fully integrated company and manage our entire supply chain: fields, processing and distribution. Approximately 75% of the products that we processed during the year ended December 31, 2013 came from our own fields, and we have sufficient production capacity to process each of the various types of products that we produce, in fresh, frozen and preserved formats.

Our approximately 47,892m^2 production complex is located in the agro-industrial complex of Chao, where we employ on average approximately 4,800 workers. Our agro-industrial complex includes seven state of the art processing plants, all of which are located in a single facility. Of these seven plants, three process preserved products (artichokes, asparagus and piquillo pepper), two process fresh products (fruits and asparagus), and two processes frozen products. In December 2013 we finished a new frozen packing facility. The total investment in the new frozen packing was U.S.$9.0 million. Our production facilities are highly flexible, allowing us to adjust our product mix to maximize profitability. In addition, in 2011 we acquired from Noragro SAC, and subsequently upgraded, a grape packing facility, and we have a participation in Empafruit (a mango-packing plant), both of which are located in Piura, in northern Peru. We possess leading international certifications, including HACCP, Tesco Nurture, Kosher, BASC, IPM, Global Compact, BRC, IFS, NSF Cook and Thurber, Global Gap and USGAP. Our current capital expenditure plan includes the construction of a new processing plant. The new agro-industrial complex will be constructed in two separate stages. The first stage will take place during 2014 – 2015, and will require an investment of approximately U.S.$21.5 million, which once completed will allow us to process increasing blueberries volumes. After the second stage is complete, our plant is expected to be the largest and most efficient in South America, allowing us to further expand throughout new agricultural projects.

We distribute our products through importers and distributors, agents and brokers, as well as directly, maintaining solid business relationships with many leading retail chains outside of Peru, mainly in Europe and the United States. In addition, we have sales offices in the United States and the Netherlands, which we use to strengthen our presence in certain of our key European markets by maximizing our attention and response times to our main customers. Our export-driven business has benefitted significantly in recent years from the execution by Peru of free trade agreements with key export markets such as the United States. In addition, in August 2011, Peruvian Hass avocadoes were cleared for full entry into the U.S. market (the largest avocadoes market in the world) without the previously required quarantine treatment.

Camposol S.A. was founded and began operations in 1997, planting its first asparagus fields that year. It began harvesting, packaging and exporting asparagus in 1999. Camposol opened its first processing plant in Chao in 1999, and began to grow and export piquillo peppers and mangoes in 2001 and 2003, respectively. In October 2007, Dyer Coriat Holding (a company controlled by the Dyer Coriat family and since renamed Generación del Pacífico Grupo S.L.) and a group of investors acquired Camposol S.A. from its previous controlling shareholders with the proceeds from a U.S.$184.0 million private placement carried out by Camposol AS, a predecessor company of Camposol Holding Ltd, the Parent Guarantor. Through a corporate reorganization that took place in 2008, Camposol Holding Ltd became the holding company of the Camposol group of companies and also listed its shares on the Oslo Stock Exchange (Oslo Børs). On December 13, 2013, Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.), the largest shareholder of Camposol Holding Ltd (owning 90.47% of its shares), completed a squeeze-out transaction of other shareholders, becoming the sole shareholder of Camposol Holding Ltd. On December 20, 2013, the shares of Camposol Holding Ltd were de-listed from the Oslo Stock Exchange. Camposol Holding Ltd's capital stock is currently comprised of 29,833,820 shares, which are fully paid. Camposol S.A. is a wholly-owned indirect subsidiary of Camposol Holding Ltd. Dyer Coriat Holding S.L. has since been renamed Generación del Pacífico Grupo S.L. Camposol S.A.'s capital stock is currently comprised of 473,766,640 shares, which are fully paid.

For the years ended December 31, 2011, 2012 and 2013, we had revenue of U.S.$167.8 million, U.S.$183.2 million and U.S.$231.2 million, respectively and our EBITDA was respectively U.S.$30.8 million, U.S.$16.9 million and U.S.$42.6 million. Our profit for the years 2011, 2012 and 2013 was U.S.$33.3 million, U.S.$16.9 million and U.S.$31.5 million.

Our Strengths

We believe that our business strengths include the following:

- **Strategic location:** Our business benefits from the strategic location of our fields in the coastal desert plains of northern Peru, which has one of the fastest growing economies in Latin America. Due to prevailing weather patterns in the region, our crops are typically not subject to the primary adverse weather patterns that can traditionally affect crops, such as flood, drought or frost. We rely on an irrigation system that delivers water from the Peruvian Andes to our planted areas, and as a result we are not dependent on rain patterns in the region. These conditions allow us to have a year-round supply of asparagus and significantly better yields in the rest of our crops than competitors located in different countries. Furthermore, given Peru's location in the western hemisphere and proximity to the equator, we are able to export the majority of our crops in a different export window than those of our main competitors.
- **Vertical integration:** We are a fully integrated company and control the entire value chain of our business: fields, processing and distribution. We have the flexibility to commercialize our products as fresh, preserved or frozen. Approximately 75% of the products that we process come from our own fields, and we have sufficient production capacity to process each of the various types of products that we produce. Because we produce almost all the products that we process and export, we are able to achieve a very high degree of traceability of our products, which is essential for obtaining key food safety certifications. Our production complex is strategically located in terms of its proximity to key highways and ports, minimizing our transportation costs.
- **Diversified product portfolio:** We produce a diverse range of fruits and vegetables (avocadoes, white and green asparagus, blueberries, grapes, mangoes, piquillo peppers, artichokes and tangerines) and shrimps. Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocadoes are harvested in April through September, grapes from October through January and mangoes from December through February. This product mix effectively allows for year-round utilization of labor and our production facilities, resulting in strong operational efficiencies and reduced costs. We believe that our product diversity provides a natural hedge, helping to mitigate the natural cycles of each of our products. Furthermore, we commercialize our products in a variety of forms designed to optimize responsiveness to consumer demand: fresh, preserved and frozen. During the year ended December 31, 2013, fresh, preserved and frozen products represented 60%, 30% and 10% of our sales, respectively. Preserved and frozen products have longer shelf lives than fresh products, which also helps mitigate risks associated with lost or spoiled inventory.

- **Poised for growth in the fast-growing avocadoes sector:** Without substantial additional capital expenditure, we currently have 2,488 hectares of planted avocado trees, the substantial majority of which was planted in 2009, as part of a strategy to take advantage of the U.S. market opening to Hass avocadoes imports from Peru, as a result of the implementation of the free trade agreement between Peru and the U.S. In January 2010, the U.S. Department of Agriculture, or USDA, amended its regulations to allow the import of Hass avocadoes from Peru, and in July 2010 we exported our first containers of Hass avocadoes to the United States. Subsequently, in August 2011 and after a lengthy evaluation process, Peruvian Hass avocadoes were cleared for full entry into the U.S. market without any type of quarantine treatment. The opening of the U.S. market in 2011 has positively impacted pricing dynamics for our avocadoes, and accordingly on our profitability. According to the Hass Avocado Board in 2011, the United States is the largest avocadoes market in the world, and the projected U.S. demand annual growth for avocadoes from 2012 to 2017 was 10%. Due to increased demand and decreasing U.S. domestic production since 2000, the aggregate volume of avocadoes imported into the U.S. has increased by approximately 450% in that period. The opening of the U.S. market to increased imports, and the resulting diversion of Peruvian supply from Europe to the United States, has caused the price of avocadoes in Europe to increase. As a result, in addition to achieving higher prices in our exports to the United States, our avocadoes exports to our major European markets have also become more profitable. Avocado trees in our fields yield their first crop in their third year of life and only 32% of our avocadoes planted areas have reached their period of peak yields. As our avocadoes crops continue to mature and increase their yields, we expect to increase our avocadoes production from existing planted fields and continue to take advantage of demand growth in the United States. Avocadoes sales have the largest margins of our entire product portfolio, with a 46.3% gross margin during the year ended December 31, 2013. As a result, increases in avocadoes sales will have a proportionally larger impact on our total profitability.

- **Global reach with a diversified, world class customer base:** Our products are sold by the leading retailers in Europe and the United States, and we have a diversified client base, with no client accounting for more than 11% of our total sales. In 2013, we exported our products to 40 countries, compared to 44 in 2012. Distributors of our products include leading names, such as Dole, Wal-Mart, General Mills, Rewe, Green Giant, Groupe Casino and Coop, among others. We also maintain a strategic alliance with Riberebro, one of Spain's largest canned vegetable producers and distributors, under which we are their exclusive provider of preserved asparagus and piquillo peppers in Spain, France and Portugal.

- **Strong growth potential without substantial additional capital expenditures:** Only 32% of our avocadoes planted areas are fully matured. As a result, our anticipated growth in avocadoes production is not dependent on the planting of new avocadoes fields, but rather on increases in production as existing planted fields mature and reach their period of peak yields. We believe this increase in avocadoes production will enable us to take further advantage of the growth in exports to the United States, the world's largest market for avocadoes. In addition, only 20% of our 451 hectares of grapes are in the productive stage, providing us with an addition source of expected growth. As a result, our room for additional growth from existing planted areas leaves us in a strong competitive position compared to our local and international peers.

- **High standards of corporate governance:** We have implemented corporate governance standards which comply with the standards of a company listed on the Oslo Stock Exchange *(Oslo Børs)*, notwithstanding our de-listing from the Oslo Stock Exchange on December 20, 2013. Four out of six directors are independent. We believe that the strength of our corporate governance sets us apart from our Peruvian, and certain of our international, competitors. Furthermore, our sole shareholder, Generación del Pacífico Grupo S.L. (formerly, Dyer Coriat Holding S.L.), is one of the most important business groups in Peru and is active in other leading Peruvian companies. The strength, experience and sophistication of Generación del Pacífico Grupo S.L. have contributed to the strength of our management and our overall culture of corporate responsibility.

Business Strategy

Over the next five years, our strategic vision is to continue to be a global company, with the support of an internationally positioned brand, admired due to its capabilities and the quality of its products.

- **Maintain focus on our core businesses.** We believe that the long-term demand and price outlook for our core products are likely to continue to strengthen in the U.S., Europe and Asia, as global demand and consumption for our core agricultural products such as avocadoes, asparagus and blueberries continues to grow. On the other hand, this will not prevent us from further diversifying our overall product mix by continuing to invest in R&D looking for the next growth opportunities (as we did with blueberries, which had been under testing during the last 5 years), as well as possibly introducing new products on our unused land if we believe doing so will enhance our profitability.
- **Consolidate our leadership position in avocadoes in the U.S. and Europe.** The U.S. is the largest avocadoes market in the world, and since formally opened for Peruvian Hass avocadoes, it had an immediate and significant positive impact on our profitability. Furthermore, we believe the opening of the U.S. market caused the price of avocadoes to increase in our existing European markets. These demand and pricing trends, along with our significant amount of planted hectares which are yet to achieve maturity, provides an opportunity to increase our profitability significantly with limited additional capital expenditure. We aim to optimize the commercialization of our anticipated substantial avocadoes crop over the next several years through new and existing distributor arrangements in the U.S. and Europe.
- **Improve operating efficiencies and margins.** We seek to improve our operating margins by maximizing the productivity of our existing land, our processing complex, our distribution strategy and our management and operational systems. We completed the implementation of SAP in the areas of payroll and human resources in 2012, and as we employ on average approximately 11,000 workers at any given time, we expect technology and logistics enhancements such as these to contribute significantly to our operating efficiency. In addition, during 2013 we invested U.S.$3.4 million in plant automation, such as state of the art asparagus sorting equipment and asparagus peeling equipment, which has reduced our costs and dependence on labor for these types of tasks.
- **Focus on long-term customer relationships and brand awareness.** We seek to develop stable and long-term relationships with our customers to provide them with a value-added offering and a level of service that increases their demand for our products. Our strategy is supported by periodic customer visits by our sales representatives that enable us to promote brand awareness and gain a deeper level of understanding of our customers' specific needs. Our existing sales offices in the Netherlands and U.S. further enhance our ability to provide top quality products and services to our major clients in key export markets.
- **Continue our commitment to minimizing the environmental impact of our business.** We are committed to minimizing the effects of our business on the environment. Our production process involves factors and conditions that interact with the environment, such as the use of water, fertilizers, generation of waste through emissions and solid waste management. We engage in several practices and initiatives designed to ensure the preservation of the environment. For example, we are currently implementing environmental education, internal campaigns, specialized treatment systems, quality management systems, certifications and community relations programs. Furthermore, as part of our commitment to institutionalizing a culture of social and environmental awareness, in 2010 we initiated our Sustainable Agriculture Program and presented our first Sustainability Report for the year 2009. We were the first Peruvian agro-industrial company to prepare this report. These reports are aligned with international best practices and Global Reporting Initiative (GRI) Indicators and reflect the base line and development of the main indicators that show our environmental and social performance, as well as the social responsibility programs and activities we develop.

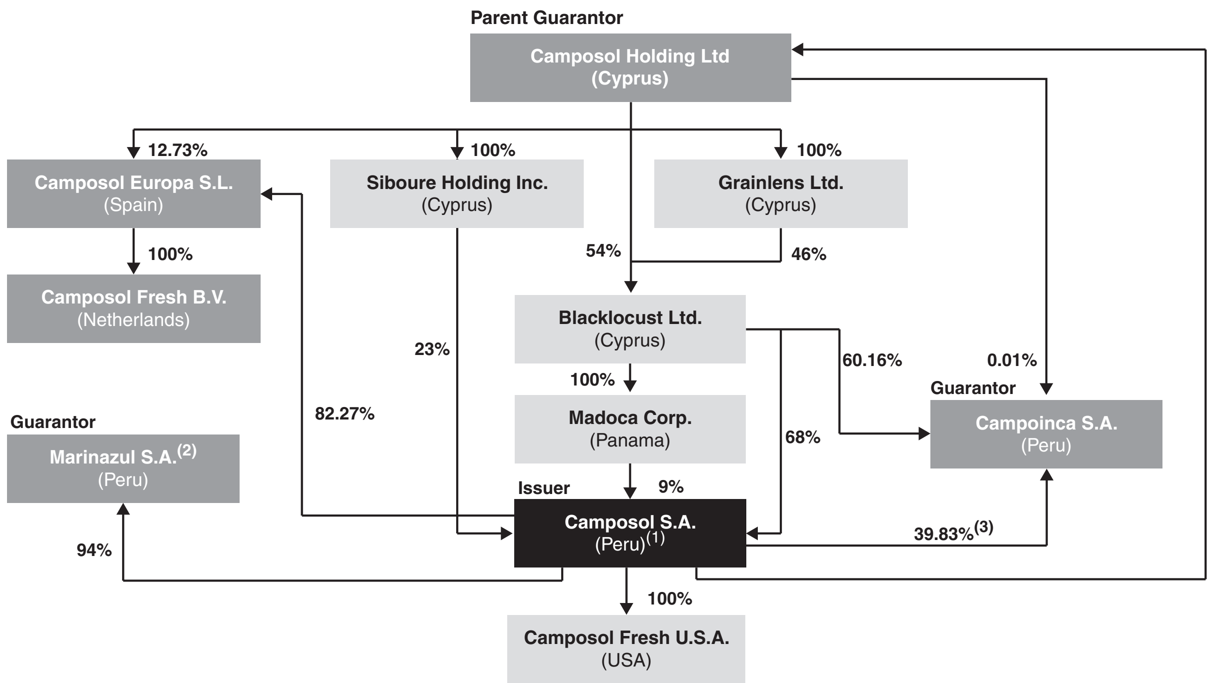
The strategy mentioned above is based upon four important growth drivers: mature fields, upstream expansion, sourcing diversification, and commercial strengthening.

- **Mature Fields.** We expect increasing avocadoes volumes as our hectares continue to mature, growing from the current 33% of total planted avocadoes hectares to full maturity by 2015/2016. At the same time, our asparagus fields are mature in a favorable price environment, and we our investment plan is designed to stabilize harvested asparagus volumes. We believe that a continuing focus on our core agricultural business will allow us to take advantage of our industry expertise and economies of scale.
- **Upstream Expansion.** We are investing in the diversification of our overall product mix, with the expansion of our upstream development of blueberries, with a goal of 2,000 planted hectares by 2016, and the planned doubling of our hectares dedicated to shrimp farming.
- **Sourcing Diversification.** We have put significant effort over the last four years into increasing our supply from third party growers, and our long term goal is to achieve up to 50% third party sourcing for our direct sales, while at the same time supplying our client base and employing our production facilities and employees on a year round basis.
- **Commercial Strengthening.** We continue to build our own commercial channels and promote direct sales to retailers, with a long term goal of 50% direct sales, as well as building our global customer base by strengthening our own distribution channels.

Corporate Structure

Within the corporate structure of Camposol Holding Ltd and its subsidiaries, Camposol S.A. owns the productive land and is in charge of its operation. In addition, Camposol S.A. owns a series of subsidiary companies which contribute to its consolidated business activities.

Set forth below is a diagram summarizing our corporate structure including our principal subsidiaries:



(1) Includes 100% ownership of Muelles y Servicios Paita S.A.C., Balfass S.A. and Prodex S.A.C., as well as a 40% stake in Empacadora de Frutos Tropicales S.A. (with the remaining 60% owned by third parties) and a 68% stake in Marinasol S.A. (with the remaining 32% owned by Madoca Corp.).
(2) Includes 100% ownership of Camarones S.A.C. and Domingo Rodas S.A.
(3) Pending formalization and registration in the Share Ledger Book.

Company and Guarantor Information

Camposol S.A.'s principal executive offices are located at Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Peru, and our telephone number is +511-621-0800. We are incorporated in Peru under the registration number 203 405 842 37.

The Parent Guarantor's legal address is Kanika International Business Center, 6th Floor, Profiti Ilia 4, 4046 Limassol, Cyprus and its telephone number is +357-2582-0020. We are incorporated in Cyprus under the registration number HE203524.

The legal address of Marinazul, one of the Subsidiary Guarantors, is Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Perú, and the telephone number is +511-621-0800. Marinazul is involved in the shrimp farming business and was incorporated in Peru on July 13, 2006 under the registration number 205 136 325 69.

The legal address of Campoinca, the other Subsidiary Guarantor, is Francisco Graña 155, Urb. Santa Catalina, La Victoria – Lima – Perú, and the telephone number is +511-621-0800. Campoinca is involved in the agricultural business and was incorporated in Peru on April 3, 2007 under the registration number 205 160 383 40.

History

Camposol began operations in 1997 with the purchase of its first 3,075 hectares in the La Libertad region of northern Peru. During the same year, we acquired additional land through the Chavimochic Project by means of public auction. The Chavimochic Project is a government-funded initiative that has provided access to water to more than 46,000 hectares of desert on the northern coast of Peru. As a result of this project, over 15,000 hectares have been developed for agri-business activities in the region, including ours. In addition to our activities in the La Libertad region, in 1998 we started the development of 1,458 hectares of land in the Piura region, also in northern Peru. Our initial headquarters for these activities were located in the same Chavimochic area.

We began exporting asparagus at the end of 1999. In that same year, we inaugurated our processing facilities in the Chao industrial complex, located in the Virú province of the La Libertad region, which began operations in the same year.

In 2001, we began to grow and export products other than asparagus, including piquillo peppers. By 2002 we had successfully installed and launched our frozen division with additional facilities the Chao industrial complex, in preparation for our first harvest of avocadoes and mangoes. By 2003 we began exporting avocadoes and mangoes, and in 2004 we acquired an additional 2,011 hectares of land in Chao, consolidating ourselves as the fastest growing non-traditional agro-exporter in the La Libertad region.

In October 2007, Dyer Coriat Holding (now, Generación del Pacífico Grupo S.L.) and a group of investors acquired Camposol S.A. from the previous controlling shareholders with the proceeds from a U.S.$184.0 million private placement carried out by Camposol AS, a predecessor company of Camposol Holding Ltd. Since then, we have invested approximately U.S.$125 million in new plantations, packing facilities and several administrative and infrastructure upgrades. An important portion of this investment was directed to the planting of 1,662 new hectares of avocadoes in anticipation of the U.S. market opening to Hass avocadoes exports from Peru and the strong growth in avocadoes consumption in that country. After a lengthy evaluation and certification process, in August 2011, Peruvian Hass avocadoes were cleared for full entry into the U.S. market. Avocado trees in our planted fields yield their first crop in their third year of life. As such, most of these new planted areas have just begun to yield their first crops. As our avocadoes crops continue to mature and increase their yields, we will increase our avocadoes production from existing planted fields and continue to take advantage of demand growth in the U.S. In line with our product portfolio diversification, we invested approximately U.S.$70 million in the plantation of 450 Has of mangoes, 451 Has of grapes, 102 Has of tangerines and 212 Has of blueberries. At the same time, we also invested approximately U.S.$46 million in packing facilities and approximately U.S.$9 million in several administrative and infrastructure upgrades.

As of December 31, 2013, we owned a total of 26,132 hectares in the areas of Chao, Virú and Piura (all three areas located in northern Peru), of which we estimate approximately 18,192 to be useful for agricultural purposes. Of these, approximately 6,585 hectares are currently planted.

Products

We plant, harvest, process and export the following agricultural products: white asparagus (fresh, frozen and preserved), green asparagus (fresh, frozen and preserved), blueberries (fresh), avocadoes (fresh and frozen), mangoes (fresh, frozen and preserved), piquillo peppers (frozen and preserved), table grapes (fresh), artichokes (frozen and preserved), tangerines (fresh, frozen and preserved) and shrimps (frozen). We also own a shrimp farming and processing business through our subsidiary Marinazul S.A. in the north of Peru, through which we plant, harvest, process and export frozen shrimp. All our production is currently destined to export markets.

We maintain a strategically diversified portfolio of products to fully exploit selling opportunities and customer preferences, as well as to optimize our harvesting, packing, sales and marketing efforts. Each of our products is subject to its own pattern of growth and planting and harvesting cycles, and as such, our product mix has been designed ensure continuous production from our fields. We believe that our product diversity provides a natural hedge that allows us to mitigate to an extent the natural cycles of each of our products.

Below is a table depicting our crops according to hectares planted and their different stages of yield productivity as of December 31, 2013:

	Asparagus	Avocadoes	Mangoes	Blueberries	Grapes	Tangerine	Total	%
Productivity phase								
Non-productive phase	—	151	35	150	—	1	337	5%
Medium yield phase	—	1,632	47	54	88	56	1,877	30%
High yield phase	2,395	860	368	—	363	46	4,032	65%
Total	2,395	2,643	450	204	451	103	6,246(1)	100%

(1) Excluding shrimp and rotational crops such as piquillo peppers.

Our planted fields follow the natural progression of yield maturities. Typically, every new planted area has a period where the plant is growing and does not begin production ("non-productive phase") followed by a phase in which the plant grows and yields start to increase ("medium-yield phase"), until a time when the plant reaches a mature stage and reaches its peak production yield. The timing and length of each phase varies by crop as well as the length of the peak yielding stage. For instance, in the case of avocadoes, our highest gross margin product, the non-productive phase lasts approximately three years. In years two through five, our yields increase from approximately 4 MT per planted hectare to a range of 18 MT to 22 MT per hectare in year five. Yields then stabilize in that range for a period that can last for 15 years.

As shown in the table above, a significant portion of our planted fields have not yet achieved their natural high-yielding phase. This is particularly the case for our avocadoes fields, our highest gross margin product, in which only 860 hectares (equivalent to 32% of our planted avocadoes areas) are in their mature high-yielding stage. The balance is either in their final stages of their non-productive stage or in the medium-yield phase in which yields are beginning to ramp up as the plant grows and matures. This natural yield increase will be the main driver behind our increases in production without the need for additional field capital expenditures to develop new planted areas.

Avocadoes

We produce three varieties of avocadoes, Hass, Lamb Hass and Ettinger, with the substantial majority of our planted avocadoes crop being of the Hass variety. Hass avocadoes is our most important product in terms of contribution towards gross profit and we expect it to be the main driver of growth in the coming years, as 68% of our planted land has yet to reach a mature productive phase. We concentrate on producing the Hass variety of avocadoes mainly because it is the most sought after type of avocadoes in the European and U.S. market. Our avocadoes plantations are all located in Chao, La Libertad.

Our harvest season begins in April and ends in September, with sales concentrated in the second and third quarters of the year. During the Year ended December 31, 2013, we harvested a total of 27,825 MT of avocadoes, of which 12,871 MT came from our existing mature 860 hectares and the remaining 14,954 MT came from our newly planted fields.

The table below depicts our avocadoes production during the year ended December 31, 2013, per age of field since first planted:

Field	Hectares Planted	Production (MT)
Non-producing stage fields	151	—
Young Fields (first harvest)	1,632	14,954
Mature Fields	860	12,871
Total	2,643	27,825

We currently have 2,643 hectares of avocadoes planted, the substantial majority of which was planted in 2009 and which are expected to reach peak production by 2015. Currently, only approximately 32% of our avocadoes planted areas have reached their period of peak yield as these fields correspond to the 860 hectares of avocadoes trees planted prior to 2008. Avocado trees have on average a producing life of 20 years of mature production. Below is a table of historical production yields from our original hectares of Hass avocadoes planted in 1998:

Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Average age of fields	3	4	5	6	7	8	9	10	11	12	13
Harvest (in MT)	6,763	8,065	9,272	20,893	11,865	21,528	11,499	13,205	18,269	8,706	12,871
Hectares planted	584	595	726	728	780	797	816	816	825	825	860
Yield (MT per hectare)	11.6	13.6	12.8	28.7	15.2	27.0	14.1	16.2	22.1	10.6	15.0

We expect our newly planted fields to experience the same or higher productive yields than those recorded by our original fields.

In August 2011, the USDA amended its regulations to allow avocadoes imports from Peru without any quarantine period. This led to a direct increase in the average selling price for our product because the U.S. market pays a premium for Hass avocadoes compared to Europe. The increase in avocadoes production and the higher prices received in the U.S. allowed us to significantly increase our gross profit from the avocadoes segment in 2013, compared to the same period for 2010. The opening of the U.S. market also had the effect of increasing prices in Europe due to the diversion of Peruvian avocadoes supplies from Europe to the U.S. market. As such, the average selling price of avocadoes we exported in the year ended December 31, 2013 was U.S.$1.84 per Kg, compared to U.S.$2.23 per Kg in 2012.

The majority of the avocadoes we export is fresh, as this is the preferred format for customers in the U.S. and Europe. A smaller portion of our production is sold in a frozen format. The chart below details the historic sales breakdown of the two different formats.

	Year ended December 31, 2011			Year ended December 31, 2012			Year ended December 31, 2013		
	U.S.$(000)	**%**	**Volume MT**	**U.S.$(000)**	**%**	**Volume MT**	**U.S.$(000)**	**%**	**Volume MT**
Avocadoes:									
Fresh	33,990	85%	15,823	22,019	70%	11,830	43,234	88%	25,379
Frozen	5,883	15%	1,788	9,080	29%	2,266	5,744	11%	1,446
Other	—	—	—	337	1%	—	266	1%	—
Total sales	39,873	100%	17,611	31,436	100%	14,096	49,244	100%	26,825
Gross profit	26,549			16,295			22,784		

The main markets for our avocadoes exports are Europe and increasingly the U.S., following USDA clearance from Peruvian avocadoes exports into that market. We believe that in the coming years, the U.S. will become an increasingly important market for our avocadoes due to the strong demand growth dynamics in that market and the decreasing trend in U.S. domestic production. Another attractive market for us is Japan, which presents an appealing combination of strong demand growth and high selling prices. Currently, the Peruvian Hass avocadoes are awaiting regulatory approval to enter the Japanese market, and we expect to begin shipping containers by 2013.

Below is a chart indicating the main export markets for Camposol's avocadoes:

	Year ended December 31, 2011			Year ended December 31, 2012			Year ended December 31, 2013		
	U.S.$(000)	**%**	**Volume**	**U.S.$(000)**	**%**	**Volume**	**U.S.$(000)**	**%**	**Volume**
Europe	24,390	61%	12,097	15,177	48%	6,644	26,081	53%	14,194
United States	9,420	24%	3,512	9,633	31%	5,235	16,011	33%	9,626
Others	6,063	15%	2,002	6,626	21%	2,217	7,152	14%	3,005
Total sales:	39,873	100%	17,611	31,436	100%	14,096	49,244	100%	26,825

Asparagus

During the last three years, asparagus has been our most significant product in terms of revenue. Although we produce both green and white asparagus, the majority of our production has historically been of the white variety. Our white asparagus production is sold mainly in a conserved format, although we also export it in fresh and frozen formats. Unlike asparagus producers in other countries, we are able to harvest white asparagus year round, whereas green asparagus is mainly harvested in the second half of the year.

Our asparagus fields are located in the region of La Libertad, one of the highest yielding production areas in Peru, according to MINAG. According to FAO, Peru has the highest asparagus production yields in the world and is the world's largest asparagus exporter.

In 2013, we harvested a total of 24,276 MT of asparagus, of which 20,634 MT were the white type from our 2,007 hectares of white asparagus fields and the remaining 3,642 MT were the green variety from our 388 hectares of green asparagus fields. On average, our asparagus fields have productive life spans of approximately 10 years, after which they are typically re-planted as productivity drops below levels that make re-sowing new asparagus plants more cost-effective. The table below depicts asparagus production per field for the year ended December 31, 2013, detailing the age of the field since it was first planted:

Field	Type	Hectares planted	Average Age	Harvest (in metric tons)
Agricultor	White	1,045	7	10,961
Gloria	White	457	8	3,226
Mar Verde	White	164	9	1,603
Terra	White	—	—	—
Yakuy Minka	White	154	5	2,792
Agromas	White	17	8	222
San Jose	White	170	6	1,830
Sub-total		2,007		20,634
Agricultor	Green	162	7	922
Gloria	Green	—	8	909
Mar Verde	Green	19	9	61
Terra	Green	—	—	—
Agromas	Green	38	8	247
Sincromax	Green	169	5	1,503
Sub-total		388		3,642
Total		**2,395**		**24,276**

The majority of the asparagus we export is in preserved format, although we have been increasing our exports of fresh asparagus as well. Fresh asparagus has higher gross margin than that sold in preserved or canned format, but given its higher price point, it attracts less consumer demand than the other formats.

Below is a table describing historic asparagus sales per format, as well as gross profit:

	Year ended December 31, 2011			Year ended December 31, 2012			Year ended December 31, 2013		
	U.S.$(000)	%	Volume MT	U.S.$(000)	%	Volume MT	U.S.$(000)	%	Volume MT
Asparagus:									
Preserved:	33,858	59%	15,898	38,997	57%	15,768	35,731	51%	11,986
Fresh:	20,162	35%	5,709	25,004	37%	7,158	28,844	41%	6,567
Frozen:	3,850	6%	1,236	3,711	5%	856	4,606	7%	959
Other:	—	—	—	366	1%	—	774	1%	
Total Sales:	57,870	100%	22,843	68,078	100%	23,782	69,955	100%	19,512
Gross profit:	13,349			12,282			18,447		

Currently, the main market for our asparagus exports is Europe. Historically, the majority of our preserved asparagus exports was sold to Spain, helped in part by the fact that the previous shareholders of Camposol had a fresh produce distribution business in Spain. Starting in 2008, we have focused on creating a new customer base for our asparagus, particularly in Germany, which has particularly strong demand for asparagus in a fresh format. German demand for fresh white asparagus has been increasing beyond the traditional festive season, and we have been increasing our shipments of that product directly to German retailers. As part of a strategy to strengthen our distribution, we became Riberebro's exclusive supplier of preserved asparagus and piquillo peppers in Spain, France and Portugal. This agreement has allowed us to increase the percentage of our direct sales to leading supermarkets and distribution chains, thereby eliminating intermediaries and increasing profitability.

Below is a table describing export volumes of asparagus in its different formats per geography:

	Year ended December 31, 2011			Year ended December 31, 2012			Year ended December 31, 2013		
	U.S.$(000)	**%**	**Volume**	**U.S.$(000)**	**%**	**Volume**	**U.S.$(000)**	**%**	**Volume**
Asparagus:									
Spain:	18,744	32%	9,110	17,918	26%	7,577	12,313	18%	4,271
Germany:	11,740	20%	5,004	13,539	20%	5,411	9,950	14%	3,671
Rest of Europe:	20,692	36%	5,929	25,465	37%	7,155	32,795	47%	7,594
Others:	6,694	12%	2,800	11,156	16%	3,639	14,897	21%	3,976
Total Sales	57,870	100%	22,843	68,078	100%	23,782	69,955	100%	19,512

Asparagus is one of our more labor-intensive crops and during peak harvest season will require more harvesters to pick than any of our other products due to the fact that each asparagus must be cut individually. On average, we employ approximately 2,000 people to harvest asparagus.

Blueberries

Blueberries are a new product for Camposol and represent a potential growth product for us, as they are traditionally consumed in North America, a fast growing market, with growth driven by blueberries' increasing popularity as a result of the media identification of their health-promoting properties. Blueberries have some of the highest antioxidants concentration available among fruits and are rich in potassium and Vitamin C.

Our first significant harvest of blueberries began in 2013, as 54 out of the 212 hectares we planted in 2011 are bearing fruit for the first time. Our blueberries plantations are located in Chao, La Libertad.

In 2013, we harvested a total of 797 MT of blueberries. During 2013, we obtained an average yield of 15 MT/Ha. Our theoretical peak yield is 15 MT/Ha; however, this theoretical yield lacks historical data in La Libertad region, meaning that either greater yields or lower yield can be achieved in the future. The life of this crop is usually 11 years.

The table below shows blueberries production per field for the year ended 2013, detailing the age of the field since it was first planted. Due to our favorable climatic conditions, blueberries can be harvested year long; however we aim to harvest and commercialize during favorable price windows.

Field	**Hectares planted**	**Average age**	**Harvest (in MT)**
Total hectares planted with blueberries	212	2	797

We expect blueberries to increase its contribution to our revenues and gross profit as the planted hectares reach their fully productive stage. Investments must be made to process increasing volumes of blueberries, and we plan to invest U.S.$21.5 million in a new processing plant in La Libertad.

Our blueberries are currently all sold fresh, mainly to the U.S. market and in a smaller proportion to Europe.

Table grapes

Table grapes are a key growth product for Camposol due to the attractive market dynamics it enjoys in both developed and developing markets. The table grapes we currently export are of the red globe variety (seeded) and we harvest these in the last three months of the year and into mid January. Our first significant harvest of red globe table grapes began in late 2011 and is continuing in early 2012 as the 351 hectares we planted in 2010 are bearing fruit for the first time. Our grape plantations are located in Piura as well as in Chao, La Libertad.

In 2013, we harvested a total of 11,375 MT of table grapes. On average, our grape fields bear fruit the year after harvest, with the typical productive life span of a vine being approximately 15 to 20 years.

The table below depicts grape production per field for the year ended 2012, detailing the age of the field since it was first planted. As grapes are harvested during the fourth quarter of each year, information for 2013 is not available as of the date of this offering memorandum.

Field	Hectares planted	Average age	Harvest (in MT)
Total hectares planted with grapes	451	3	11,375

We expect table grapes to increase its contribution to our revenues and gross profit as the planted lands begin producing. Seedless grapes essentially have similar harvest and processing costs but sell at a premium to the red globe variety. Also we plan on investing in new grape processing capabilities in Piura to permit customized packing procedures designed for direct sale to supermarkets.

Our table grapes are currently all sold fresh and mainly to the U.S. market and in a smaller proportion to Asia. We expect to increase our shipments to Asia as our fields increase in productivity.

Mangoes

We are also producers of mangoes and have been harvesting mangoes from our fields since 2003. Mangoes share a similar harvest season as our table grapes, usually harvesting between November to February of each year. Our mangoes plantations are located in Piura.

During 2013, we harvested a total of 11,852 MT of mangoes all from our fields in Piura, which on average have over 10 years since first planted. Similar to the avocadoes tree, our mangoes plantations have an estimated life span of approximately 20 years.

Our mangoes are exported mainly to Europe, where consumption has been growing at a significant pace, and unlike other fruits that we export, mangoes are increasingly popular in frozen and preserved formats, as opposed to the traditional fresh format.

In 2013, we exported 14,388 MT of mangoes, equivalent to U.S.$18.7 million (compared to 11,269 MT, equivalent to U.S.$14.7 million in 2012), mainly in fresh and frozen formats. Currently we have planted a total of 450 hectares of mangoes, of which approximately 82% have reached their period of peak yields.

Piquillo peppers and artichokes (rotational crops)

Piquillo peppers and artichokes are our rotational crops, and unlike the other fruits and vegetables we produce, these vegetables are sown and harvested during the same year. We use rotational crops like these to generate additional cash flow from land that has not yet been planted with a permanent crop and to enhance the quality of the soil for future planting as well. Our main rotational crop is piquillo pepper, which is primarily exported in preserved format. We currently have 332 hectares of land being used to plant piquillo peppers, which is harvested in the second half of the year.

In the past, we were a major producer of artichokes but we discontinued to directly harvest this product as we had more profitable alternatives for the land used to sow artichokes. Currently we are buying fresh artichokes from third parties and we process them in our Chao plant, exporting it mainly to Europe in preserved format.

Shrimp

Through our subsidiary Marinazul, a Subsidiary Guarantor of the notes, we farm, produce and commercialize shrimp. Marinazul is the second largest shrimp producer in Peru. While shrimp farming has not historically represented a core part of our business, we decided to expand our operations in this area due the moderate investment required and fast capital recovery period.

Our shrimp farms are located in the region of Tumbes, in northern Peru. We currently operate approximately 636 hectares of shrimp farms, representing a significant increase from 253 hectares in 2008 primarily as a result of strategic acquisitions. In 2010, we significantly expanded our shrimp business by acquiring two Peruvian shrimp companies through our subsidiary Marinazul, Domingo Rodas S.A. and Camarones S.A., as well as an additional 163 hectares of shrimp farms called Mar Norte. During 2013, we produced 3,195 MT of shrimp, which we expect to increase in the future years as our recently acquired shrimp farms become integrated, and we continue to develop new shrimp farms.

In addition to geographic proximity to Camposol's agri-business fields, shrimp farming has synergies with our frozen export business helping increase overall frozen exportable volumes.

Harvesting

The harvest and planting processes depend foremost on preparation of the soil. For newly acquired land, the terrain must be leveled, prepared and all the appropriate equipment must be installed, including irrigation equipment, wind breaking trees, among others.

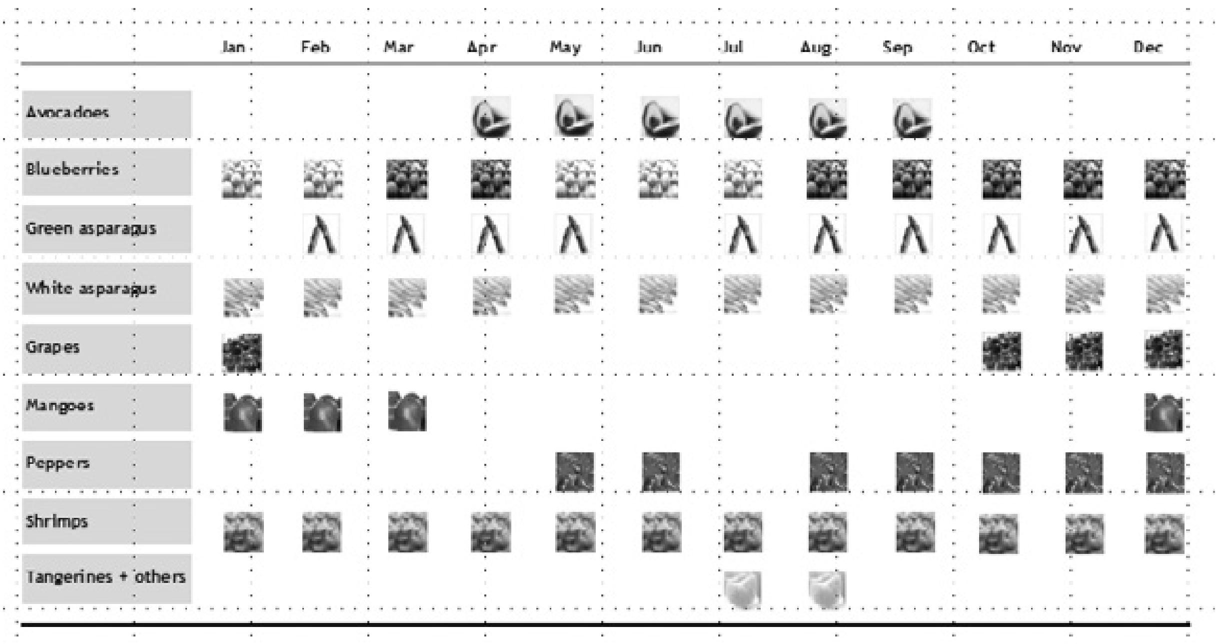
The land is later furrowed, fertilized, and mixed for the fruit or vegetable to be planted. Before being planted, asparagus, avocadoes and mangoes need to be grown in a greenhouse. Tractors mark the furrows where the plants will be set up. Fertilizers are added to those furrows, as well as base fertilizers that dissolve at a slower pace. The soil is then mixed to obtain a uniform mix of soil and fertilizer.

The fruit or vegetable is later planted in the furrows leaving an appropriate distance between them, which will depend on each crop, and then irrigated through a controlled irrigation system. Fertilizers are also introduced according to the irrigation and fertirrigation schedule. Along with the irrigation process, sanitation procedures are performed to maintain the plants free from insects, plagues, fungi, viruses, weeds, and bacteria. Other agricultural maintenance is carried out to keep the plant healthy up to its harvest. For the avocadoes and mangoes trees as well as the grape plants, the fruits and leaves must be carefully pruned so as to encourage the formation of fruitful branches.

The plantations must be fertilized, sanitized, and irrigated constantly until fit for harvest, which in the case of some fruits like avocadoes and mangoes, can occur several years later as the tree matures and gains size, or as soon as the same year in the case of rotational crops.

Each of our products is subject to its own pattern of growth and planting and harvesting cycles. For example, we harvest white asparagus during every month of the year, while avocadoes are harvested in April through September and grapes are harvested from October through January. Due to our crop diversity we can, unlike most of the other local Peruvian exporters, offer our workers permanent jobs working the fields and do not depend on peak harvest seasons to hire workers, which is significant in terms of reducing all-in labor costs.

The calendar of the harvests that we manage over the course of the year is set forth below:



A key step to maximizing production yields from our planted fields is adequate crop maintenance, including adequate irrigation, fertilization and plague control. We control the first two processes mainly through a centralized irrigation control center that monitors daily intake of water and fertilizer for every field and regulates the amount of water each crop is given on a daily basis through modern sensors established in every plantation. In addition to pesticides delivered through our irrigation channels, we actively use natural techniques such as of the use of natural predators and natural repellents such as 'habanero' pepper to keep pests away from our crops.

Processing Plants

Camposol owns a state-of-the-art, 47,892 m2 production complex located in the agro-industrial complex of Chao. During 2013 we invested U.S.$3.4 million in developing it into the largest fruit and vegetable processing facility in Peru, capable of processing the significant amount of volumes harvested year-round. Our production facilities at the Chao industrial complex are located within a 10 mile radius of our producing fields in La Libertad, which significantly reduces transport time and increases product quality during the processing and packing process.

We typically employ approximately 4,800 workers in our production complex but can grow to approximately 5,000 employees during peak season.

Our agro-industrial complex includes six processing plants, all located in a single facility, three of which process preserved products, two process fresh products, and one processes frozen products. Our processing facilities have a combined capacity of 805 MT/day. An additional production line for fresh avocadoes was implemented at our existing plant in 2012 in order to handle the significant increase in production volumes from our planted avocadoes fields. In addition, in 2011 we acquired and upgraded a grape packing facility, and we have a participation in a mangoes-packing plant, both of which are located in Piura, northern Peru.

The current capital expenditure plan includes the construction of a new processing plant. The new agro-industrial complex will be constructed in two separate stages; the first one will take place during 2014 – 2015, and will require an investment of approximately U.S.$21.5 million, which once completed will allow us to process increasing blueberries volumes. After the second stage is complete, our plant is expected to be the largest and most efficient in South America, allowing us to further expand throughout new agricultural projects.

Due to our integration with our SAP system, our processing plant is fully capable of quickly shifting from preserved production to frozen production to fresh production, irrespective of the crop that is delivered. This type of flexibility allows our commercial department to adapt quickly to new client demands and to tap windows of opportunity in new markets rapidly. In the past, we have been investing in increasing the automatization of the packaging process, especially for preserved products. Processes such as peeling and cutting crops, usually performed by experienced workers, can be successfully automatized, reducing the dependency on experienced labor during peak harvest seasons.

The near-complete integration between our fields and our plants is the main reason we can achieve product traceability, one of the main factors necessary to attain the necessary quality certifications that we have. Throughout or entire processing and distribution process, we can determine the field origin of any specific production batch, the field the crop came from and even the person responsible for harvesting it. This allows us to quickly identify any anomaly and reduce any incidents of product quality. Our plant capacity and production as of December 31, 2013 is set out in the following chart:

Plant	Shifts	Capacity MT/Day
Receiving and classification of asparagus	2	210
Fresh asparagus	2	45
Preserved asparagus	2	110
Frozen	2	60
Fruit packing	1	260
Preserved peppers	2	120

Product Commercialization

We process and sell our products in a variety of forms: fresh, preserved and frozen. These formats are designed to optimize to consumer demand and maximize the value of our production.

Fresh, preserved and frozen products represented 60%, 30% and 10% of our sales during the year ended December 31, 2013, respectively. Preserved and frozen products have longer shelf lives than fresh products, which also allows us to mitigate risks associated with lost or spoiled inventory.

The following table sets forth sales information for each of our products for the periods indicated:

Product	Sales (in U.S.$ thousands) 2011	2012	2013	% Share of Sales 2011	2012	2013
White asparagus						
Preserved	31,413	36,114	29,378	65%	64%	55%
Fresh	16,514	19,593	22,520	34%	35%	43%
Frozen	269	270	559	1%	0%	1%
Other	—	366	774	0%	1%	1%
Total	**48,196**	**56,343**	**53,231**	**29%**	**31%**	**23%**
Avocadoes						
Fresh	33,990	22,019	43,234	85%	70%	88%
Frozen	5,883	9,080	5,744	15%	29%	12%
Other	—	337	266	0%	1%	1%
Total	**39,873**	**31,436**	**49,244**	**24%**	**17%**	**21%**
Blueberries						
Fresh	—	—	8,638	0%	0%	100%
Total	—	—	**8,638**	**0%**	**0%**	**4%**
Piquillo peppers						
Preserved	20,420	14,765	16,909	100%	97%	90%
Frozen	—	—	136	0%	0%	1%
Other	—	534	1,685	0%	3%	9%
Total	**20,420**	**15,299**	**18,730**	**12%**	**8%**	**8%**
Mangoes						
Fresh	9,623	8,778	11,041	60%	60%	59%
Frozen	5,966	5,552	7,083	37%	38%	38%
Preserved	433	295	540	3%	2%	3%
Other	—	97	25	0%	1%	0%
Total	**16,021**	**14,722**	**18,689**	**10%**	**8%**	**8%**
Green asparagus						
Fresh	3,648	5,411	6,324	38%	46%	38%
Preserved	2,445	2,883	6,353	25%	25%	38%
Frozen	3,581	3,441	4,047	37%	29%	24%
Other	—	—	—	0%	0%	0%
Total	**9,674**	**11,735**	**16,724**	**6%**	**6%**	**7%**
Grapes						
Fresh	14,755	18,025	21,119	100%	99%	99%
Other	—	153	126	0%	1%	1%
Total	**14,755**	**18,178**	**21,245**	**9%**	**10%**	**9%**
Artichokes						
Preserved	1,973	9,811	12,428	100%	100%	97%
Frozen	—	—	283	0%	0%	2%
Other	—	26	61	0%	0%	1%
Total	**1,973**	**9,837**	**12,772**	**1%**	**5%**	**6%**
Shrimp						
Frozen	13,300	19,772	24,743	100%	93%	93%
Other	**—**	**1,377**	**1,886**	**0%**	**7%**	7%
Total	**13,300**	**21,149**	**26,629**	**8%**	**12%**	12%
Other Sales	**3,598**	**4,482**	**5,339**	**2%**	**2%**	**2%**
Total	**167,810**	**183,181**	**231,241**	**100%**	**100%**	**100%**

Marketing

We market our products using a variety of methods, including attending trade fairs, visiting new potential customers, monitoring major markets to spot trends in products and packaging, as well as regularly visiting our main customers with the purpose of strengthening commercial relationships. We maintain one sales office in Europe: Rotterdam, the Netherlands. From this office, we maintain close relationships with our main customers and monitor our exported products and market prices, as well as seek new markets and customers. We opened a sales office in the United States in 2012. Our sales office in the United States focuses on expanding and strengthening customer relationships for our range of products, with a particular emphasis on the avocadoes market, given the recent opening of the U.S. market to our avocadoes in August 2011.

Our marketing department consists of our Chief Commercial Officer and 10 sales executives, who collectively service a customer portfolio of over 188 customers.

We believe that the customer relationships that we have established throughout the years are one of our most valuable assets. Customer loyalty has had a significantly positive impact on our sales and profitability over the last 10 years. Predictable commercial relationships generate a number of economic benefits, including increased overall sales and the mitigation of sharp sales fluctuations. Currently, we have a base of over 188 customers, 40 of which account for approximately 77.7% of our sales in 2013.

At the same time, we have gradually reduced our exposure to single clients. In 2010, our largest client accounted for 25.0% of total sales, while in 2013 this figure is 9.5%. The following table shows the distribution of sales and gross profit according to the relative size of our customers:

	Year ended December 31, 2011		Year ended December 31, 2012		Year ended December 31, 2013	
	Revenues	% total	Revenues	% total	Revenues	% total
	In thousands of U.S. dollars, except percentages					
Top 5 customers	58,919	35%	72,504	40%	80,162	35%
Top 10 customers	40,247	24%	40,201	22%	48,280	21%
Top 30 customers	47,905	29%	38,054	21%	57,035	25%
Total sales	167,810	100%	183,181	100%	231,241	100%

Export Markets

We export our diverse range of products to countries throughout the world. Each of our products is targeted at specific export markets based on customer demand, and as a result, we export different products to different countries. Overall, we exported to 40 countries in 2013, 44 countries in 2012 and 50 countries in 2011. The main countries that we export to are Spain, Germany, the Netherlands and the United States, which together represent 72% of all sales. Sales to Asia commenced in 2009 with grapes and continued in 2010 with mangoes.

The following chart sets forth the percentage of our exports to each continent listed below for the period indicated:

	Year ended December 31, 2011		Year ended December 31, 2012		Year ended December 31, 2013	
	Revenues	% total	Revenues	% total	Revenues	% total
	In thousands of U.S. dollars, except percentages					
Europe:						
Spain	48,817	29%	35,385	19%	35,095	15%
Germany	17,006	10%	22,958	13%	26,617	12%
Netherlands	16,774	10%	19,432	11%	19,883	9%
France	12,223	7%	10,837	6%	18,667	8%
Rest of Europe	13,815	8%	13,738	7%	15,044	7%
USA:	37,053	22%	50,496	28%	84,473	37%
Asia:	6,721	4%	14,155	8%	19,751	9%
Others:	15,401	9%	16,180	9%	11,711	5%
Total sales:	167,810	100%	183,181	100%	231,241	100%

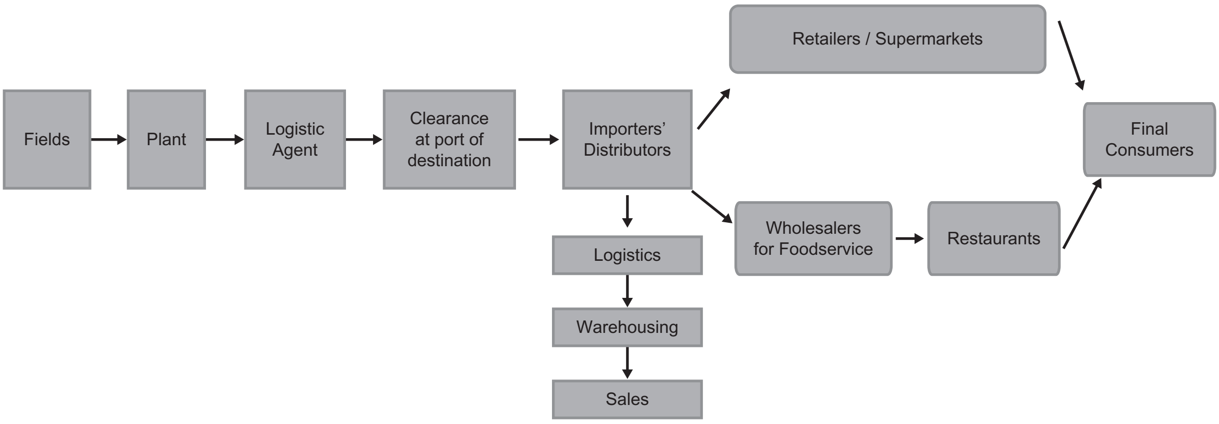
As set forth in the table above, our percentage of total sales directed to the U.S. has increased 2013 largely as a result of increased shipments of avocadoes. In particular given the opening of the U.S. avocadoes market to our products and our commencement of U.S. avocadoes exports in August 2011, we expect this trend to continue in future periods. We believe that this development will have a positive impact on our business by providing more balanced geographic diversity to our export portfolio. Asia on the other hand will be a growing market for our grape shipments.

Distribution and Customers

Our products are sold by leading retailers in Europe and the United States. Distributors of our products include leading names, such as Dole, Wal-Mart, General Mills, Rewe, Green Giant, Groupe Casino and Coop, among others. Our sales channels are mainly comprised of large import companies. Eurobanan, Cultivar, Commercial Fruit and Dole are the main customers for our fresh products. Preserved products are sold to distribution companies such as EMC Distribution, General Mills, Acico and Conservas Terramar. These distribution channels allow our products to enter our main target markets through an integrated weekly distribution service. For frozen products, Superior Foods, J.R. Simplot Co., Ultracongelados Vitro, and Crops are among our main customers.

We also maintain a strategic alliance with Riberebro, one of Europe's largest canned vegetable producers and distributors, which we entered into in August 2010. We entered into this alliance with a medium- to long-term goal of having greater direct access to supermarkets in Spain, France and Portugal, in order to reach our end consumers more directly. Our agreement with Riberebro is for a period of 10 years and provides for the reciprocal exclusive commercialization of green and white asparagus and piquillo peppers in Spain, France and Portugal. Riberebro is in charge of logistics and management of the commercialization and we provide the products in accordance with schedules previously agreed upon with Riberebro, which respond to clients' supply needs.

The following chart shows a simplified diagram of our distribution channels and process:



Research and Development

Camposol believes that innovation is a key aspect to boost competitiveness and growth in the mid and long term. This is done through market research and analysis of potential new products and development of new technology. The focus is on products that could benefit from the Peruvian climatic advantages and also help diversify our portfolio of products and clients.

The R&D department also seeks to find innovative solutions to extend the shelf life of fresh produce and reduce production costs. During 2013, Camposol started the large scale production of blueberries with better than expected results. This new crop started as a project in research and development in 2008.

Handling and Shipping

Our products are generally sold on FOB (Free on Board), CIF (Cost Insurance and Freight) and CFR (Cost and Freight) terms for exports. The containers used for exports are of 20 feet or 40 feet in capacity and can hold dry or refrigerated cargo, depending on the product (frozen, fresh, or preserved).

Handling of such containers and the processing of customs paperwork in the various ports are outsourced through an integral logistics services, the fees we pay include both transportation and export/customs services, which are provided on an integrated basis by the logistics company. The main providers of this service include Gamma Cargo, New Transport, Ceva and Transoceanic.

Environmental Care and Water Management

We are committed to minimizing the effects of our business on the environment. Our production process involves factors and conditions that interact with the environment, such as the use of water, fertilizers, generation of waste through emissions and solid waste management. We engage in several practices and initiatives designed to ensure the preservation of the environment. For example, we are currently implementing environmental education, internal campaigns, specialized treatment systems, quality management systems, certifications and community relations programs.

Furthermore, as part of our commitment to institutionalizing a culture of social and environmental awareness, in 2010 we initiated our Sustainable Agriculture Program and presented our first Sustainability Report for the year 2009. We were the first Peruvian agri-industrial company to prepare this report. These reports are aligned with international best practices and Global Reporting Initiative (GRI) Indicators and reflect the base line and development of the main indicators that show our environmental and social performance, as well as the social responsibility programs and activities we develop.

We have full availability to the water resources and licenses that our crops require. For the fields located in the Virú-Chao region, the principal source of water is the main canal of the Chavimochic Project, which carries part of the water from the Santa River. In addition to the water source from the Main Canal, the Yakuy Minka farm has four wells available which, in total, provide potential water supply of 3 m3/second.

For our fields located in the Piura zone, the main source of water is the Daniel Escobar Canal, which has a capacity of 70 m3/second, but recent estimates from our engineers indicate that its capacity is approximately 50 m3/second on average. This canal is fed by the regulated Poechos reservoir, which has an operating storage capacity of 885 million m3.

During 2014, Camposol will carry a water footprint project in alliance with a local NGO and the sponsorship of the Swiss Government, by which Camposol will be able to measure periodically it's water management system.

On the other hand, we have completed the process of measuring the carbon footprint of our operations, and we are currently in the process of deriving an action plan based on these results. We plan to focus further on energy savings and alternatives for reducing our carbon emissions in the future. We also plan to invest in reforestation initiatives in the areas in which we operate.

Competition

We are the largest white asparagus exporter in the world and we believe that we are, based on industry information, the largest producer of Hass avocadoes in the world as measured by the number of planted hectares. We believe we are the leading fruit and vegetable exporter in Peru, with more than 3.5 times the amount of total available land as our Peruvian competitors. We are the leading Peruvian producer of asparagus, avocadoes, mangoes and piquillo peppers. Our main export competitors for our principal products are primarily based outside of Peru. For example, we compete mainly with Chinese exporters in the asparagus market, and with California and Mexican exporters in the avocadoes market. See "Industry" for more detailed information regarding our main competitors by export product.

Quality Management System, Accreditation and Certifications

Our quality and environment department is responsible for our quality management system, supported by ERP SAP, based on the principles of the Hazard Analysis and Critical Control Points, or HACCP, and Good Manufacturing and Agricultural Practices. Critical control points have been established throughout the harvesting, production, storage and hygiene and sanitation process, from the raw material to the finished product. Our quality and environment department is supported by approximately 120 technicians divided among our fields and processing plants.

We also have a new microbiological laboratory managed by an internationally recognized company that complements our Security and Food Safety controls.

Our products for exports are certified by independent surveyors at the loading ports according to technical specifications and tonnage agreed in each of our contracts. We believe our plants meet the health, safety and international regulations required for exports to our main markets.

Accreditations and certifications

Our products have the following certifications:

- GMP
- HACCP
- Global Gap

- IFS/BRC
- KOSHER
- Sysco IPM – AIB International
- BASC
- EUROGAP

In addition, certain of our main customers and primary buyers, primarily in the U.S. and Europe, require that we follow additional protocols and procedures related to food safety and security, as well as chemical and environmental controls. Some of these protocols are more stringent than those to which we are subject by law. These protocols stress the need for preventive control, monitoring, and action in direct control operations targeted to the ultimate quality of the product.

In the European market, several protocols aim to foster the rational management of non-renewable resources and prevent microbiological and chemical contamination. The U.S. market requires more preventive awareness in microbiological, bio-safety, and bioterrorism control, incorporating chemical and environmental control requirements, and verifying compliance with the labor laws of supplier countries. Asian countries require comprehensive controls under the ISO, International Organization for Standardization, structure, which require production to be based on planning, performance, verification and action.

Insurance

We carry customary insurance coverage on our land, processing plants and exports. This consists of a multi-risk policy on our land and all assets materially linked thereto. We also carry a multimarket credit insurance policy over our exports of fresh and preserved products. We are insured against damage caused by an earthquake and other natural disasters, accidents or other similar events (including coverage for losses due to resulting business interruption). See "Risk Factors – Risks Related to our Business and Industry – The land and processing plants we operate or manage may suffer loss or damage which may not be covered by our insurance policies."

Employees

Our employees are classified in two categories: permanent or seasonal. During 2013, we employed an average 10,937 part and full time employees. During the peak season in 2013, we hired a total of 13,717 workers. We currently have 1,836 permanent non-seasonal employees.

The areas of northern Peru in which we operate have recently been characterized by employment growth exceeding the national average, according to INEI. As a result, competition exists between the agri-businesses in the region for quality seasonal workers to harvest crops and perform other tasks. Companies in the region offer their employees relatively substantial benefits in order to attract loyal and quality seasonal employees. To date, we have not experienced any material shortage of labor, and we believe that this is partly due to the package of benefits and training that we offer to our staff as well as the availability of year-round labor opportunities due to the different crops we harvest.

Approximately 8.47% of our employees are covered by collective bargaining agreements with labor unions. To date, we have not experienced a work slowdown, work stoppage, strike or other labor dispute that had a material effect on our business or results of operations.

We pay substantial attention to the ongoing training of our employees, which we believe plays a significant role in strengthening the leadership and efficiency of our company. Our training focuses on strengthening technical knowledge, efficiency building and other aspects of professional development. Our training programs also support the various certification programs we undertake, such as BASC, GLOBAL GAP, HACCP, the Global Compact and BSCI.

Our human resources social welfare division also conducts health and well-being campaigns for our personnel and their families in ophthalmology, dentistry, gynecology and in other areas. We also provide customary medical insurance and allowances in the case of death, as well as loans for studies, housing or emergencies. From January through March of each year, we carry out a social welfare program called "Useful Vacations", which seeks to reinforce the math and language skills of the children of our workers, as well as to promote artistic and cultural activities during their time away from school.

Legal Proceedings

As of December 31, 2013, there were 158 labor proceedings pending against us, with an estimated total amount in controversy of U.S.$7.6 million. Based on the opinion of our internal legal counsel, we estimate that the amount for which loss is probable is U.S.$1.6 million and have provisioned this amount in its entirety. We believe that such claims and actions will not have a material adverse effect on our business or results of operations.

On December 17, 2013, the National Institute for the Protection of Competition and Intellectual Property (*Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual,* "Indecopi"), the Peruvian government agency in charge of antitrust issues, carried out inspection visits to several companies related to the mango industry, including Camposol´s offices in Lima, to obtain information in connection with the Peruvian mangoes market, its commercialization, and exports. Camposol provided all the information requested by Indecopi. Depending on several criteria, including the duration of an alleged illegal conduct, its reoccurrence, the relevant company's cooperation with the investigation, premeditation and intent, Indecopi may impose fines of up to 12% of the offender's gross revenues. As of the date of this offering memorandum, Indecopi has not notified us if Camposol is being investigated and it has not otherwise disclosed the scope of its investigation.

REGULATORY ENVIRONMENT

According to article 63 of the Peruvian Constitution, in Peru any foreign investor has the same rights as a domestic investor.

The aforementioned constitutional guarantee included in Article 63 is developed in the Framework Law for Private Investment Growth (*Ley Marco para el Crecimiento de la Inversión Privada*), Legislative Decree 757, approved in November 1991. Through this law, investors have the right to freely transfer abroad foreign currency, dividends, profits, royalties, and/or compensation for usage of technologies and equipment of industrial nature. In case there is the need for a currency exchange, the investor has the right to the most favorable exchange rate available.

Moreover, according to article 88 of the Peruvian Constitution, the ownership of land in Peru is guaranteed, but limits on land ownership may be set by law. The Agricultural Sector Investment Promotion Law (*Ley de Promoción de las Inversiones en el Sector Agrario*), approved by Legislative Decree 653, in conformity with Law 26,505, which regulates article 88 of the Peruvian Constitution, has not set maximum land ownership limits. However, we cannot assure you that in the future such law will not be amended and maximum land ownership limits will be introduced in Peru. In addition, agricultural property can be transferred and subject to taxation, without the need for government authorization.

Investments in agricultural activities are not subject to legal or administrative conditions that limit their installation, functioning, operations, and/or commerce of the derived products. Moreover, prices for such products are determined by free market conditions. Peruvian law guarantees the right to use any kind of technology and equipment of industrial nature.

Agricultural Sector Promotion Law

According to the Agricultural Sector Promotion Law (*Ley de Promoción del Sector Agrario*), approved by Law 27,360 and its regulations, approved by Supreme Decree 49-2002-AG, an individual or a legal entity that grows crops is entitled to certain tax and labor benefits until December 31, 2021. The main benefits are the following:

- Reduced income tax rate of 15% (general income tax rate is 30%),
- 20% depreciation rate for hydraulic infrastructure,
- Allows to hire workers temporarily,
- Minimum wage is S/.29.27 per day, instead of S/.750.00 per month;
- Vacations for employees are 15 days per year, instead of 30 days per year;
- The employer pays 4% of the monthly fee for health insurance instead of 9%; and
- Severance payment for arbitrary dismissal is 15 daily remunerations for every complete year of service up to a maximum of 180 daily remunerations, instead of 1.5 monthly remunerations per year of services up to a maximum of 12 monthly remunerations.

However, we cannot assure that in the future such law and regulations will not be amended and any or all of these benefits reduced or eliminated. As of the date of this Offering Memorandum several projects have been submitted to the Congress to amend, reduce and/or eliminate these benefits.

Water Supply Law

According to the Law of Water Resources (*Ley de Recursos Hídricos*), or LWR, Law 29,338 and its regulations, enacted by Supreme Decree 001-2010-AG, water resources are the inalienable and non-prescriptive property of the Peruvian state. However, rights for the use of water may be granted by the ANA based on certain criteria and in the manner discussed below, provided that such use is conducted in accordance with the order of priority established by the LWR.

ANA is the competent authority to grant the following:

- permits, which are issued exclusively over excess water resources, subject to the availability of water from time to time and, in the case of water for agricultural use, only for certain crops;
- authorizations, which are granted for a fixed term when water is going to be used to perform studies or works; and/ or, for other temporary and special tasks; and
- licenses, which are granted for the permanent use of water for a specific purpose.

According to Peruvian law, authorizations are typically granted for a two-year period, subject to renewal for an additional two-year period, while licenses and permits are granted for an indefinite period of time subject to the compliance of certain legal conditions established for the use of the water resource. However, the use of water is subject to its availability.

Peruvian law establishes that the use of water must be exercised efficiently without affecting its quality or the environment, giving priority to primary water uses (such as water for food preparation, direct consumption and personal hygiene) and rights for the use of water previously granted. The LWR recognizes three types of water uses and establishes a priority criteria for its use. According to these uses and priorities, ANA provides the appropriate user rights to use water resources. The types of uses and priorities established by the LWR are the following:

- primary use: implies the use of water for food preparation, direct consumption and personal hygiene as well as its use in cultural ceremonies, religious rituals;
- population use: implies obtaining water from a fountain or public network, properly treated, in order to meet basic human needs; and
- productive use: entails the use of water in productive processes and precursor steps, including agricultural activities. Among productive uses, article 62 of the regulations of LWR states the agricultural use of water have the first order of preference for granting water rights, over energy, industrial and mining uses, among others.

Except for primary use, the use of water resources requires obtaining the corresponding water right – license, authorization or permit – granted by the ANA. The permanent use of water without obtaining the corresponding operating title is punishable with a fine between 2 to 10,000 tax units for each non-authorized point of water extraction. As of the date of this Offering Memorandum, a tax unit is equal to S/.3,800. Likewise, if improper use of water is proven, the authority may declare the cancellation of the corresponding operating title. To qualify the gravity of any infringement that may entail a fine, the ANA must consider the following criteria: (i) gravity of the infringement and the circumstances of its commitment, (ii) damages or potential damages to health and the environment, and (iii) repetition, among other factors.

Water rights, including licenses, may be terminated by government authorities or courts under certain circumstances, including: (i) titleholder's resignation; (ii) nullification of the resolution approving the corresponding permit, authorization and/or license, declared by the ANA based on certain infringement to the LWR and its regulations; or (iii) failure to pay two quotas of the applicable water rights fee.

The LWR also provides that the use of water is subject to availability. Therefore, the holder of a water use right shall permanently evidence to the ANA their need and volume of water required.

Currently, we have all the proper licenses granted by the ANA for the use of water in our plants and planted fields located in the Virú-Chao and Piura regions, except for the license related to the Agroalegre field in Piura, which is in the process of being obtained. We expect to obtain this water use license in May, 2014. The water use licenses the ANA has granted to us do not have an expiration date.

In the Virú-Chao plant, we currently carry out domestic and industrial wastewater discharges by means of several oxidation ponds, without the corresponding authorization from the ANA. However, once the Environmental Authority approves our Environmental Compliance and Management Program (PAMA) – which includes the discharge scheme aforementioned along with a commitment to install a waste water treatment plant – we will proceed to regularize the wastewater discharges before the ANA by requesting the corresponding authorization. Likewise, Camposol currently carries out wastewater reuse for watering trees near the oxidation ponds. This activity, however, is not yet authorized by the ANA, but we will also regularize the latter and request the corresponding wastewater reuse authorization once the PAMA is approved by the Environmental Authority.

The LWR and its regulations also establish that the ANA will determine (i) the fee to be paid for the water used by a titleholder, taking into account the activity carry out by the titleholder and the amount of water used, and (ii) the fee to be paid for using hydraulic infrastructure.

According to the LWR and its regulations, the fee for the use of each cubic meter of water is established by the ANA taking into account social, environmental and economic general standards that allow the ANA to cover the costs related to an integrated water management and the recovery of the water. The Local Water Administrations (*Administración Local del Agua*, or ALA) are the competent authorities to require payment and collect the fees.

In 2012, the "Methodology for determining the value of economic fees for the use of water and the discharge of treated wastewater", was approved by Resolution N 457-2012-ANA, establishing that water sources must be classified every year by their availability of water, in order to determine the fee that every type of user (population, industrial or mining uses) shall pay for m^3 of consumed water. For example, the fee for 2011 was 0.25% higher than the fee for 2010, the fee for 2012 was 1.5% higher than the fee established for 2011, and the fees for 2013 and 2014 are the same as the fees in effect in 2012. However, we cannot assure you that in the future the ANA will not establish higher increases in the fees for the use of water.

As of the date of this Offering Memorandum, Camposol does not owe any money with respect to economic fees for the use of water. In the case of Marinazul, we are not obliged to pay fees for the use of water pursuant to article 7° of Supreme Decree No. 020-2008-PRODUCE, since the use of water resources for aquaculture purposes is exonerated from such payment.

Additionally, as user of a water supply service, Camposol has to pay the operator in charge of providing such service a hydraulic infrastructure fee that will compensate the operator for the operation, maintenance, replacement and administration of the hydraulic infrastructure required for the service.

This fee is established by the competent ALA taking into account social, environmental and economic general standards that allow it (i) to cover the costs related to the operation, maintenance and other services needed to operate the hydraulic infrastructure, and (ii) to improve the socio-economic situation of the water basin.

Each year, operators of hydraulic infrastructure must submit a fee proposal to the ALA, in accordance with the technical and economic guidelines annually approved by the ANA. The guidelines approved for 2014 state that ALA can establish the hydraulic infrastructure fee in the same amount as the one considered for the previous year, with a 2% – 5% increase, depending on who the infrastructure operator is.

Moreover, in January 2014 the Law of Water User Organizations (*Ley de Organizaciones de Usuarios de Agua*), Law 30157, was approved, establishing that the Boards of Users (*Juntas de Usuarios*) in which Camposol participate, shall adjust their activities in order to comply with the control faculties granted to ANA for the supervision, control and punishment of the correct operation of Water User Organizations, especially regarding the correct charge, collection and transfer of fees and incomes.

In relation to the Marinazul shrimp farms, we currently have all the water use licenses we need, except for the license related to the Campana field, which is in the process of being obtained. Regarding wastewater discharges, currently Marinazul is discharging industrial wastewater into a public channel, without the corresponding authorization from the ANA. However, we have already begun the regularization of the latter and have requested the ANA the corresponding wastewater discharge authorization.

Finally, the lack of the proper licenses and/or authorizations by Camposol and Marinazul as stated before, may entail a fine to Marinazul and/or Camposol from S/.7,600.00 or approximately U.S.$2,714.30 (two tax units) up to S/.38,000,000.00 or approximately U.S.$13,571,428.60 (10,000 tax units). The management of the Company believes that if any fine is imposed upon Camposol or Marinazul, the amount of the fine would not be material.

Environmental Matters

We are subject to a broad range of environmental laws and regulations, which require us to incur costs and capital expenditures on an ongoing basis and expose us to substantial liabilities in the event of non-compliance. These laws and regulations also require us to obtain the approval of an environmental management instrument for the execution of our activities and to obtain and maintain other environmental permits, licenses and authorizations for such purposes. In this regard government environmental agencies could take enforcement actions against us for any failure to comply with applicable laws and regulations. Such enforcement actions could include the imposition of fines, revocation of licenses, suspension of operations or imposition of criminal liability for non-compliance. These laws and regulations require us, among other things, to minimize risks to the natural and social environment while maintaining the quality, safety and efficiency of our facilities.

We are committed to the reliable, responsible, efficient and safe operations of our activities with a disciplined focus on high operating, health, safety and environmental standards.

Any change to environmental regulations will likely include environmental compliance costs. Compliance with new or modified environmental regulations could require us to make significant capital investments in additional pollution controls or process modifications.

As of the date of this offering memorandum, we have obtained the approval of an Environmental Compliance and Management Program (PAMA – *Programa de Adecuación y Manejo Ambiental*), by means of Directorial Resolution No. 048-09-AG-DVM-DGAA, dated November 16, 2009, which included the execution of eight (8) environmental commitments. In this regard, it is worth mentioning that we have fully implemented seven (7) of said environmental commitments. The pending environmental commitment is related to the implementation of a synthetic geomembrane in the oxidation ponds in order to avoid water infiltration into the soil. However, such environmental commitment will no longer need to be implemented, since CAMPOSOL will install a waste water treatment plant that will treat domestic and industrial waste water before its discharge into the oxidation ponds. This waste water treatment plant has been included in the new PAMA that was file for its approval before the Ministry of Agriculture on April 11, 2014. Once the new PAMA is approved, it's commitments will replace those of the previous PAMA.

On the other hand, it should be noted that we have installed new facilities in the project area and the same have been included within the new PAMA, which is pending of approval by the Ministry of Agriculture. We expect to obtain this approval within the following months, with no material implications to the company.

MANAGEMENT

Management of Camposol is the responsibility of its Board of Directors, which in turn appoints the management team to run our company's daily activities.

Board of Directors

The Board of Directors of Camposol Holding Ltd is composed of eight directors, as set forth below:

Name	Title
Samuel Dyer Coriat	Chairman of the Board
Samuel Dyer Ampudia	Deputy Chairman
Pavlos Aristodemou	Director
Mimi Berdal	Director
Walter Chumbez	Director
Fabio Matarazzo di Licosa	Director

Camposol Holding Ltd's management address is Francisco Graña 155, Urb. Santa Catalina, La Victoria, Lima, Peru. The following sets forth selected biographical information for each of the members of Camposol's Board of Directors:

Samuel Dyer Coriat, Chairman of the Board – Mr. Dyer obtained his degree in Business Administration at Miami University in Florida, with a specialization in Finance and Administration. He has a wide experience in the Peruvian fishing industry, having initiated his career in Copeinca as Fleet Assistant and having subsequently held various position, including Assistant in the frozen products plant, Plant Superintendent, Frozen Products Plant Manager, Fleet Manager, Operations Manager and CEO from 2002 until 2011. Mr. Dyer was appointed member of the Board of Directors of Camposol in 2008, a position which enabled him to contribute to the transformation of the company into a leading commercial organization employing the principles of corporate government and social responsibility. Mr. Dyer was named Chairman of the Board of Camposol in 2011 with the object of continuing with the consolidation of the company's leadership in the agro-industrial sector. In October of the same year he took over the position of CEO thereby becoming the Executive President of Camposol.

Samuel Dyer Ampudia, Deputy Chairman – Mr. Dyer Ampudia earned a degree in Business Administration from Universidad Nacional Federico Villareal and is a graduate student of the Top Management Program – International Business- from Universidad de Piura. He was founding shareholder and Chairman of the Board of Copeinca, Galvanizadora Peruana S.A., Aceros y Techos S.A. Consorcio Latinoamericano S.A. and Ferreteria Dyer S.A., among others. He is Chairman of the Board of the companies owned by Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.), which has begun its diversification into mining, agribusiness, real estate and construction businesses, through Apurimac Ferrum S.A. Ausinca, Campoinca and IC Viviendas.

Pavlos Aristodemou, Director – Mr. Aristodemou earned an LLM in Banking and Financial Law degree from Boston University. He is currently a global partner of Harneys, Aristodemou Loizides Yiolitis LLC in Cyprus and the managing partner of the Cypriot office. He has vast experience in banking and finance, private equity, capital markets and corporate taxes. He serves leading international banking institutions and investment funds and assists companies with IPOs on international stock exchanges such as NYSE, OSE, London AIM and TASE. He is director of various companies such as Volito Cyprus and OTP Holding Limited – Holding of a Hungarian Bank.

Mimi Berdal, Director – Ms. Berdal earned a law degree at the University of Oslo in 1987 and was admitted to the Norwegian Bar Association in 1990. She was a partner of Arntzen de Besche Law Firm in Oslo until 2005 and since then has worked as an independent legal and corporate counselor. Ms. Berdal is also a director of Itera ASA, REC Solar ASA, Gjensidige Pensjon og Sparing Holding AS, Intex Resources ASA and Gassco AS.

Walter Chumbez, Director – Mr. Chumbez has a Bachelor's degree in Accounting from Universidad Ricardo Palma, with studies in banking, finance, management and administration from INCAE Business School

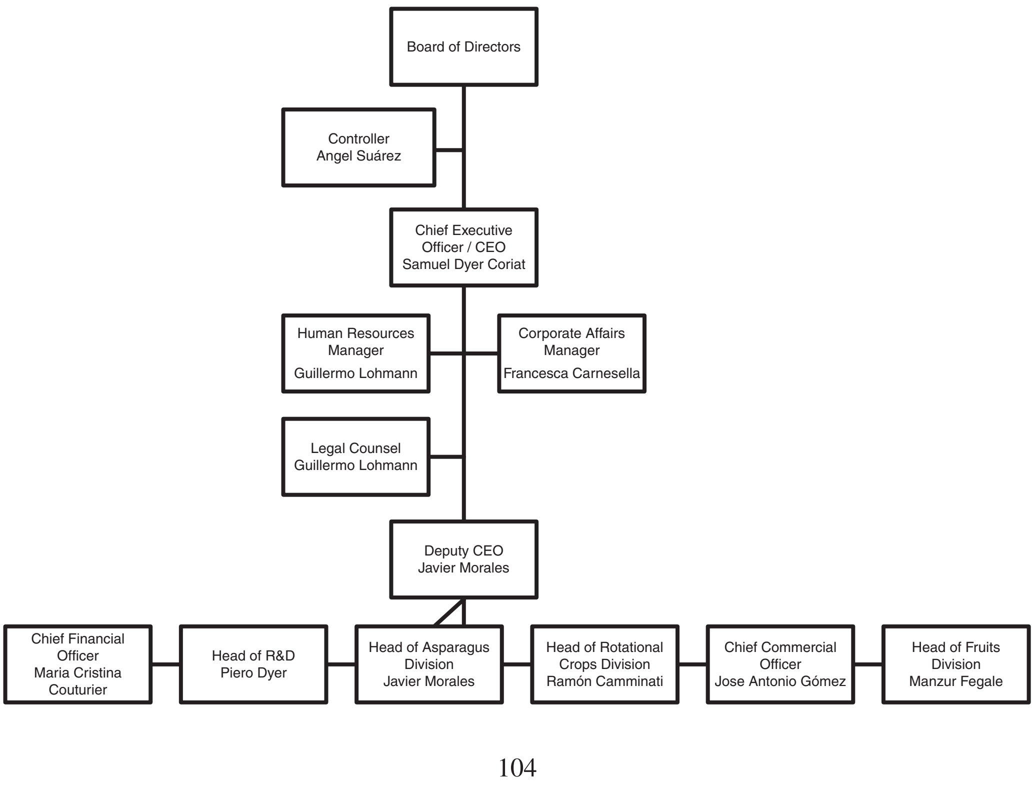
(Costa Rica). He has experience in Ernst & Young and other Peruvian audit companies. He has over 20 years of experience in the Peruvian and international banking sector, (Lloyds Bank Plc, Banco del Sur, Banco del Libertador (Group Luksik Chile), Banco de Lima and others). He has been the Director of Carbolan (Pelikan Peru) and of Copeinca. Since 2004, he has been an associate and Director of Intelfilm S.A. He was appointed Director of CAMPOSOL in 2009.

Fabio Matarazzo di Licosa, Director – Mr. Matarazzo is an accomplished business leader with extensive global experience spanning Latin America, Europe and Asia, primarily in leading agribusiness and fast moving consulting groups, multi-national companies like IRFM, The Coca-Cola Company and Del Monte Foods. He has strong general management, operations and commercial marketing expertise in both emerging and mature markets. In addition he has worked on a wide range of food industry rationalization, integration, acquisition and turnaround projects. His latest assignment in SEA was to acquire first hand expertise on the Philippines, India, China and Singapore FMCG markets, having successfully led the regional Del Monte Pacific Company to an enhanced professional level. Between January 2010 and October 2011, Fabio was Camposol's CEO and after this period he was invited to be part of the Directory. He holds a B.A. with a Major in Economic Theory coupled with numerous post graduate specialized Marketing & Sales courses. He is fluent in Italian, Portuguese, French and Spanish.

Management Team

In 2012 the Company started operating under the new matrix structure with Business Unit Managers, which oversee all processes of their crops and ensure their profitability. Also, the reinforcement of the Commercial and Marketing team took place, as well as the opening of a new commercial office in the US along with the strengthening of the existing one in Europe, allowing the Company to increase its direct sales rate, one of the Company's long term main objectives. In accordance with the Company's new matrix structure, the Deputy Chief Executive Officer position was established at the end of 2013. All managers report directly to the Executive Chairman, who in turn reports to the Board of Directors.

Organizational Chart



The following sets forth selected biographical information for some of the members of Camposol, S.A.'s management team:

Samuel Dyer Coriat, Executive Chairman of the Board – Mr. Dyer obtained his degree in Business Administration at Miami University in Florida, with a specialization in Finance and Administration. He has a wide experience in the Peruvian fishing industry, having initiated his career in Copeinca as Fleet Assistant and having subsequently held various positions including Assistant in the frozen products plant, Plant Superintendent, Frozen Products Plant Manager, Fleet Manager, Operations Manager and CEO from 2002 until 2011. Mr. Dyer was appointed member of the Board of Directors of Camposol in 2008, a position which enabled him to contribute to the transformation of the company into a leading commercial organization employing the principles of corporate government and social responsibility. Mr. Dyer was named President of the Board of Camposol in 2011 with the object of continuing with the consolidation of the company's leadership in the agro-industrial sector. In October of the same year he took over the position of CEO thereby becoming the Executive President of Camposol.

Javier Morales Garcés, Deputy CEO – Mr. Morales is an Agricultural Engineer from the National Agrarian University in La Molina, Lima with an MBA from ESAN University. Mr. Morales has wide experience in the agro-industrial sector. He began his career Camposol 14 years ago as Head of Parcel; subsequently he became Head of Farm and in 2004 was appointed Superintendent of New Areas, responsible for the planting of 2,000 Has of asparagus. In 2009 he was promoted to Manager of New Crops managing a 1,400 Has plantation of avocadoes, grapes and tangerines in La Libertad. He was then appointed Manager of the Asparagus Business Unit in 2011. Later, in 2013 he assumed Management of the Blueberries Business Unit and at the end of 2013 he was appointed Camposol's Deputy CEO.

Ramón Camminati Higueras, *Head of Rotational Crops Division* – Economist and Business Administrator graduated from La Universidad de Piura (UDEP). Broad experience in the business consultant industry, as well as internal auditing (risks and process), and evaluation and implementation of world class ERPs (SAP). In 2006 Ramón left the consultant industry at Ersnt & Young to join Camposol to lead the SAP project implementation for the entire operation. In 2010 is promoted to Corporate Chief Information Officer for Camposol and Copeinca and Finance Deputy for Camposol. In 2011 Ramón was challenged and promoted as Business Unit Manager for the Artichokes, Pepper and Mango.

Francesca Carnesella, Corporate Affairs Manager – Ms. Carnesella graduated as an Economist from Universidad del Pacífico and holds a Masters in Business Administration from Universidad de Piura and is pursuing another master's degree in Communications at the Pontificia Universidad Católica del Perú. She has broad experience in the areas of corporate image, communications, public administration management and institutional relations. She has served as advisor to the Minister of Economy and Finance, the Minister of Energy and Mines, the President of the Commission for the Promotion of Private Investment and the Ministry of Foreign Affairs and has been in charge of the Image and Communications Department of BBVA Banco Continental and the BBVA Foundation, as well as Corporate Image and Public Relations Director at TIM Peru (now Claro). Ms. Carnesella manages our corporate image, communications and social responsibility strategy and programs. She joined Camposol in February 2008.

Maria Cristina Couturier, Chief Financial Officer (CFO) – Maria Cristina Couturier is Chief Financial Officer overseeing corporate finance, accounting, treasury, and business planning. Mrs. Couturier has over 21 years experience occupying positions in various multinational corporations. For the previous 6 years, she was Chief Financial Officer for SN Power Peru S.A. (Peru), an energy company owned by the Norwegian company SN Power Invest. She has also worked in other industries and companies such as Electroandes S.A. (Peru), PSEG (USA), JP Morgan Chase/Flemings (UK), Prisma SAB (Peru), and Southern Peru Copper Corporation (Peru). Mrs. Couturier has extensive experience in corporate finance, mergers and acquisitions, and change management. Mrs. Couturier holds an MBA in finance and a BA in economics from Hofstra University in New York, USA.

Piero Dyer Coriat, R&D Manager – Mr. Dyer Coriat holds a Master's Degree in Business Administration and a Bachelor of Science Degree in Mechanical Engineering from University of Miami (Florida, USA). He worked as technical and financial analyst for the companies owned by Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.), in the new projects division and General Manager of Apurímac Ferrum, an Iron Ore Exploration Project. He joined Camposol in 2008 as CFO.

Manzur Fegale, Head of Fruits Division – An economist from the Universidad del Pacífico, with an MBA from the Tecnológico de Monterrey. Mr. Fegale has more than 15 years experience in the Commercial, Trade and Shopper Marketing and Strategic Planning areas. He worked in Apoyo Consultoría for 3 years and in Procter & Gamble for more than 10 years. He has ample experience in the mass consumption sector, with expertise in new product launching, marketing plans and consumer understanding in Peru, Venezuela and Colombia, as well as the management of distribution channels. His last position was that of Regional Manager for Venezuela, Colombia and Peru for the diaper business.

José Antonio Gómez, Chief Commercial Officer (CCO) – Mr. Gomez is a professional with over fifteen years of experience in sales, marketing and distribution, with demonstrated results in areas such as P&L leadership, new business strategy development and end-to-end supply chain management. He has a broad international experience developing new markets and new products in countries such as Belgium, Holland, Germany, USA, Costa Rica and Peru. Since 2002 he has being appointed to various important positions for Chiquita Brands International, lastly he occupied the position of General Manager in Florida, USA. Mr. Gomez holds a master degree in business administration from INCAE Business School in Costa Rica as well as a Master in Six Sigma from Villanova University in Pennsylvania (USA); he graduated as a Licentiate in Business Administration from Universidad de Lima.

Guillermo Lohmann, General Counsel – Mr. Lohmann graduated as a lawyer from the Pontificia Universidad Católica del Perú. He joined the law firm Rodrigo, Elias & Medrano in January 2005, acquiring the status of associate in January 2007. He has ample experience in the areas of commercial arbitration and civil litigation. He participated in the training program in negotiations in accordance with the Harvard University Model. In December 2007 he joined Camposol to form and develop the Legal Affairs Department as the Company's General Counsel. He is also our current head of Human Resources.

Angel Suárez, Controller – Mr. Suarez is a Public Accountant graduated from the Pontificia Universidad Católica del Peru (PUCP) with specialization in Financial Auditing. He has ample experience in financial and internal auditing, accounting and controlling developed in global companies, leaders in the mass consumption industry and in financial, tax and business consulting. He joined CAMPOSOL in November 2007 to implement the Internal Audit under Corporate Governance Practices, providing assurance on Company's objectives fulfillment based on internal controls improvement, business process management and risk management. He has worked for PricewaterhouseCoopers, Embotelladora Latinoamericana S.A.- Coca Cola and Deloitte & Touche.

SHAREHOLDERS

Camposol S.A. was founded and began operations in 1997. In October 2007, Dyer Coriat Holding S.L. (a company controlled by the Dyer and Coriat families and since renamed Generación del Pacífico Grupo S.L.) and a group of investors acquired Camposol S.A. from its previous controlling shareholders with the proceeds from a U.S.$184.0 million private placement carried out by Camposol AS, a predecessor company of Camposol Holding Ltd, the Parent Guarantor of the notes. Through a corporate reorganization that took place in 2008, Camposol Holding Ltd became the holding company of the Camposol group of companies and also listed its shares on the Oslo Stock Exchange *(Oslo Børs)*.

On December 12, 2013, following the settlement of the mandatory takeover bid offer dated September 24, 2013, the Cyprus Securities and Exchange Commission approved the application submitted by Dyer Coriat Holding S.L. (since renamed Generación del Pacífico Grupo S.L.) to acquire from the minority shareholders all the shares of the issued share capital of Camposol Holding Ltd which Dyer Coriat Holding S.L. did not own (directly or indirectly) at that time. The squeeze-out was effective as of December 11, 2013. As of December 20, 2013, the shares of Camposol Holding Ltd were delisted from Oslo Stock Exchange. In April 2014, the shareholders of Camposol Holding Ltd voted to convert the Parent Guarantor from a “Plc” (a public company limited by shares) to a “Limited” company (a private company limited by shares).

Mr. Samuel Dyer Ampudia is the Chairman of Generación del Pacífico Grupo S.L.

CERTAIN TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of our business, we enter into commercial transactions with some of our affiliates. These transactions are entered into on an arm's length basis. The material transactions that we engage in with related parties are described below. In addition, see note 35 to the audited consolidated financial statements included elsewhere in this offering memorandum.

We retained Empacadora de Frutos Tropicales S.A.C., a related company of Camposol S.A., to provide mango packaging services. We paid Empacadora de Frutos Tropicales S.A.C. U.S.$1.9 million, U.S.$1.6 million and U.S.$1.9 million in each of 2011, 2012 and 2013, respectively, for such services.

Also, we retained Gestión del Pacífico S.A.C., a company owned by Generación del Pacífico Grupo S.L. (formerly, Dyer Coriat Holding S.L.), to provide services related mainly to the lease of our current offices and corporate services such as corporate affairs, finance, investor relations and information technology. We paid Gestión del Pacífico S.A.C. U.S.$0.7 million, U.S.$1.4 million and U.S.$1.9 million in 2011, 2012 and 2013, respectively, for such services.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "Issuer" refers only to Camposol S.A., and any successor obligor to the Notes, and the term "Parent Guarantor" refers only to Camposol Holding Ltd and not to any of its subsidiaries. The Parent Guarantor's guarantee of the Notes is referred to as the "Parent Guarantee." Each of Campoinca S.A. and Marinazul S.A. and any subsidiary of the Parent Guarantor that guarantees the Notes will be referred to as a "Subsidiary Guarantor" and any such guarantee is referred to as a "Subsidiary Guarantee." The Parent Guarantee and the Subsidiary Guarantees are referred to together as the "Note Guarantees." The term "Guarantor" refers to either the Parent Guarantor or one or more Subsidiary Guarantors, as the context requires. Certain terms used in this description are defined below under "– Definitions."

The Issuer will issue the new senior notes due 2017 (the "New Notes) pursuant to a second supplemental indenture to be dated as of , 2014 (the "Supplemental Indenture") as additional notes under an Indenture (the "Indenture), dated as of February 2, 2012, among the Issuer, the Parent Guarantor and any initial Subsidiary Guarantors, as Guarantors and Wells Fargo Bank, National Association, as trustee (the "Trustee") as amended by the first supplemental indenture, dated as of April 16, 2014, among the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee. The Indenture is not required to be nor will it be qualified under the Trust Indenture Act. On February 2, 2012, the Issuer issued U.S.$125,000,000 aggregate principal amount of 9.875% Notes due 2017 under the Indenture (the "Initial Notes"). The Initial Notes and the New Notes will have the same terms. Unless the context otherwise requires, the New Notes and the Initial Notes are referred to collectively as the "Notes". Upon completion of this offering, the aggregate principal amount of Notes outstanding of this series will be U.S.$200,000,000. Accordingly, the U.S.$75,000,000 aggregate principal amount of the New Notes will carry 37.5% of the total voting power of the Notes outstanding after this offering.

The following is a description of certain provisions of the Indenture, the Notes and the Note Guarantees. This summary is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes and the Note Guarantees. It does not restate those agreements in their entirety. Copies of the Indenture will be available on or after the Original Issue Date at the offices of the Luxembourg paying and transfer agent located in the address set forth elsewhere in this offering memorandum and at the corporate trust office of the Trustee currently located at 45 Broadway, 14th Floor, New York, NY 10006, Attn: Corporate Trust Services Administrator for Camposol S.A.

The Initial Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF market and application has been made to list the New Notes on the Notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market. As long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market, and as long as the rules of the Exchange require, the Issuer will also maintain a paying agent and a transfer agent in Luxembourg.

Description of the Notes

The Notes are:

- senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Parent Guarantor on a senior basis;
- subordinated to existing and future secured obligations of the Issuer to the extent of the value of the assets serving as security therefor;
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

The New Notes will be issued in an aggregate principal amount of U.S.$75 million.

The Notes will mature on February 2, 2017 (the "Maturity Date") and shall be redeemed at their aggregate principal amount, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "Additional Notes"), subject to certain limitations described under "– Further Issues." Unless the context requires otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued.

The Notes will bear interest at 9.875% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually in arrears on February 2 and August 2 of each year (each, an "Interest Payment Date"), commencing on August 2, 2014.

Interest will be paid to Holders of record at the close of business on January 19 or July 19 immediately preceding an Interest Payment Date (each, a "Record Date"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of, premium, if any, or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment, then payment of principal, premium, if any, or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day will have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes will accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Notes will be issued only in fully registered form, without coupons, in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Issuer at the office or agency of the Issuer maintained for that purpose in the Borough of Manhattan, The City of New York (which initially will be the corporate trust office of the Trustee), and the Notes may be presented for registration of transfer or exchange at such office or agency; provided that, at the option of the Issuer, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register.

The Parent Guarantee

The Parent Guarantee is:

- senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least pari passu in right of payment with all unsecured, unsubordinated Indebtedness of the Parent Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- subordinated to existing and future secured obligations of the Parent Guarantor to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Under the Indenture, the Parent Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture. The Parent Guarantor will (1) agree that to the extent permitted by law its obligations under the Parent Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Parent Guarantee. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Parent Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Parent Guarantee are required to be made in U.S. dollars.

Release of the Parent Guarantee

The Parent Guarantee may be released in certain circumstances, including:

- upon repayment in full of the Notes; and
- upon a defeasance as described under "– Defeasance."

The Subsidiary Guarantees

On the Original Issue Date, each of Campoinca S.A. and Marinazul S.A. will be a Subsidiary Guarantor. Each Subsidiary Guarantee is:

- senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all unsecured, unsubordinated Indebtedness of the Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- subordinated to existing and future secured obligations of the Subsidiary Guarantor to the extent of the value of the assets serving as security therefor; and
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

Under the Indenture, each Subsidiary Guarantor will unconditionally and irrevocably guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes and the Indenture. Each Subsidiary Guarantor will (1) agree that to the extent permitted by law its obligations under the Subsidiary Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Subsidiary Guarantee. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantee will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantee are required to be made in U.S. dollars.

Although on the Original Issue Date all the Parent Guarantor's Subsidiaries will be Restricted Subsidiaries, none of the Parent Guarantor's Subsidiaries (with the exception of Campoinca S.A. and Marinazul S.A.) will provide a Subsidiary Guarantee on the Original Issue Date (the "Initial Non-Guarantor Subsidiaries" and, together with any other Restricted Subsidiary that has not executed a Subsidiary Guarantee, the "Non-Guarantor Subsidiaries"). In the event that any Non-Guarantor Subsidiary subsequently provides a Subsidiary Guarantee, such Subsidiary shall be excluded from the definition of Non-Guarantor Subsidiary and be added to the definition of Subsidiary Guarantor. Each Restricted Subsidiary that guarantees the Notes after the Original Issue Date is referred to as a "Future Subsidiary Guarantor" and upon execution of the applicable supplemental indenture to the Indenture will become a "Subsidiary Guarantor." Although the Indenture contains limitations on the amount of additional Indebtedness that Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. If the Issuer designates any Subsidiary Guarantor as an Unrestricted Subsidiary, the guarantee of such Subsidiary will be released as described under "– Release of Subsidiary Guarantees." In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor

Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Parent Guarantor.

The Subsidiary Guarantee of each Subsidiary Guarantor and Future Subsidiary Guarantor will be:

- senior in right of payment to any obligations of such Future Subsidiary Guarantor expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Future Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- subordinated to existing and future secured obligations of such Future Subsidiary Guarantor to the extent of the value of the assets serving as security therefore; and
- effectively structurally subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries.

If any Restricted Subsidiary guarantees any Indebtedness of the Issuer or the Parent Guarantor after the Original Issue Date, such Restricted Subsidiary shall become a Subsidiary Guarantor and, upon such designation, shall execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

The Board of Directors may designate any Restricted Subsidiary to be a Subsidiary Guarantor; *provided* that (i) such designation will not cause or result in a Default; (ii) any Indebtedness of such Restricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Subsidiary Guarantor as a result of such designation would be permitted to be Incurred by the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock;" (iii) any Lien on the property of such Restricted Subsidiary at the time of such designation which will be deemed to have been Incurred by such newly-designated Subsidiary Guarantor as a result of such designation would be permitted to be Incurred by the covenant described under the caption "– Limitation on Liens;" and (iv) such Subsidiary Guarantor, upon such designation, executes and delivers to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors will irrevocably and unconditionally, jointly and severally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes, the Indenture and the Parent Guarantee. The Subsidiary Guarantors will (i) agree that, to the extent permitted by law, their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (ii) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note, the Parent Guarantee or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero. The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors – Risks Relating to the Guarantees."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "– Defeasance;"
- upon the designation by the Parent Guarantor of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with terms of the Indenture; or
- upon the sale of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants under the captions "– Certain Covenants – Limitation on Asset Sales" and "–Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (i) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Parent Guarantor's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (ii) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

As of the Original Issue Date, all of the Parent Guarantor's Subsidiaries will be "Restricted Subsidiaries." Under the circumstances described below under the caption "– Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries," the Parent Guarantor will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." If so designated, the Parent Guarantor's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture.

Further Issues

Subject to the covenants described below, the Issuer, the Parent Guarantor and its Subsidiary Guarantors may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Parent Guarantee and any Subsidiary Guarantees) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes will then be permitted under the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock" covenant described below; and *provided further* that Additional Notes may be issued only without, or with less than *de minimis*, original issue discount for United States federal income tax purposes.

Optional Redemption

At any time prior to February 2, 2015 the Issuer may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date (a "Make-Whole Redemption"). The Issuer will give not less than 30 days' or more than 60 days' notice of any Make-Whole Redemption.

At any time and from time to time prior to February 2, 2015 the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Parent Guarantor or the Issuer in an Equity Offering at a redemption price of 109.875% of the principal amount of the Notes, *plus* accrued and unpaid interest, if any, to (but not including) the redemption date (an

"Equity Claw-Back Redemption"); *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

The Issuer will give not less than 30 days' nor more than 60 days' notice of any Equity Claw-Back Redemption. The Trustee will select Notes for redemption *pro rata*, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate, all in accordance with the procedures of DTC. A Note of U.S.$2,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption.

At any time and from time to time on or after February 2, 2015 the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on February 2 of the years indicated below.

Year	Percentage
2015	104.938%
2016	102.469%

A Note of U.S.$2,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions thereof called for redemption.

In addition, the Issuer must pay accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed.

The Parent Guarantor, the Issuer and their Subsidiaries may acquire Notes by means other than a redemption, whether by tender offer, open market purchases, negotiated transactions or otherwise, in accordance with applicable securities laws.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, the Issuer or the Parent Guarantor will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Parent Guarantor and the Issuer will not be required to make a Change of Control Offer following 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 to be made by the Parent Guarantor or the Issuer and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Certain of the events constituting a Change of Control Triggering Event under the Notes will also constitute an event of default under certain debt instruments of the Parent Guarantor and its Subsidiaries. Future debt of the Parent Guarantor or its Subsidiaries may also (i) prohibit the Issuer or the Parent Guarantor from purchasing Notes in the event of a Change of Control Triggering Event, (ii) provide that a Change of Control Triggering

Event is a default or (iii) require the repurchase of such debt upon a Change of Control Triggering Event. Moreover, the exercise by Holders of their right to require the Issuer or the Parent Guarantor to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control Triggering Event itself does not, due to the financial effect of the purchase on Issuer or Parent Guarantor. The ability of the Issuer or the Parent Guarantor to pay cash to Holders following the occurrence of a Change of Control Triggering Event may be limited by the Issuer's or the Parent Guarantor's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors – Risks Related to the Notes – We may not be able to fulfill our repurchase obligations with respect to the notes upon a change of control." The provisions of the Indenture relevant to the Issuer's or the Parent Guarantor's obligation to make an offer to repurchase the Notes as a result of a Change in Control Triggering Event may be waived or modified with the written consent of Holders of at least 67% in aggregate principal amount then outstanding.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Issuer or the Parent Guarantor purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Additional Amounts

All payments of principal of, premium (if any) and interest on the Notes and all payments under the Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within Perú or any jurisdiction in which the Issuer or any applicable Guarantor is organized or resident for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer or the applicable Guarantor, as the case may be, will make such deduction or withholding, make payment of the amount so withheld to the appropriate governmental authority and will pay such additional amounts ("Additional Amounts") as will result in receipt by the Holders of such amounts as would have been received by the Holders had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(a) for or on account of:

(i) any withholding or deduction that is imposed on payments of interest (as opposed to any withholding or deduction that is imposed on the proceeds of a redemption of a Note) at a rate that exceeds 4.99% in the aggregate to a Holder of Notes that does not qualify for the Peruvian income tax withholding rate of 4.99% (the "4.99% Rate") on payments of interest on the Notes, unless failure to qualify for the 4.99% Rate is due to a change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Perú or Cyprus affecting taxation and such change or amendment occurs after the Holder acquires the Notes (however, for the avoidance of doubt, the Issuer will, subject to the conditions below, be obligated to pay Additional Amounts in such case with respect to the amounts that are deducted or withheld in respect of the first 4.99% of the interest payment);

(ii) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Guarantee, as the case may be, and the Relevant Jurisdiction, including, without limitation, such Holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein, other than merely holding such Note or the receipt of payments thereunder or under the Guarantee;

(B) the presentation of such Note (where presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any day within such 30-day period;

(C) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer or any Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request under applicable law, regulation or administrative practice would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or

(D) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(iii) any estate, inheritance, gift, sale, transfer, excise or personal property or similar tax, assessment or other governmental charge;

(iv) any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments of principal, premium (if any) or interest on the Notes;

(v) any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal, premium (if any) or interest on the Note, if such tax, assessment or other governmental charge results from the presentation of such Note for payment (where presentation is required) and the payment can be made without such withholding or deduction by the presentation of such Note for payment to at least one other paying agent;

(vi) any withholding or deduction that is imposed or levied on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the 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 Directives; or

(vii) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (i), (ii), (iii); (iv), (v) and (vi). (b) with respect to any payment of the principal of, or premium, if any, or interest on, such Note or any payment under any Guarantee to a Holder, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of such payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or another beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the Holder thereof.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Issuer intends to withhold Peruvian taxes from interest payments on the Notes at a rate 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 Income Taxation."

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Issuer, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of Peru or Cyprus affecting taxation; or

(2) any change in, or amendment to, the official application or interpretation of such laws, regulations or rulings (including without limitation a holding, judgment or order by a court of competent jurisdiction or other governmental authority),

which change or amendment becomes effective (i) with respect to the Issuer or any applicable Guarantor, on or after the Original Issue Date and (ii) with respect to any successor of the Issuer or any applicable Guarantor, wherein any successor assumes the obligations of the Notes and the Indenture following a merger, consolidation or transfer, lease or conveyance of substantially all of the predecessor's assets (each a "Surviving Person"), on or after the day such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes, the Indenture or the Notes Guarantees, and the Issuer or any applicable Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts with respect to taxes of Perú or Cyprus at a rate in excess of (x) 4.99% in the aggregate with respect to interest paid on the Notes or (y) 30% in the aggregate with respect to any payments other than interest or principal on the Notes that a Holder would realize were such Notes redeemed on such Interest Payment Date, and such requirement cannot be avoided by the Issuer or any applicable Guarantor, as the case may be, taking reasonable measures available to it; provided that for the avoidance of doubt changing the jurisdiction of the Issuer or any applicable Guarantor is not a reasonable measure for the purposes of this section; and provided further that no such notice of redemption will be given earlier than 30 days prior to the earliest date on which the Issuer or any applicable Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer or any applicable Guarantor, as the case may be, will deliver to the Trustee:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer or the Parent Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant each of recognized standing with respect to tax matters of Perú or Cyprus, as the case may be, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

Such certificate and opinion shall constitute sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the Holders. The notice, once delivered to the Trustee, will be irrevocable.

Any Notes that are redeemed will be cancelled.

Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Certain Covenants

Pursuant to the Indenture, the Issuer, the Parent Guarantor and the Subsidiary Guarantors will agree to certain restrictive covenants.

During any period of time that (i) the Notes have Investment Grade Ratings from two Rating Agencies and (ii) no payment default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions (collectively, the "Suspended Covenants") of the Indenture:

- "– Limitation on Indebtedness and Disqualified Stock;"
- "– Limitation on Restricted Payments;"
- "– Limitation on Asset Sales;"
- "– Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;"
- "– Limitation on Issuances of Guarantees by Restricted Subsidiaries;"
- "– Limitation on Transactions with Affiliates;"
- "– Limitation on Use of Proceeds;"
- "– Limitation on Business Activities;" and
- "– Maintenance of Insurance."

In the event that the Issuer, the Parent Guarantor and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one of the Rating Agencies withdraws its Investment Grade rating or downgrades its rating assigned to the Notes below an Investment Grade rating and as a result the Notes have an Investment Grade rating from fewer than two Rating Agencies, then the Company and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the Suspension Date and the Reversion Date is referred to as the "Suspension Period." Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period). During the Suspension Period, the Issuer will not be entitled to make any designation of Restricted and Unrestricted Securities.

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified to have been incurred pursuant to clause (a) of "– Limitation on Indebtedness and Disqualified Stock" below or one of the clauses set forth in clause (b) of "– Limitation on Indebtedness and Disqualified Stock" below (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred pursuant to clause (a) or (b) of "– Limitation on Indebtedness and Disqualified Stock," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under sub-clause (2) of clause (b) of "– Limitation on Indebtedness and Disqualified Stock." Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "– Limitation on Restricted Payments" will be made as though the covenant described under "– Limitation on Restricted Payments" had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "– Limitation on Restricted Payments."

The Issuer shall give the Trustee written notice of any Covenant Suspension Event and in any event not later than five (5) Business Days after such Covenant Suspension Event has occurred. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

Limitation on Indebtedness and Disqualified Stock

(a) The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness) or Disqualified Stock; *provided* that the Parent Guarantor, the Issuer and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) if, immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio of the Parent Guarantor is less than (i) 3.5 to 1.0 (during the period from the Original Issue Date through June 30, 2013) and (ii) 3.25 to 1.0 (from July 1, 2013 through the Maturity Date).

(b) Notwithstanding the foregoing, the Parent Guarantor, the Issuer, any Subsidiary Guarantor and, to the extent provided below, any Non-Guarantor Subsidiary, may Incur each and all of the following ("Permitted Indebtedness"):

(1) Indebtedness under the Notes (excluding any Additional Notes) and the Note Guarantees;

(2) Indebtedness of the Parent Guarantor, the Issuer, any Subsidiary Guarantor or any Non-Guarantor Subsidiary outstanding on the Original Issue Date;

(3) Indebtedness of the Parent Guarantor, the Issuer, any Subsidiary Guarantor or any Non-Guarantor Subsidiary owed to the Parent Guarantor or any Restricted Subsidiary; *provided* that (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Parent Guarantor or any Wholly Owned Restricted Subsidiary) will be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) and (ii) if the Issuer, the Parent Guarantor or any Subsidiary Guarantor is the obligor on such Indebtedness and the obligee is not the Issuer or a Guarantor, such Indebtedness must expressly be subordinated in right of payment to the Notes and Note Guarantees;

(4) Indebtedness ("Permitted Refinancing Indebtedness") issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under the immediately preceding paragraph or clauses (1) or (2) of this paragraph (b) and any refinancing thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or Note Guarantees shall only be permitted under this clause (4) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or Note Guarantees, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinated in right of payment to, the remaining Notes or such Note Guarantees, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or Note Guarantees, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Note Guarantees at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Note Guarantees, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not have a Stated Maturity prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (iii) in no event may Indebtedness of the Issuer or any Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary (other than the Issuer) that is not a Guarantor;

(5) Hedging Obligations arising under Commodity Hedging Agreements, Currency Agreements or Interest Rate Agreements which, when entered into, were entered into in the ordinary course of business for the purpose of protecting the Parent Guarantor, the Issuer or any Restricted Subsidiary from fluctuations in interest rates, currency exchange rates or the price of commodities and not for speculation;

(6) Indebtedness in respect of any obligations under workers' compensation claims, severance payment obligations, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, reclamation, statutory obligations, regulatory or other legal obligations, bankers' acceptances, promissory notes, performance, surety or similar bonds, appeal or similar bonds, letters of credit or completion or performance guarantees and factoring and other financing of payables or receivables, or similar obligations in the ordinary course of business;

(7) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five (5) Business Days of its Incurrence;

(8) Indebtedness arising under agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the acquisition or disposition of a business, assets or Capital Stock of a Restricted Subsidiary; *provided* that, in the case of a disposition, the maximum aggregate liability in respect of such Indebtedness will at no time exceed the gross proceeds actually received by the Parent Guarantor, the Issuer or such Restricted Subsidiary in connection with such disposition;

(9) Acquired Indebtedness; *provided* that immediately after giving effect on a *pro forma* basis to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, the Consolidated Leverage Ratio would be not greater than the Consolidated Leverage Ratio determined immediately before such Incurrence and the consummation of the related acquisition;

(10) Permitted Subsidiary Indebtedness;

(11) Guarantees of any Indebtedness permitted to be Incurred under this "Limitation on Indebtedness and Disqualified Stock" covenant;

(12) Indebtedness Incurred for inventory or receivables financing in the ordinary course of business with a Stated Maturity not exceeding one year from the date of the Incurrence in an aggregate principal amount outstanding not to exceed 25.0% of the consolidated net sales of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS, for the twelve-month period ended on the last day of the most recent fiscal quarter ending prior to the date of such Incurrence; and

(13) Other Indebtedness Incurred by the Parent Guarantor or its Restricted Subsidiaries, in an aggregate principal amount not to exceed the greater of (a) U.S.$20.0 million (or the Dollar Equivalent thereof) and (b) 5.0% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS as of the end of the most recent fiscal quarter ending prior to the date of such Incurrence.

For purposes of determining compliance with this "Limitation on Indebtedness and Disqualified Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of this covenant, the Parent Guarantor will be permitted to classify such item of Indebtedness on the date of its incurrence and may, in its sole discretion, divide and classify an item of Indebtedness in one or more of the types of Indebtedness and may later re-divide or reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant at such time. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant shall not be deemed to be exceeded as a result solely of fluctuations in exchange rates or currency values after the date of Incurrence of such Indebtedness. It is further understood that for purposes of determining any particular amount of Indebtedness under paragraphs (a) and (b) above, guarantees of (or obligations with respect to letters of credit supporting) Indebtedness otherwise included in the determination of such amount shall not also be included. Accrual of interest, accrual of dividends, payment of interest in the form of additional Indebtedness, payment of dividends in the form of shares of Preferred Stock, accretion or amortization of original issue discount will not be deemed to be an Incurrence of Indebtedness for purposes of the "– Limitation on Indebtedness and Disqualified Stock" covenant.

Limitation on Restricted Payments

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any of its Restricted Subsidiaries' Capital Stock other than dividends or distributions payable in shares of the Parent Guarantor's or any of its Restricted Subsidiaries' Capital Stock (other than Disqualified Stock) or in options, warrants or other rights to acquire shares of such Capital Stock);

(2) purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock of the Parent Guarantor or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) held by any Persons other than the Parent Guarantor, the Issuer or any of its Restricted Subsidiaries;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is expressly subordinated in right of payment to the Notes or any Note Guarantees (excluding any intercompany Indebtedness between or among the Parent Guarantor, the Issuer and any of its Restricted Subsidiaries); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(B) the Parent Guarantor could not Incur at least U.S.$1.00 of Indebtedness under the proviso in the first paragraph of the covenant under the caption "– Limitation on Indebtedness and Disqualified Stock;" or

(C) such Restricted Payment, together with the aggregate amount of all Restricted Payments declared or made by the Parent Guarantor and its Restricted Subsidiaries after the Original Issue Date, (excluding Restricted Payments permitted by clauses (2), (3), (4), (5) and (7) of the succeeding paragraph will exceed the sum of:

(1) 50% of the aggregate amount of the Consolidated Net Income of the Parent Guarantor (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately preceding the Original Issue Date and ending on the last day of the Parent Guarantor's most recently ended fiscal quarter for which consolidated financial statements of the Parent Guarantor are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*

(2) 100% of the aggregate Net Cash Proceeds received by the Parent Guarantor, the Issuer or any Restricted Subsidiary after the Original Issue Date as a capital contribution to its common equity by, or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to, a Person who is not a Subsidiary of the Parent Guarantor, the Issuer or any Restricted Subsidiary, including any such Net Cash Proceeds received upon (x) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Parent Guarantor into Capital Stock (other than Disqualified Stock) of the Parent Guarantor, the Issuer or any Restricted Subsidiary, or (y) the exercise by a Person who is not a Subsidiary of the Parent Guarantor of any options, warrants or other rights to acquire Capital Stock of the Parent Guarantor (other than Disqualified Stock), in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Parent Guarantor, the Issuer or any Restricted Subsidiary; *plus*

(3) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Original Issue Date in any Person resulting from (a) repurchases or redemptions of such Investments by such Person, proceeds realized upon the sale or other disposition and such Investments, releases

of Guarantees, payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Parent Guarantor or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), or (b) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Parent Guarantor or a Restricted Subsidiary after the Original Issue Date in any such Person; *plus*

(4) the amount by which Indebtedness is reduced on the consolidated balance sheet of the Parent Guarantor upon the conversion or exchange subsequent to the Original Issue Date of any Indebtedness of the Parent Guarantor, the Issuer or any Restricted Subsidiary for Capital Stock (other than Disqualified Stock).

The foregoing provision will not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Parent Guarantor, the Issuer or any of the Restricted Subsidiary with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) any Restricted Payment made in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than a capital contribution by or sale to the Parent Guarantor or to a Subsidiary of the Parent Guarantor) of, shares of Capital Stock (other than Disqualified Stock) of the Parent Guarantor, the Issuer or any of the Restricted Subsidiaries (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C)(2) of the preceding paragraph;

(4) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Parent Guarantor to all holders of any class of Capital Stock of such Restricted Subsidiary;

(5) the declaration and payment of dividends by the Parent Guarantor or the repurchases of shares of Capital Stock of the Parent Guarantor with respect to the fiscal years ended on or prior to December 31, 2010 in an aggregate amount not to exceed U.S.$10.0 million (or the Dollar Equivalent thereof);

(6) the payment of annual dividends by the Parent Guarantor in respect of any fiscal year of the Parent Guarantor ending on or after December 31, 2011, in an aggregate amount for any such fiscal year equal to (i) 50% of Consolidated Net Income for such fiscal year if the Consolidated Leverage Ratio would be equal to or greater than 1.50 to 1.00, or (ii) 75% of Consolidated Net Income for such fiscal year if the Consolidated Leverage Ratio would be lower than 1.50 to 1.00; in each case the Consolidated Leverage Ratio shall be calculated immediately prior to the payment of such dividend on a *pro forma* basis after giving effect to the payment of such dividend;

(7) purchases deemed to occur as a result of cashless exercises of stock options or other payments under employee benefit plans of the Parent Guarantor or any Restricted Subsidiary; and

(8) other Restricted Payments in an aggregate amount not to exceed U.S.$15.0 million (or the Dollar Equivalent thereof) since the Original Issue Date;

provided that, in the case of clauses (5) and (7) of this paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Parent Guarantor or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized standing.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided below, the Parent Guarantor will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any other Restricted Subsidiary;

(2) pay any Indebtedness owed to the Parent Guarantor or any other Restricted Subsidiary;

(3) make loans or advances to the Parent Guarantor or any other Restricted Subsidiary;

(4) sell, lease or transfer any of its property or assets to the Parent Guarantor or any other Restricted Subsidiary.

(b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:

(1) existing in agreements as in effect on the Original Issue Date, in the Notes, the Note Guarantees, or the Indenture, and any extensions, refinancings, supplements, amendments, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no less favorable in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, supplemented, amended, renewed or replaced;

(2) existing under or by reason of applicable law, rule, regulation, license, concession, approval, decree or order applicable to the relevant Restricted Subsidiary;

(3) resulting from restrictions on cash or other deposits or other customary requirements imposed by customers or suppliers under contracts entered into in the ordinary course of business;

(4) existing with respect to any Person or the property or assets of such Person, or relating to or existing under any Indebtedness or other obligations acquired or incurred by the Parent Guarantor or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, supplements, amendments, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are not materially less favorable to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, supplemented, amended, renewed or replaced;

(5) that (x) otherwise would be prohibited by the provision described in clause (a)(4) of this covenant if they arise or are agreed to in the ordinary course of business, (y) that (i) restrict in a customary manner the subletting, assignment or other transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Indebtedness, Lien, agreement to transfer, option or similar right with respect to any property or assets of the Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to

any Indebtedness, or (z) do not, individually or in the aggregate, detract from the value of property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or its Restricted Subsidiaries taken as a whole;

(6) contained in any agreement pursuant to which Indebtedness not otherwise prohibited by this Indenture was Incurred; *provided* that the encumbrance or restriction applies only in the event of a default with respect to a covenant contained in such Indebtedness; or

(7) imposed pursuant to an agreement that has been entered into for a sale or disposition that is permitted by the "– Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Parent Guarantor will not permit any Restricted Subsidiary (other than the Issuer) which is not a Subsidiary Guarantor, directly or indirectly, to Guarantee any Indebtedness ("Guaranteed Indebtedness") of the Parent Guarantor or any other Restricted Subsidiary, unless (1) (a) such Restricted Subsidiary, simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Parent Guarantor or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full or (2) such Guarantee and such Guaranteed Indebtedness are permitted by clauses (b) (2), (3) or (10) of the "– Limitation on Indebtedness and Disqualified Stock" covenant. Under the Indenture, and any supplemental indenture, as applicable, each Subsidiary Guarantee will be limited in an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the Guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Any Subsidiary Guarantee executed and delivered pursuant to the first paragraph of this covenant may provide that it shall automatically terminate upon the sale, exchange or transfer of all Capital Stock of the relevant Subsidiary Guarantor held by the Parent Guarantor or any Restricted Subsidiary, or all or substantially all the assets of such Subsidiary Guarantor, to a Person or Persons other than the Parent Guarantor or any Restricted Subsidiary. Any Subsidiary Guarantee executed and delivered pursuant to the first paragraph of this covenant may further provide that it shall automatically terminate upon termination of any and all obligations of the Subsidiary Guarantor under the Guarantee of the relevant Guaranteed Indebtedness.

Limitation on Transactions with Affiliates

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with any Affiliate of the Parent Guarantor or any Restricted Subsidiary (each an "Affiliate Transaction"), unless:

(1) the Affiliate Transaction is on terms that are not materially less favorable to the Parent Guarantor or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Parent Guarantor or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Parent Guarantor or such Restricted Subsidiary; and

(2) the Parent Guarantor delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of U.S.$5.0 million (or the Dollar Equivalent thereof), a Board Resolution or an approval by the audit committee of the Parent Guarantor set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors, or by a majority of the members of the audit committee, as applicable; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of U.S.$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Parent Guarantor or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an internationally recognized accounting, appraisal or investment banking firm.

The foregoing limitation does not limit, and will not apply to:

(1) the payment of reasonable fees, compensation, benefits or indemnity to officers, employees and directors of the Parent Guarantor or any of its Restricted Subsidiaries;

(2) transactions between or among the Parent Guarantor, the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;

(3) any Restricted Payment permitted by the covenant "– Limitation on Restricted Payments;"

(4) transactions with customers, clients, suppliers, distributors, generators, transporters or purchasers or sellers of goods or services, in each case in the ordinary course of business;

(5) loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding U.S.$2.0 million at any time; and

(6) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements and other compensation arrangements, options to purchase Capital Stock, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits plans and/or indemnity provided on behalf of officers, directors and employees of the Parent Guarantor or any of its subsidiaries approved by the Board of Directors in an aggregate amount not to exceed U.S.$1.5 million (or the Dollar Equivalent thereof) during any fiscal year, calculated at the time of such award or grant and without giving effect to subsequent changes in value.

Limitation on Liens

The Parent Guarantor will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired securing any Indebtedness, except Permitted Liens, unless the Notes or Parent Guarantee are equally and ratably secured by (or, if the obligation so secured is subordinated in right of payment to the Notes or the Note Guarantees, prior to) such Lien for so long as such Indebtedness is so secured.

Limitation on Asset Sales

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) the consideration received by the Parent Guarantor or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;

(2) at least 75% of the consideration received consists of cash or Temporary Cash Investments. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Parent Guarantor's most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Parent Guarantor or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from such transferee that are to be converted by the Parent Guarantor or such Restricted Subsidiary into cash within 365 days of closing; and

(c) the Fair Market Value of (i) any assets or rights (including without limitation a present or future interest in raw materials) received by the Parent Guarantor or any Restricted Subsidiary to be used by it in a Permitted Business, (ii) Capital Stock in a Person that is a Restricted Subsidiary or in a Person engaged in a Related Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Person by the Parent Guarantor or any Restricted Subsidiary or (iii) a combination of (i) and (ii).

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Parent Guarantor (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

(1) permanently repay Senior Indebtedness of the Parent Guarantor or a Subsidiary Guarantor or any Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Parent Guarantor or a Restricted Subsidiary; and/or

(2) acquire properties or other assets that replace the properties and assets that were the subject of such Asset Sale or other properties or assets that will be used or useful in a Permitted Business ("Replacement Assets").

Any Net Cash Proceeds from Asset Sales that are not applied or invested (or irrevocably committed to be invested) as provided in clauses (1) and (2) in the paragraph above will constitute "Excess Proceeds." Excess Proceeds of less than U.S.$15.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed U.S.$15.0 million (or the Dollar Equivalent thereof), within 30 days thereof, the Issuer must make an Offer to Purchase Notes having a principal amount equal to:

(1) accumulated Excess Proceeds, multiplied by;

(2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest U.S.$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes (and such other *pari passu* Indebtedness) to be purchased on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion shall deem to be fair and appropriate. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Limitation on Use of Proceeds

The Issuer shall use the proceeds from the offering of the Notes as described under "Use of Proceeds" in the offering memorandum.

Limitation on Business Activities

The Parent Guarantor and its Restricted Subsidiaries, taken as a whole, will continue to be primarily engaged in Permitted Businesses; *provided* that the Parent Guarantor or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption "– Limitation on Restricted Payments."

Maintenance of Insurance

The Parent Guarantor will cause all properties used or useful in the conduct of its business or the business of any of its Restricted Subsidiaries to be maintained and kept in good condition, repair and working order as in the judgment of the Parent Guarantor may be necessary so that the business of the Parent Guarantor and its Restricted Subsidiaries may be properly conducted at all times except to the extent the failure to do so would not have a material adverse effect on the business and results of operations of the Parent Guarantor and its Restricted Subsidiaries taken as a whole; provided that nothing in this section prevents the Parent Guarantor or any Restricted Subsidiary from discontinuing the use, operation or maintenance of any of such properties or disposing of any of them, if such discontinuance or disposal is, in the judgment of the Parent Guarantor, desirable in the conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries. The Parent Guarantor will, and will cause its Restricted Subsidiaries to, maintain property and casualty insurance or self-insurance with respect to its material operating assets against such risks and in such amounts as in the judgment of the Parent Guarantor is reasonable and appropriate for similarly-situated businesses.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) such designation would not cause a Default and (ii) one of the following: (a) the Subsidiary to be so designated has total assets of U.S.$1,000 or less or (b) if such Subsidiary has total assets greater than U.S.$1,000, the Issuer would be permitted under the covenant described under "– Limitation on Restricted Payments" to make a Restricted Payment in the amount equal to the aggregate Fair Market Value of all Investments by the Parent Guarantor, the Issuer or any Restricted Subsidiary in such Subsidiary.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (i) such designation will not cause or result in a Default; (ii) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock;" (iii) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "– Limitation on Liens;" and (iv) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

Government Approvals and Licenses; Compliance with Law

The Parent Guarantor will, and will cause each Restricted Subsidiary to, (i) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, provided that nothing in this section prevents the Parent Guarantor or any Restricted Subsidiary from discontinuing any approvals, authorizations, consents, permits, concessions or licenses if such discontinuance is, in the judgment of the Parent Guarantor, desirable in the conduct of the business of the Parent Guarantor or any of its Restricted Subsidiaries and (ii) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except in each case to the extent that failure so to obtain, maintain and comply would not have a material adverse effect on the business and results of operations of the Parent Guarantor and its Restricted Subsidiaries taken as a whole.

Provision of Financial Statements and Reports

(a) So long as any of the Notes remain outstanding, the Parent Guarantor will make available in the English language on its website (and if at any time the common stock of the Parent Guarantor ceases to be listed on the Oslo SX or any other recognized exchange, the Parent Guarantor will also file with the Trustee):

(1) within 120 calendar days after the end of the fiscal year of the Parent Guarantor, copies of its consolidated financial statements in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants; and

(2) within 60 calendar days after the end of each of the first three financial quarters of the Parent Guarantor, copies of its unaudited financial statements (on a consolidated basis), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Parent Guarantor.

(b) in addition, so long as any of the Notes remain outstanding, the Parent Guarantor will provide to the Trustee concurrently with the delivery of consolidated financial statements pursuant to (1) above, an Officers' Certificate stating (A) the Consolidated Leverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation made in respect thereof, including the arithmetic computations of each component of the Consolidated Leverage Ratio and (B) that no Event of Default has occurred and is continuing, or, if an Event of Default has occurred and is continuing, specifying each such Event of Default and the nature and status thereof. The Parent Guarantor will also be obligated to notify the Trustee in writing of any Event of Default that has occurred and is continuing in respect of the performance of any material covenants or agreements under the Indenture within 30 days of the occurrence of such Event of Default specifying the nature and status thereof.

(c) in addition, so long as any of the Notes remain outstanding, the Issuer will file with the Trustee in the English language:

(1) within 120 calendar days after the end of the fiscal year of the Issuer, copies of its consolidated financial statements in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants; and

(2) within 60 calendar days after the end of each of the first three financial quarters of the Issuer, copies of its unaudited financial statements (on a consolidated basis), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Issuer.

Further, the Issuer, the Parent Guarantor and each Subsidiary Guarantor have agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Issuer, the Parent Guarantor or such Subsidiary Guarantor is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Issuer, the Parent Guarantor or such Subsidiary Guarantor, as the case may be, shall supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the U.S. Securities Act upon the request of any Holder or beneficial owner of a Note.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(b) default in the payment of interest (or Additional Amounts, if any) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(c) default in the performance or breach of the provisions of the covenant described under "– Consolidation, Merger and Sale of Assets;"

(d) default in the performance or breach of the obligations described under the caption "– Repurchase of Notes upon a Change of Control Triggering Event", and such default or breach continues for a period of 30 consecutive days after written notice is received by the Parent Guarantor from the Trustee at the request of the Holders or from the Holders of 25% or more in aggregate principal amount of the Notes;

(e) default in the performance or breach of any other material covenant or agreement in the Indenture (other than a default specified in clause (a), (b) or (c) above) and such default or breach continues for a period of 60 consecutive days after written notice is received by the Parent Guarantor from the Trustee at the written request of the Holders or from the Holders of 25% or more in aggregate principal amount of the Notes;

(f) there occurs with respect to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary having an outstanding principal amount of U.S.$10.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or will hereafter be created, an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity;

(g) one or more final judgments or orders for the payment of money are rendered against the Parent Guarantor or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed U.S.$10.0 million (or the Dollar Equivalent thereof) (to the extent not covered by insurance or self insurance) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(h) an involuntary case or other proceeding is commenced against the Parent Guarantor or the Issuer with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, bankruptcy, trustee, sequestrator or similar official of the Parent Guarantor or the Issuer or for all or substantially all of the property and assets of the Parent Guarantor or the Issuer and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Parent Guarantor or the Issuer under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(i) the Parent Guarantor or the Issuer (A) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (B) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Parent Guarantor or the Issuer or for all or substantially all of the property and assets of the Parent Guarantor or the Issuer or (C) effects any general assignment for the benefit of creditors;

(j) the Parent Guarantor denies in writing its obligations under its Note Guarantee or, except as permitted by the Indenture, such Note Guarantee is determined to be unenforceable or invalid; or

(k) all amounts outstanding under the syndicated credit facility with Interbank are not repaid in full within 30 days after the Closing Date.

If an Event of Default (other than an Event of Default specified in clause (h) or (i) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes, then outstanding, by written notice to the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of such Holders will, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable, subject always to the Trustee having been indemnified and/or provided security to its satisfaction. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (h) or (i) above occurs with respect to the Parent Guarantor or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Issuer and to the Trustee, may waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(x) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and

(y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may 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. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or pursue any remedy with respect to the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee security and/or indemnity satisfactory to the Trustee against any loss, costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of security and/or indemnity; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest, and Additional Amounts, if any, on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the Holder.

Consolidation, Merger and Sale of Assets

(a) The Parent Guarantor will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(1) the Parent Guarantor will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Parent Guarantor Surviving Person") shall be a corporation organized and validly existing under the laws of the Cyprus, Perú, the United States of America, any state thereof or the District of Columbia or any other country that is a member country of the European Union and will expressly assume or guarantee, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Parent Guarantor under the Indenture and the Parent Guarantee, as the case may be, and the Indenture and the Parent Guarantee, as the case may be, will remain in full force and effect;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Parent Guarantor or the Parent Guarantor Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Parent Guarantor immediately prior to such transaction; and

(4) the Parent Guarantor delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision.

(b) The Issuer will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(1) the Issuer will be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Issuer Surviving Person") shall be a corporation organized and validly existing under the laws of Perú, Cyprus, the United States of America, any state thereof or the District of Columbia or any other country that is a member country of the European Union and will expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of Issuer under the Indenture, and the Indenture will remain in full force and effect;

(2) immediately after giving effect to such transaction, no Event of Default will have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Issuer or the Issuer Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Issuer immediately prior to such transaction; and

(4) the Issuer delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clause (3) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision.

(c) The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Parent Guarantor that may adversely affect Holders.

No Payments for Consents

The Parent Guarantor will not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the Notes or any Guarantee unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Redeemed or Repurchased Notes

A Note does not cease to be outstanding because the Parent Guarantor or any Affiliate of the Parent Guarantor holds the Note, *provided* that in determining whether the Holders of the requisite amount of outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver under the Indenture, Notes owned by the Parent Guarantor or any Affiliate of the Parent Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a responsible officer of the Trustee actually knows are so owned shall be so disregarded. Notes so owned that have been pledged in good faith may be regarded as outstanding if the pledgee establishes that the pledgee's right to act with respect to such Notes and that the pledgee is not the Parent Guarantor or an Affiliate of the Parent Guarantor.

Any Notes purchased or redeemed by the Issuer, the Parent Guarantor or any Affiliate of the Issuer or Parent Guarantor (including any third party making a Change of Control Offer) may not, following such purchase or redemption, be transferred to any Person other than the Issuer, the Parent Guarantor or an Affiliate if such Note would not be fungible with the other Notes. The Parent Guarantor or any Affiliate of the Issuer or Parent Guarantor may, at any time, purchase any Note in the open market or otherwise at any price. Any Note so purchased may be surrendered to the Trustee, and if so surrendered shall be cancelled by the Trustee.

Defeasance

The Issuer may, at its option and at any time, elect to have the obligations of the Issuer discharged with respect to the Notes ("Legal Defeasance"). Such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the Notes, except for:

(1) the rights of the Holders to receive payments in respect of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes when such payments are due;

(2) the Issuer'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;

(3) the rights, powers, trust, duties and immunities of the Trustee, as set forth in the Indenture, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance") and thereafter the failure by the Issuer or any Restricted Subsidiary to comply with such obligations shall not constitute an Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership 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:

(1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination thereof, in such amounts and at such times as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(2) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee, confirming that:

(a) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

(b) since the date of the Indenture, 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 shall confirm that, the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States 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;

(3) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel in the United States confirming that the Holders will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States 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;

(4) in the case of Legal Defeasance or Covenant Defeasance, the Issuer shall have delivered to the Trustee (i) an opinion of counsel to the effect that, based upon Peruvian law then in effect, the 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, and the amounts to be payable shall not be subject to any deposit or temporary freezing of funds, as a result of Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Peruvian taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred or (ii) a ruling directed to the Trustee received from tax authorities of Perú to the same effect as the opinion of counsel described in clause (i) above;

(5) no Default or Event of Default shall have occurred and be continuing on the date of such deposit pursuant to clause (a) of this paragraph (except such Default or Event of Default resulting from the failure to comply with "– Limitation on Indebtedness and Disqualified Stock " as a result of the borrowing of funds required to effect such deposit);

(6) such Legal Defeasance or Covenant Defeasance shall not result in a breach of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(7) the Trustee shall have received an Officers' Certificate of the Issuer stating that the deposit was not made with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(8) the Trustee shall have received an Officers' Certificate of the Issuer and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(9) the Trustee shall have received an opinion of counsel (subject to customary qualifications and exclusions) to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in such Indenture) when:

(1) the Issuer has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in U.S. dollars or U.S. Government Obligations sufficient to pay and discharge the entire Indebtedness on the Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Maturity Date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at the applicable installment date or on the Redemption Date, as the case may be, and either:

(a) all Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the mailing of a notice of redemption or otherwise), (y) will become due and payable at the Maturity Date within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name, and at our expense;

(2) the Issuer has paid or caused to be paid all sums payable by the Issuer under the Indenture; and

(3) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that:

(a) all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied; and

(b) such satisfaction and discharge will not result in a breach or violation of, or constitute an Event of Default under, the Indenture or any other agreement or instrument to which the Parent Guarantor, the Issuer or any Restricted Subsidiary is a party or by which the Parent Guarantor, the Issuer or any Restricted Subsidiary is bound.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes or any Note Guarantees may be amended by the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee, as the case may be, without the consent of any Holder, to:

(1) to cure any ambiguity, or to correct or supplement any provision in the Indenture or the Notes that may be defective or inconsistent with any other provision in the Indenture, the Notes or this description in this offering memorandum;

(2) to add to the Issuer's covenants and those of any other obligor of the Notes for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any other obligor of the Notes, as applicable, in the Indenture or in the Notes for the benefit of the Holders of the Notes;

(3) comply with the provisions described under "– Consolidation, Merger and Sale of Assets;"

(4) evidence and provide for the acceptance of appointment by a successor Trustee;

(5) add any Guarantor or any Guarantee or release any Guarantor from any Guarantee as provided or permitted by the terms of the Indenture;

(6) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(8) effect any changes to the Indenture or the Notes in a manner necessary to comply with the procedures of DTC; or

(9) make any other change that does not materially and adversely affect the rights of the Holders.

Amendments With Consent of Holders

Amendments of the Indenture, the Notes or any Note Guarantees may be made by the Issuer, the Parent Guarantor, the Subsidiary Guarantors and the Trustee, as the case may be, with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Issuer or any Note Guarantees with any provision of the Indenture, the Notes or any Guarantee; *provided* that no such modification or amendment may, without the consent of each Holder directly and adversely affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or stated rate of interest on, any Note;

(3) change the currency of payment of principal of, or premium, if any, or interest on, any Note; (4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or Note Guarantees;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture, the Notes or any Guarantee;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) release the Parent Guarantee, except as provided in the Indenture;

(8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults; or

(9) change or extend the redemption date or reduce the stated the redemption price of the Notes from that stated under the captions "– Optional Redemption."

The Trustee

Wells Fargo Bank, National Association is to be appointed as Trustee, registrar, paying agent and transfer agent under the Indenture. Except during the continuance of a Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Payments; Registration of Transfer

The Trustee will be responsible for (among other things) (a) maintaining a record of the aggregate holdings of Notes represented by the Global Notes and accepting Notes for exchange and registration of transfer, (b) making payments in respect of the Notes to the Holders to the extent funds are available therefore (as contemplated by the Indenture) and (c) transmitting notices to Holders and from Holders to the Issuer (in each case as contemplated by the Indenture).

The Trustee will keep at its office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Trustee will provide for the registration of the Notes and registration of transfers and exchanges of the Notes. In the event of a partial transfer of a Definitive Note, new Notes will be obtainable at the office of the Trustee in connection with such transfer. In accordance with the Indenture, the Issuer may terminate the appointment of the Trustee or appoint additional trustees or other such agents. The Issuer will cause notice of any resignation, termination or appointment of the Trustee, and of any change in the office through which any such agent will act, to be provided to Holders in accordance with "– Notices" below.

Appointment to Fill Vacancy in Office of Trustee

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Issuer will promptly appoint a successor Trustee meeting certain eligibility requirements by notifying the Trustee in writing. Within one year after the successor Trustee takes office, Holders representing at least 50% of the aggregate principal amount of the Notes then outstanding may appoint a successor Trustee reasonably acceptable to the Issuer to replace the successor Trustee appointed by the Issuer and the failure of the Holders to do so will constitute acceptance of the successor Trustee appointed by the Issuer.

Each successor Trustee shall execute, acknowledge and deliver to the Holders, the Issuer and to its predecessor Trustee an instrument accepting such appointment and, upon the resignation or removal of the predecessor Trustee, such appointment shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Trustee. Upon written request of any such successor Trustee, the Holders and the Issuer shall execute any and all instruments in writing for fully and certainly vesting in and confirming to such successor Trustee all such rights and powers.

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 Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each, a "Regulation S Global Note") and will be deposited with the Trustee as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each, a "Restricted Global Note;" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with the Trustee as custodian for, and registered in the name of a nominee of, DTC.

Each Restricted Global Note (and any Notes issued for exchange therefore) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that 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). Qualified institutional buyers may hold their interests in a Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC' s applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Issuer, nor any of the Guarantors, the Trustee nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, 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 in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Issuer expects that DTC 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 a Global Note is 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 Notes, DTC will exchange the applicable Global Note for certificated notes, which it will distribute to its participants and which may be legended as set forth under the heading "Transfer Restrictions."

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Parent Guarantor, any of the Subsidiary Guarantors, the Trustee or any Paying Agent will have any responsibility or liability for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes, the Issuer will use reasonable efforts to appoint a successor depositary within 90 days. If a successor depositary is not appointed by the Issuer within 90 days, the Issuer will issue Certificated Notes in registered form, which may bear the legend referred to under "Transfer Restrictions," in exchange for the Global Notes. Holders of an interest in a Global Note may receive Certificated Notes, which may bear the legend referred to under "Transfer Restrictions," in accordance with the DTC's rules and procedures in addition to those provided for under the Indenture.

Upon redemption of any Certificated Note, the Issuer may request certain information from the Holder to establish the Holder's tax basis in its Certificated Note in order to calculate the Peruvian capital gains tax withholding obligation the Issuer may have with respect to any capital gain realized by the Holder. Regardless of whether the Holder provides the requested information, the Issuer will, subject to the exceptions listed under the heading "Additional Amounts", be required to pay Additional Amounts with respect to any amounts withheld or deducted to pay Peruvian taxes on such capital gain.

Listing

The Initial Notes are listed on the Official List of the Luxembourg Stock Exchange and application has been made to list the New Notes on the Official List of the Luxembourg Stock Exchange. The Issuer will use its reasonable best efforts to maintain listing of the Notes on the Luxembourg Stock Exchange. We will comply with any undertakings assumed or undertaken by us from time to time to the Luxembourg Stock Exchange in connection with the notes, and we will furnish to them all such information as the rules of the Luxembourg Stock Exchange may require in connection with the listing of the notes.

Luxembourg Listing Agent

Societe Generale Bank & Trust is the Luxembourg Listing Agent in respect of the Notes. The Issuer will maintain such agencies so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market and the rules of such exchange so require. The address of the Luxembourg Listing Agent and Transfer Agent are set forth on the inside back cover of this offering memorandum.

Paying Agent, Transfer Agent and Registrar

Wells Fargo Bank, National Association will initially act as principal paying agent, transfer agent and registrar for the Notes. The Issuer may appoint other paying agents. For so long as the Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF market, the Issuer will maintain a paying agent in Luxembourg, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. Societe Generale Bank & Trust will initially act as

Luxembourg paying agent, transfer agent and registrar. Upon any change in a paying agent, the Issuer will publish a notice on the website of the Luxembourg Stock Exchange at http://www.bourse.lu/ (or if the rules so require, in a leading daily newspaper of general circulation in Luxembourg which the Issuer expects to be the *Luxemburger Wort*).

Lost, Stolen and Mutilated Notes

In case any Note shall become mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and the Trustee will, upon direction by the Issuer, authenticate, register and deliver a new definitive Note of like tenor (including the same date of issuance) and equal principal amount registered in the same manner, dated the date of its authentication and bearing interest from the date to which interest has been paid on such Note, in exchange and substitution for such Note (upon surrender and cancellation thereof in the case of mutilated or defaced notes) or in lieu of and in substitution for such Note. In case a Note is destroyed, lost or stolen, the applicant for a substitute Note shall furnish the Issuer and the Trustee (a) such security or indemnity as may be required by them to save each of them harmless and (b) satisfactory evidence of the destruction, loss or theft of such Note and of the ownership thereof. Upon the issuance of any substituted Note, the Trustee may require the payment by the registered Holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any fees and expenses (including those of the Trustee) connected therewith.

With respect to mutilated, defaced, destroyed, lost or stolen definitive Notes, a Holder thereof may obtain new definitive registered Notes from the office of the registrar.

Notwithstanding any statement herein, the Issuer and the Trustee reserve the right to impose such transfer, certificate, exchange or other requirements, and to require such restrictive legends on Notes, as they may determine are necessary to ensure compliance with the securities laws of the United States and the states therein and any other applicable laws.

The Clearing Systems

General

The Issuer understands as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of 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 was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the Initial Purchaser. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly ("indirect participants"). Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant. *Euroclear and Clearstream*. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the New Notes will be made in immediately available funds. All Notes issued in the form of global notes will be deposited with the Trustee, as custodian for DTC. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the Business Day Following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC Participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same Day Funds Settlement System.

Trading between Euroclear and Clearstream Participants. Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading between DTC Seller and Euroclear or Clearstream Purchaser. When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the Notes against payment. Payment will then be made to the DTC participant's account against delivery of the Notes. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. After settlement has been completed, the Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. Credit for the Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Notes are credited to their accounts one day later. As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Notes were credited to their accounts. However, interest on the Notes would accrue from the value date. Therefore, in many cases, the investment income on Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream and that purchase Notes from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

(1) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;

(2) borrowing the Notes in the United States from a DTC participant no later than one day prior to settlement, which would give the Notes sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or

(3) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

Trading between Euroclear or Clearstream Seller and DTC Purchaser. Due to the time zone differences in their favor, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which Notes are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one Business Day prior to settlement. In these cases, Euroclear or Clearstream will credit the Notes to the DTC participant's account against payment. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will included interest accrued to the Notes excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York). If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued as of the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See "– Trading between DTC Seller and Euroclear or Clearstream Purchaser" above.

Notices

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 Luxembourg Stock Exchange and admitted 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:

(1) in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or alternatively the Issuer may also publish a notice on the website of the Luxembourg Stock Exchange (http://www.bourse.lu); or

(2) if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions, whether or not it will be published in Saturday, Sunday or holiday editions.

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication.

Consent to Jurisdiction; Service of Process

The Issuer, the Parent Guarantor and each of the Subsidiary Guarantors will irrevocably (i) submit to the non-exclusive jurisdiction of any U.S. Federal or New York State court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Guarantee, the Indenture or any transaction contemplated thereby and (ii) designate and appoint CT Corporation System for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Immunity Waiver

The Issuer and each of the Guarantors will waive any immunity (including sovereign immunity), to the fullest extent permitted by applicable law, from suit, action, proceeding or jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding in any U.S. federal or New York State court in the Borough of Manhattan, the City of New York or in any competent court in Perú or Cyprus.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or interest and Additional Amounts in respect of the Notes or the Guarantee, as the case may be, will be prescribed unless made within six years of the due date for payment of such principal or interest and Additional Amounts.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary, *provided* that Indebtedness of such Person which is redeemed, defeased, retired or otherwise repaid at the time of or promptly upon consummation of such Asset Acquisition or the transactions by which such Person is merged or consolidated with or into the Parent Guarantor or any Restricted Subsidiary or becomes a Restricted Subsidiary shall not constitute Acquired Indebtedness.

"Additional Amounts" has the meaning given to it under "– Additional Amounts."

"Additional Notes" has the meaning given to it under "– Brief Description of the Notes."

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity 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.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Affiliate Transaction" has the meaning given to it under "– Limitation on Transactions with Affiliates."

"Applicable Premium" means with respect to a Note at any redemption date, the excess of:

(A) the present value at such redemption date of (i) the redemption price of such Note at February 2, 2015, multiplied by the principal amount of such Note, (such redemption price being set forth in the table appearing under the caption "– Optional Redemption") plus (ii) all required interest payments due on such Note through February 2, 2015, (excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points; over

(B) the principal amount of such Note.

"Asset Acquisition" means (1) an investment by the Parent Guarantor or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or will be merged into or consolidated with the Parent Guarantor or any of its Restricted Subsidiaries, or (2) an acquisition by the Parent Guarantor or any of its Restricted Subsidiaries of the property and assets of any Person other than the Parent Guarantor or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

"Asset Disposition" means the sale or other disposition by the Parent Guarantor or any of its Restricted Subsidiaries (other than to the Parent Guarantor or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary that constitutes a division of the business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole or (2) all or substantially all of the assets that constitute a division or line of business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including Capital Stock of any Subsidiary) in one transaction or a series of related transactions by the Parent Guarantor or any of its Restricted Subsidiaries to any Person (other than the Parent Guarantor or any Restricted Subsidiary); *provided* that "Asset Sale" will not include:

(1) sales or other dispositions of inventory, receivables and other assets in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "Limitation on Restricted Payments" covenant;

(3) any sales, transfers or other dispositions of assets with a Fair Market Value not in excess of U.S.$2.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Parent Guarantor or its Restricted Subsidiaries;

(5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(6) a transaction permitted by the covenant under the caption " – Consolidation, Merger and, Sale of Assets;" and

(7) a sale, transfer or other disposition to the Parent Guarantor or a Restricted Subsidiary, including the sale or issuance by the Parent Guarantor or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary to the Parent Guarantor or any Restricted Subsidiary.

"Attributable Indebtedness" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment (including, without limitation, any sinking fund requirements) of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"Board of Directors" means the board of directors elected or appointed by the stockholders of the Parent Guarantor to manage the business of the Parent Guarantor or any committee of such board duly authorized to take the action purported to be taken by such committee.

"Board Resolution" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors in accordance with the articles of association of the Parent Guarantor.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York are authorized by law or governmental regulation to close.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with IFRS, is required to be capitalized on the balance sheet of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"Change of Control" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Parent Guarantor and its Subsidiaries (including the Issuer) taken as a whole to any "person" (within the meaning of Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rule 13d-5 of the Exchange Act), other than to one or more of the Issuer, any of its Subsidiaries, any one or more Permitted Holders or a "group" controlled by one or more Permitted Holders; or

(2) the consummation of any transaction (including without limitation, any merger, consolidation or amalgamation) the result of which is that (A) any "person" (within the meaning of Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rule 13d-5 of the Exchange Act) (other than any Permitted Holder or "group" controlled by one or more Permitted Holders)) becomes the "beneficial owner" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 33% of the outstanding Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or amalgamation), measured by voting power rather than number of shares, and (B) the Permitted Holders (including any "group" controlled by one or more Permitted Holders) "beneficially own" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly and indirectly, in the aggregate a lesser percentage of the outstanding Voting Stock of the Parent Guarantor (or its successor by merger, consolidation or amalgamation), measured by voting power rather than number of shares, than such other "person" or "group" and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the board of directors of the Parent Guarantor (or its successor by merger, consolidation or amalgamation).

"Change of Control Offer" has the meaning given to it under "– Repurchase of Notes Upon a Change of Control Triggering Event."

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Decline.

"Clearstream" means Clearstream Banking, société anonyme, Luxembourg or any successor securities clearing agency.

"Commodity Hedging Agreement" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"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 stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security having a maturity comparable to February 2, 2015 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity comparable to February 2, 2015.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities;" or

(2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after

excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Consolidated Interest Expense" means, for any period, the amount that would be reflected as "Interest Expense," net of interest income, on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"Consolidated Leverage Ratio" means, on any Transaction Date, the ratio of (i) Consolidated Total Indebtedness to (ii) EBITDA for the then most recent four fiscal quarters ending on or prior to the Transaction Date for which consolidated financial statements of the Parent Guarantor (which Parent Guarantor shall use its reasonable best efforts to compile in a timely manner) are available (the "Four Quarter Period").

In making the foregoing calculation:

(A) *pro forma* effect will be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; provided that, in the event of any such repayment or redemption, EBITDA for such period will be calculated as if the Parent Guarantor or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay such Indebtedness;

(B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate will be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(C) *pro forma* effect will be given to the creation, designation or redesignation of Restricted Subsidiaries and Unrestricted Subsidiaries during the Reference Period as if such creation, designation or redesignation would have occurred on the first day of the relevant Four Quarter Period;

(D) *pro forma* effect will be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(E) *pro forma* effect shall be given to Asset Dispositions and Asset Acquisitions (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Parent Guarantor or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such Asset Dispositions or Asset Acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period; provided that to the extent that clause (D) or (E) of this sentence requires that *pro forma* effect be given to an Asset Acquisition or Asset Disposition, such *pro forma* calculation will be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS.

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly or annual consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries, each item to be determined in conformity with IFRS.

"Consolidated Total Indebtedness" means, the sum of the total principal amount of Indebtedness (or, in the case of Indebtedness issued at less than its principal amount at maturity, the accreted value thereof) and the total amount of Disqualified Stock outstanding of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis and determined in accordance with IFRS on the Transaction Date, less the amount of cash, cash equivalents as determined in accordance with IFRS and Temporary Cash Investments held by the Parent Guarantor and its Restricted Subsidiaries on the Transaction Date.

"Covenant Suspension" has the meaning given to it under "– Defeasance."

"Covenant Suspension Event" has the meaning given to it under "– Certain Covenants."

"Currency Agreement" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"Cypriot Government Obligations" means securities that are (1) direct obligations of Cyprus for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of Cyprus the payment of which is unconditionally guaranteed as a full faith and credit obligation by Cyprus, which, will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Cypriot Government Obligation or a specific payment of interest on or principal of any such Cypriot Government Obligation held by such custodian for the account of the holder of a depository receipt.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms is (1) required to be redeemed prior to the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for, at the option of the holder of such class or series of Capital Stock, Capital Stock referred to in clause (1) or (2) above or Indebtedness having a Stated Maturity prior to the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes will not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the "– Limitation on Asset Sales" and "– Repurchase of Notes upon a Change of Control Triggering Event" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Issuer's repurchase of such Notes as are required to be repurchased pursuant to the "– Limitation on Asset Sales" and "– Repurchase of Notes upon a Change of Control Triggering Event" covenants.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"DTC" means The Depository Trust Company and its successors.

"EBITDA" means sales minus cost of sales minus administrative expenses minus selling expenses plus depreciation plus amortization of intangibles plus stock options expense, and excluding the effect (positive or negative) of net change in fair value of biological assets.

"Equity Claw-Back Redemption" has the meaning given to it under "– Optional Redemption."

"Equity Offering" means any underwritten primary public or private offering of Common Stock of the Parent Guarantor or the Issuer (to a person who is not the Parent Guarantor or a Subsidiary of the Parent Guarantor) after the Original Issue Date; *provided* that the aggregate gross cash proceeds received by the Parent Guarantor or the Issuer, as the case may be, from the primary component of such offering (excluding amounts received from the Parent Guarantor or any Subsidiary of the Parent Guarantor) being not less than U.S.$10.0 million (or the Dollar Equivalent thereof).

"Euroclear" means Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor securities clearing agency.

"Excess Proceeds" has the meaning given to it under "– Limitation on Asset Sales."

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"Fitch" means Fitch Ratings Ltd. and its Affiliates.

"Further Issue" has the meaning given to it under "– Further Issues."

"Global Notes" has the meaning given to it under "– Book-Entry; Delivery and Form."

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) 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 agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) 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 the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning. "Hedging Obligations" of any Person means the payment obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

"Holder" means the Person in whose name a Note is registered in the Note register.

"IFRS" means International Financial Reporting Standards, as issued and interpreted by the International Accounting Standards Board (IASB), as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with IFRS applied on a consistent basis.

"Incur" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary, (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit and bankers' acceptances;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services which purchase price is due more than nine months after the date of placing such property in service or taking delivery and title thereto or such services are completed, except Trade Payables;

(5) all Capitalized Lease Obligations;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;

(7) all Indebtedness of other Persons to the extent such Indebtedness is guaranteed by such Person; and

(8) to the extent not otherwise included in this definition, Hedging Obligations.

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, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligations; *provided*

(A) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with IFRS;

(B) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(C) that the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount due and payable if such Hedging Obligation terminated at that time due to default by such Person.

"Indenture" has the meaning given to it in the preamble.

"Initial Non-Guarantor Subsidiaries" has the meaning given to it under "– The Subsidiary Guarantors."

"Interest Payment Date" has the meaning given to it under "– Brief Description of the Notes."

"Interest Rate Agreement" means 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, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit (including a guarantee) to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others); or

(3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person.

For the purposes of the provisions of the "Designation of Restricted and Unrestricted Subsidiaries" and "Limitation on Restricted Payments" covenants: (1) the Parent Guarantor will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the assets (net of liabilities owed to any Person other than the Parent Guarantor or a Restricted Subsidiary and that are not guaranteed by the Parent Guarantor or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (2) any property transferred to or from any Person will be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"Investment Grade" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or"–" indication, or an equivalent rating representing one of the four highest rating categories, by Fitch or any of its successors or assigns or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1 ," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which will have been designated by the Parent Guarantor as having been substituted for Fitch or Moody's or both, as the case may be.

"Issuer" means Camposol S.A.

"Legal Defeasance" has the meaning given to it under "– Defeasance."

"Lien" means any mortgage, pledge, security interest, lien, charge or similar encumbrance.

"Luxembourg Paying Agent" means Societe Generale Bank & Trust.

"Make-Whole Redemption" has the meaning given to it under "– Optional Redemption."

"Maturity Date" has the meaning given to it under "– Brief Description of the Notes."

"Moody's" means Moody's Investors Service, Inc. and its Affiliates.

"Net Cash Proceeds" means:

with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, in each case net of:

(1) brokerage commissions and all accounting, legal, investment banking, title and recording tax expenses, commissions and other fees and expenses related to such Asset Sale;

(2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;

(3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

(4) appropriate amounts to be provided by the Parent Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with IFRS; and

(5) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of counsel, accountant, underwriter or placement agent fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Non-Guarantor Subsidiary" has the meaning given to it under "– The Subsidiary Guarantors."

"Offer to Purchase" means an offer to purchase Notes by the Issuer or the Parent Guarantor from the Holders commenced by the Issuer or the Parent Guarantor mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(2) the purchase price and the date of purchase (which will be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Issuer or the Parent Guarantor defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase will cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the second Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued will be in a principal amount of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

On the Offer to Purchase Payment Date, the Issuer or the Parent Guarantor will (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer or the Parent Guarantor. The Paying Agent will promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and the Trustee will promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued will be in a principal amount of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

To the extent that the provisions of any securities laws or regulations conflict with the requirements of the relevant Offer to Purchase, the Parent Guarantor and the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations under the Notes, the Guarantees and the Indenture by virtue of their compliance with such securities laws or regulations.

"Officer" means one of the executive officers of the Issuer or the Parent Guarantor, as the case may be, or, in the case of a Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor.

"Officers' Certificate" means a certificate signed by a duly authorized Officer and delivered to the Trustee.

"Opinion of Counsel" means a written opinion in a form reasonably satisfactory to the Trustee from legal counsel who is reasonably acceptable to the Trustee. The counsel may be internal counsel of the Parent Guarantor or the Issuer or counsel to the Trustee.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Oslo SX" means the Oslo Børs ASA.

"Other Expenses" means, for any period, non-cash or non-recurring expenses that would be reflected as "Other Expenses," on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries.

"Other Income" means, for any period, non-cash or non-recurring income that would be reflected as "Other Income," on a consolidated income statement prepared in accordance with IFRS for such period of the Parent Guarantor and its Restricted Subsidiaries.

"Parent Guarantor" means Camposol Holding Ltd.

"Parent Guarantor Surviving Person" has the meaning given to it under "– Consolidation, Merger and Sale of Assets."

"Permitted Businesses" means any business which is the same as or related, ancillary or complementary to any of the businesses of the Parent Guarantor or its Restricted Subsidiaries on the Original Issue Date.

"Permitted Holder" means (a) any "person" (within the meaning of Section 13(d)(3) of the Exchange Act) or "group" (within the meaning of Rule 13d-5 of the Exchange Act), holding beneficially and/or of record, as of the Original Issue Date, at least 25% of the Voting Stock of the Parent Guarantor (measured by voting power rather than number of shares), outstanding as of the Original Issue Date, (b) each of the parents, spouses, brothers, sisters, children and other family members, descendants, heirs, legatees and successors of such "persons", and the respective spouses, descendants, heirs, legatees and successors of each of the foregoing (and any trust or other entity organized for the benefit of any one or more of the foregoing), (c) the executor, administrator or other personal representative of any "person" described in (a) or (b) above who is deceased or incompetent and (d) any Affiliate of any one or more of the "persons" described in (a), (b) or (c) above.

"Permitted Indebtedness" has the meaning given to it under "– Limitation on Indebtedness and Disqualified Stock."

"Permitted Investment" means:

(1) any Investment in the Parent Guarantor or any of its Restricted Subsidiaries or a Person which will, upon the making of such Investment, become a Restricted Subsidiary or to be merged with or into or transfer or convey all or substantially all its assets to, or as a result the financial statements will be consolidated with, the Parent Guarantor or any of its Restricted Subsidiaries;

(2) any investment in Temporary Cash Investments;

(3) payroll, travel and similar advances in the ordinary course of business and not in excess of U.S.$2.0 million (or the Dollar Equivalent thereof) outstanding at any time;

(4) any Investment received in compromise, settlement or resolution of (or foreclosure with respect to) (a) obligations created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments including as a result of the bankruptcy or reorganization of any Person or (b) litigation, arbitration or other disputes;

(5) any Investment existing on the Original Issue Date and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property, other than reasonable expenses incidental to the structuring, negotiation and consummation of such extension, modification or renewal);

(6) any Investment pursuant to a Hedging Obligation permitted to be entered into under the covenant described under the caption" – Limitation on Indebtedness and Disqualified Stock;"

(7) receivables owing to the Parent Guarantor or any Restricted Subsidiary, if created or acquired in the ordinary course of business;

(8) extensions of credit to suppliers and customers in the ordinary course of business in accordance with customary trade terms in the industry;

(9) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Sales made in compliance with the covenant described under "– Limitation on Asset Sales;"

(10) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "– Limitation on Liens;"

(11) any Investment to the extent the consideration therefore consists of Capital Stock (other than Disqualified Stock) of the Parent Guarantor or a Restricted Subsidiary;

(12) guarantees permitted to be incurred under the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock;"

(13) Investments held by a Person at the time such Person becomes a Restricted Subsidiary of the Parent Guarantor or is merged with or into the Parent Guarantor or any Restricted Subsidiary and not made in contemplation of such Person becoming a Restricted Subsidiary;

(14) Investments in any Person engaged in a Permitted Business the Fair Market Value of which, when taken together with all other Investments made pursuant to this clause (14), do not exceed 10% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated as of the end of the most recent fiscal quarter ending prior to the date of such Investment; and

(15) in addition to the Investments permitted in clauses (1)-(14) above, additional Investments which, when taken together with other Investments made pursuant to this clause (15), do not exceed U.S.$10.0 million when made.

"Permitted Liens" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith and for which a reserve or other appropriate provision, if any, to the extent required by IFRS, has been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other Liens imposed by law;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, letters of credit, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Parent Guarantor and its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Parent Guarantor or its Restricted Subsidiaries relating to such property or assets;

(6) Liens securing Indebtedness permitted to be Incurred under clause (9) of paragraph (b) of the covenant described under the caption entitled "– Limitation on Indebtedness and Disqualified Stock"; *provided* that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets acquired; *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(7) Liens in favor of the Parent Guarantor or any Restricted Subsidiary;

(8) Liens arising from the rendering of a judgment or order against the Parent Guarantor or any Restricted Subsidiary that does not give rise to an Event of Default;

(9) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(10) Liens existing on the Original Issue Date;

(11) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (4) of paragraph (b) of the covenant described under the caption entitled "– Limitation on Indebtedness and Disqualified Stock"; provided that such Liens do not extend to or cover any property or assets of the Parent Guarantor or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(12) Encumbrances, ground leases, easements or reservations of, or right of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real properties or liens incidental to the conduct of the business of the Parent Guarantor or any Subsidiary of the Parent Guarantor or to the ownership of its properties which do not individually or in the aggregate materially and adversely affect the value of such properties or materially impair their use in the operation of the business of the Parent Guarantor or any Subsidiary of the Parent Guarantor;

(13) Liens for the purpose of securing the payment of all or a part of the purchase price of, purchase money obligations or other Indebtedness Incurred to finance the acquisition, lease, improvement or construction of, assets or property acquired, leased, improved or constructed in the ordinary course of business to the extent permitted under the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock;"

(14) Liens securing Indebtedness under Hedging Obligations permitted to be Incurred under the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock";

(15) Liens arising under any retention of title, hire, purchase or conditional sale arrangement or arrangements having similar effect in respects of goods supplied to the Parent Guarantor or a Restricted Subsidiary in the ordinary course of business;

(16) Liens securing Indebtedness which is permitted to be Incurred under clause (12) of paragraph (b) of the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock;"and

(17) in addition to Liens permitted in clauses (1)-(16) above, Liens securing Indebtedness permitted to be Incurred under the covenant described under "– Limitation on Indebtedness and Disqualified Stock" in an aggregate principal amount outstanding not to exceed 10.0% of the total assets of the Parent Guarantor and its Restricted Subsidiaries, calculated in accordance with IFRS, as of the end of the most recent fiscal quarter ending prior to the date of such Incurrence.

"Permitted Refinancing Indebtedness" has the meaning given to it under "– Limitation on Indebtedness and Disqualified Stock."

"Permitted Subsidiary Indebtedness" means Indebtedness of Restricted Subsidiaries, other than the Issuer or a Subsidiary Guarantor, (but excluding the amount of any Indebtedness of any Restricted Subsidiary permitted under clauses (b) (1), (3), (4) and (9) and any guarantees permitted under clause (11) of paragraph (b) of the covenant described under the caption "– Limitation on Indebtedness and Disqualified Stock"); *provided* that, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness does not exceed an amount equal to 10%of the total assets of the Parent Guarantor and its Restricted Subsidiaries on a consolidated basis measured in accordance with IFRS for the most recent quarterly or annual consolidated balance sheet of the Parent Guarantor and its Restricted Subsidiaries are available.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Perú" means the Republic of Perú.

"Peruvian Government Obligations" means securities that are (1) direct obligations of Perú for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of Perú the payment of which is unconditionally guaranteed as a full faith and credit obligation by Perú, which, will also include a depository receipt issued by a bank or trust company as custodian with respect to any such Peruvian Government Obligation or a specific payment of interest on or principal of any such Peruvian Government Obligation held by such custodian for the account of the holder of a depository receipt.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Rating Agencies" means (1) S&P, (2) Moody's and (3) Fitch. In the event that S&P, Moody's or Fitch is no longer in existence or issuing ratings, such organization may be replaced by an internationally recognized statistical rating organization designated by the Parent Guarantor with written notice to the Trustee.

"Rating Category" means (1) with respect to S&P and Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (3) the equivalent of any such category of S&P, Fitch or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "–" for S&P and Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P and Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Parent Guarantor or any other Person or Persons to effect a Change of Control.

"Rating Decline" means in connection with a Change of Control Triggering Event, the occurrence, on or within 90 days after the earlier to occur of public notice of (i) the occurrence of a Change of Control or (ii) the intention by the Parent Guarantor or any other Person or Persons to effect a Change of Control (which period will be extended for an additional 90 days so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies expressly as a result of the Change of Control Triggering Event) of any of the events listed below, in each case expressly as a result of such Change of Control:

(a) in the event the Notes are rated by both Moody's and Fitch on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency will be changed to below Investment Grade;

(b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency will be changed to below Investment Grade; or

(c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency will be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Record Date" has the meaning given to it under "– Brief Description of the Notes."

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Parent Guarantor in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Issuer, 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 Issuer by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

"Relevant Jurisdiction" has the meaning given to it under "– Additional Amounts."

"Replacement Assets" has the meaning given to it under "– Limitation on Asset Sales."

"Restricted Global Note" has the meaning given to it under "– Book-Entry; Delivery and Form."

"Restricted Subsidiary" means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

"Reversion Date" has the meaning given to it under "– Certain Covenants."

"S&P" means Standard & Poor's Ratings Services and its Affiliates.

"Sale and Leaseback Transaction" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Parent Guarantor or any of its Restricted Subsidiaries transfers such property to another Person and the Parent Guarantor or any of its Restricted Subsidiaries leases it from such Person. No transaction solely between the Parent Guarantor and any of its Wholly Owned Subsidiary Guarantors or between any of the Subsidiary Guarantors Wholly Owned by the Parent Guarantor shall be considered a Sale and Leaseback Transaction.

"Senior Indebtedness" of the Parent Guarantor or a Restricted Subsidiary, as the case may be, means any Indebtedness of the Parent Guarantor or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Subordinated Indebtedness; *provided* that Senior Indebtedness does not include (1) any obligation to the Parent Guarantor or any Restricted Subsidiary or (2) Indebtedness Incurred in violation of the Indenture.

"Stated Maturity" means, with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness.

"Subsidiary Guarantor" means any subsidiary of the Parent Guarantor that executes a Subsidiary Guarantee in accordance with the provisions of the Indenture.

"Subordinated Indebtedness" means any Indebtedness of the Issuer, the Parent Guarantor or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes, the Parent Guarantee or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"Suspended Covenant" has the meaning given to it under "– Certain Covenants."

"Suspension Period" has the meaning given to it under "– Certain Covenants."

"Surviving Person" has the meaning given to it under "– Redemption for Taxation Reasons."

"Tax Redemption Date" has the meaning given to it under "– Redemption for Taxation Reasons."

"Temporary Cash Investment means investments in any of the following:

(1) U.S. Government Obligations or certificates representing an ownership interest in U.S. Government Obligations, or securities issued directly and fully guaranteed or insured by any member of the European Union, or any agency or instrumentality thereof (*provided* that the full faith and credit of such member is pledged in support of those securities or other sovereign debt obligations (other than those of Argentina) rated "A" or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act, in each case with maturities not exceeding one year from the date of acquisition;

(2) Peruvian Government Obligations (including those of the Central Bank) or Cypriot Government Obligations (including those of the Central Bank) or certificates representing an ownership interest in Peruvian Government Obligations or Cypriot Government Obligations (including those of the Central Bank) with maturities not exceeding one year from the date of acquisition;

(3) a) demand deposits, (b) time deposits and certificates of deposit with maturities of one year or less from the date of acquisition, (c) bankers' acceptance with maturities not exceeding one year from the date of

acquisition, and (d) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of (x) Perú or any political subdivision thereof or (y) the United States, any state thereof or member state of the European Union whose short-term debt is rated "investment grade" or higher or such the local equivalent thereof by at least one recognized statistical rating organization;

(4) repurchase obligations with a term of not more than 30 days for underlying securities of the type described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper rated "A-2" or higher or such similar equivalent or higher rating by at least one nationally recognized statistical rating organization as contemplated in Rule 436 under the Securities Act and maturing within six months after the date of acquisition;

(6) money market funds at least 90% of the assets of which consist of investments of the type described in clauses (1) through (5) above; and

(7) similar investments of comparable credit quality, denominated in the currency of any jurisdiction in which such Person conducts business.

"Trade Payables" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

"Transaction Date" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Trustee" means Wells Fargo Bank, National Association.

"Unrestricted Subsidiary" means (1) any Subsidiary of the Parent Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Government Obligations" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and will also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" means, with respect to any Subsidiary of any Person, the ownership, directly or indirectly, of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or *de minimis* Investments by particular residents or citizens mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

TAXATION

Peruvian Income Taxation

The discussion in this offering memorandum is not intended or written to be used, and cannot be used by any person, for the purpose of avoiding Peruvian taxation, and was written to support the promotion or marketing of the offering memorandum. Each investor should seek advice based on their particular circumstances from an independent tax advisor.

The following is a general summary of the material consequences, under the Peruvian tax law as in effect as of the date of this offering memorandum, derived from the ownership and disposition of the notes and beneficial interests therein by non-Peruvian Holders. For purposes of this section, "non-Peruvian Holder" means either: (i) an individual who is not domiciled in Peru or (ii) a legal entity that is not incorporated under the laws of Peru, or any branch, agent, representative or permanent establishment thereof that is not established in Peru. For purposes of Peruvian taxation, an individual is deemed domiciled in Peru if he or she (i) is a Peruvian citizen who has regular residence in Peru, or (ii) is not a Peruvian citizen but has remained present in Peru for more than 183 days within any 12-month period.

This summary does not purport to address all Peruvian income tax consequences that may be applicable or relevant to particular non-Peruvian Holders.

Income Tax

Interest

Non-Peruvian Holders are subject to income tax in Peru only on Peruvian source income. For this purpose, interest derived from debt securities (e.g. notes, short-term instruments) issued by entities incorporated in Peru is considered Peruvian source income.

So long as the notes are issued in global form and are held by DTC (or its nominee), all payments of interest will be subject to withholding at a rate of 4.99%.

Capital Gains

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 would 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 notes by non-Peruvian holders would be subject to Peruvian income tax with a 5% rate, only if these two requirements are satisfied: (i) the Notes are registered in the Securities Public Registry of the SMV and (ii) the Notes are negotiated in a Peruvian Centralized Stock Market. Otherwise, capital gains will be taxable at a 30% rate.

Capital gains are defined as the positive difference between the price at which the notes are sold and the holder's tax basis in the notes (i.e., the acquisition value). The acquisition value has to be certified by the Peruvian Tax Administration through a form presented by the seller along with back-up documentation. This certification is not needed in case the sale is made through the Peruvian Centralized Stock Market and in case of early redemptions made by the issuer.

Redemption

Any premium received upon an early redemption of the notes will be subject to withholding tax at a rate of either 4.99% or 30%, depending on whether the premium is characterized as interest or capital gain. Prospective investors should seek advice from an independent tax advisor regarding the proper characterization of such premium payments upon early redemption of the notes. However, a 30% withholding tax rate will apply to any premium received by a non-Peruvian Holder of the notes which is to related to us.

Financial Transaction Tax ("ITF")

ITF is levied on, among other transactions, any transfer, turnover, deposit, credit or debit from accounts opened by individuals or corporations in the Peruvian financial system. Currently, the tax rate is 0.005%.

VAT

Interest paid on the Notes will be exempted from VAT according to Law 30,050 in force since July 1st 2013. Moreover, the sale, exchange or other disposition of the notes is not subject to VAT.

THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE INVESTMENT IN THE OFFERED NOTES. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Certain United States Federal Income Tax Consequences

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of tax matters set forth in this offering memorandum was written in connection with the promotion or marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain material United States federal income tax consequences of the purchase, ownership and disposition of the notes as of the date of this offering memorandum. Unless otherwise stated, this summary deals only with notes held as capital assets (generally, assets held for investment) by persons who purchase the notes for cash at par upon original issuance at their initial offering price. This summary assumes that you are not subject to any special tax treatment under the United States federal income tax laws including, without limitation, rules applicable to :

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding the notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for United States federal income tax purposes (or an investor in such entities);
- a U.S. holder whose "functional currency" is not the U.S. dollar;
- a "controlled foreign corporation";
- a "passive foreign investment company"; or
- a United States expatriate.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), United States Treasury regulations, administrative rulings and judicial decisions as of the date hereof. Those authorities may be changed, possibly on a retroactive basis, so as to result in United States federal income tax consequences different from those summarized below. We have not and will not seek any rulings from the Internal Revenue Service ("IRS") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership or disposition of the notes that are different from those discussed below.

If a partnership (including any entity classified as a partnership for United States federal income tax purposes) holds notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner in a partnership holding notes, you should consult your independent tax advisor.

This summary does not represent a detailed description of the United States federal income tax consequences to you in light of your particular circumstances and does not address the effects of any state, local, estate, gift or non-United States tax laws. It is not intended to be, and should not be construed to be, legal or tax advice to any particular purchaser of notes. **If you are considering the purchase of notes, you should consult your independent tax advisor concerning the particular United States federal, state, local and non-United States tax consequences to you of the ownership and disposition of the notes.**

Certain United States Federal Income Tax Consequences to U.S. Holders

The following is a summary of certain United States federal income tax consequences applicable to you if you are a "U.S. holder" of the notes. For purposes of this discussion, you are a "U.S. holder" if you are the beneficial owner of the notes and you are, for United States federal income tax purposes, any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) 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 United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) was in existence on August 20, 1996 and has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Payments of Stated Interest

It is anticipated that the notes will be issued without any original issue discount or bond premium. Accordingly, payments or accruals of stated interest on the notes generally will be taxable to you as ordinary income at the time it is received (if you use the cash method of accounting for United States federal income tax purposes) or accrued (if you use the accrual method of accounting for United States federal income tax purposes).

In addition to interest on the notes, you will be required to include in income any Peruvian tax withheld from the interest payments and any Additional Amounts paid in respect of such Peruvian tax withheld (see "Description of the Notes – Additional Amounts"). You may be entitled to deduct or credit such tax withheld, subject to applicable limitations in the Code, including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular year. Interest (and any Additional Amounts) on a note generally will constitute foreign source income and, for purposes of computing the foreign tax credit, generally will be considered passive category income. You generally will be denied a foreign tax credit for foreign taxes imposed with respect to the notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your independent tax advisor regarding the availability of the foreign tax credit under your particular circumstances.

Sale, Exchange, Retirement, Redemption or Other Disposition of Notes

Upon the sale, exchange, retirement, redemption, or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference between your amount realized upon the sale, exchange, retirement, redemption or other taxable disposition of the note and your adjusted tax basis in the note. Your amount realized will be the sum of cash and the fair market value of any property received upon the sale, exchange, retirement, redemption or other taxable disposition of the note (other than any amount received that is attributable to accrued and unpaid interest not previously included in income, which amount will be taxable as ordinary interest income as discussed above). Your adjusted tax basis in the note generally will be your cost for the note.

Gain or loss realized on the sale, exchange, retirement, redemption, or other taxable disposition of a note generally will be capital gain, and will be long term capital gain if your holding period exceeds one year on the date of such disposition. Such gain or loss generally will be treated as United States source gain or loss. Consequently, you may not be able to claim a credit for any Peruvian tax imposed upon a disposition of a note unless (subject to applicable limitations) you have other income treated as derived from foreign sources and other requirements are met. Long term capital gains of non-corporate holders are currently eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Medicare Tax

If you are a U.S. holder that is an individual, estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, you will be subject to a 3.8 percent tax on the lesser of (i) your "net investment income" for the relevant taxable year (undistributed net investment income in the case of an estate or trust) and (ii) the excess of your modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). Your net investment income generally will include your interest income and your net gains from the disposition of a note, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

Information with Respect to Foreign Financial Assets

Individuals that own "specified foreign financial assets" with an aggregate value in excess of $50,000 generally are required to file information reports with respect to such assets with their United States federal income tax returns. Depending on the individual's circumstances, higher threshold amounts may apply. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in non-U.S. entities. The notes may be treated as specified foreign financial assets and you may be subject to this information reporting regime. Failure to file information reports may subject you to penalties. You are urged to consult your independent tax advisor regarding your obligation to file information reports with respect to the notes.

Certain Tax Consequences to non-U.S. Holders

The following discussion applies to you if you are a "non-U.S. holder." For purposes of this discussion, you are a "non-U.S. holder" if you are the beneficial owner of the notes and you are, for United States federal income tax purposes, an individual, corporation, estate or trust that is not a U.S. holder.

United States Federal Income Tax

Subject to the discussion of backup withholding below, if you are a non-U.S. holder, you generally will not be subject to United States federal income tax or withholding tax on payments of interest on, or gain upon the sale, exchange, retirement, redemption, or other taxable disposition of a note unless:

- the interest or gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case you will be taxed as discussed below with respect to effectively connected income; or
- you are an individual who is present in the United States for 183 days or more in the taxable year of such disposition, and certain other conditions are met, in which case you will be subject to a flat 30% United States federal income tax on any gain recognized (except as otherwise provided by an applicable income tax treaty), which may be offset by certain United States source losses.

If you are engaged in a trade or business in the United States and interest or gain on the notes is effectively connected with the conduct of such trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you will be subject to United States federal income tax on that interest or gain on a net income basis in generally the same manner as if you were a U.S. holder (except as otherwise provided by an applicable income tax treaty). In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to adjustments. Generally, interest income or gain from a note will be effectively connected with a United States trade or business only if the non-U.S. holder has an office or other fixed place of business in the United States to which such interest income or gain is attributable and certain other conditions are met.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of interest on the notes and to the proceeds of the sale or other disposition (including a retirement or redemption) of a note if you are a U.S. holder (unless, in each case, you are an exempt recipient such as a corporation). Backup withholding (currently at a rate of 28%) may apply to such payments if you fail to provide a taxpayer identification number or a certification that you are not subject to backup withholding or if you are subject to backup withholding because you failed to report in full dividend and interest income.

If you are a non-U.S. holder and hold the notes through a non-United States (and non-United States related) broker or financial institution, backup withholding and related information reporting generally will not be required. Information reporting, and possibly backup withholding, may apply to the interest on and proceeds from the sale or other disposition of the notes if the notes are held by a non-U.S. holder through a United States (or United States related) broker or financial institution and the non-U.S. holder fails to provide appropriate information or otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a holder's United States federal income tax liability provided certain required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc. are acting as joint book runners and joint lead managers of the offering. Scotia Capital (USA) Inc. is acting as a joint lead manager of the offering. Under the terms and subject to the conditions contained in a purchase agreement dated the date of this offering memorandum, we have agreed to sell to the initial purchasers, and each initial purchaser has agreed, severally and not jointly, to purchase from us the principal amount of the notes set forth opposite the name of such initial purchaser.

Initial Purchasers	Principal Amount
Credit Suisse Securities (USA) LLC	U.S.$33,750,000
Santander Investment Securities Inc.	U.S.$33,750,000
Scotia Capital (USA) Inc.	U.S.$ 7,500,000
Total	U.S.$75,000,000

Subject to the terms of the purchase agreement the initial purchasers have agreed severally and not jointly to purchase all of the principal amount of the notes if any are purchased. The purchase agreement also provides that if an initial purchaser defaults the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated.

The initial purchasers propose to offer the principal amount of the notes initially at the offering price on the cover page of this offering memorandum and may also offer the principal amount of the notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed.

The notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which it sells notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the notes are restricted as described under "Transfer Restrictions."

In addition, until 40 days after the commencement of the offering, an offer or sale of notes within the United States by a broker/dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

An application was made to list the notes on the Official List of the Luxembourg Stock Exchange and for trading on the Euro MTF market. The initial purchasers have advised us that they intend to make a market in the notes as permitted by applicable law. They are not obligated, however, to make a market in the notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the notes.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this offering memorandum, which will be at least the fifth business day following the date of pricing of the notes (this settlement cycle being referred to as "T+5") but may be longer. Under Rule 15c6-1 of the U.S. Securities and Exchange Commission under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the settlement is longer than T+5 purchasers who wish to trade the notes on the date of pricing or the succeeding business days will be required, by virtue of the fact that the notes initially will settle after T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.
- penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

In the ordinary course of their business, the initial purchasers and their affiliates make or hold a broad array of investments and actively trade debt, equity, other securities and financial instruments (including derivatives, bank loans and other obligations) for their own account, including securities and financial instruments of the Issuer's consolidated subsidiaries. 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, these 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 the 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/or their affiliates have provided in the past to the Issuer and its consolidated subsidiaries and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for it and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the initial purchasers and/or their affiliates may affect transactions for their own account or the accounts of their customers, and hold on behalf of themselves or their customers, long or short positions in debt or equity securities or loans, and may do so in the future. The initial purchasers and/or 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.

The Issuer has agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

Notice to Prospective Investors in Chile

The Notes may not be offered or sold in Chile, directly or indirectly, by means of a "Public Offer" (as defined under Chilean Securities Law (Law No 18,045 and regulations from the *Superintendencia de Valores y*

Seguros of the Republic of Chile)). Chilean institutional investors (such as banks, pension funds and insurance companies) are required to comply with specific restrictions relating to the purchase of the Notes.

Notice to Prospective Investors in the Republic of Colombia

The Notes may not be offered, sold or negotiated in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations. Furthermore, foreign financial entities must abide by the terms of Decree 2558 of 2007 to offer privately the Notes to their Colombian clients.

Notice to Prospective Investors in the Republic of Cyprus

Each Initial Purchaser has severally represented, warranted and agreed that this offering memorandum is not an offer to the public in the Republic of Cyprus and no action has been taken to permit an offer of the notes in the Republic of Cyprus, and this offering memorandum is not a prospectus for the purpose of and does not fall within the provisions of the Cyprus Prospectus Law, N.114(I)/2005.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "relevant member state"), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state, it has not made and will not make an offer of Notes which are subject of the offering contemplated by this offering memorandum to the public in that relevant member state other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the relevant member state has implemented the relevant provision 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 for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- *provided* that no such offer of Notes shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

Each purchaser of Notes described in this offering memorandum located within a relevant member state will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Notes 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 for the Notes, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state; and 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.

The sellers of the Notes have not authorized and do not authorize the making of any offer of Notes through any financial intermediary on their behalf, other than offers made by the initial purchasers with a view to the final placement of the Notes as contemplated in this offering memorandum. Accordingly, no purchaser of the Notes, other than the initial purchasers, is authorized to make any further offer of the Notes on behalf of the sellers or the initial purchasers.

Notice to Prospective Investors in Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The Notes offered in this offering memorandum have not been registered under the Securities and Exchange Law of Japan. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in the Netherlands

No notes have been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in the Netherlands other than to persons who are qualifying investors (*gekwalificeerde beleggers*) within the meaning of article 1:1 of the 2006 Act on Financial Supervision (*Wet op het financieel toezicht*) as amended from time to time unless one of the other exemptions or exceptions to the prohibition contained in Article 5:2 of the 2006 Act on Financial Supervision (*Wet op het financieel toezicht*) is applicable and the conditions attached to such exemption or exception are complied with.

Notice to Prospective Investors in Peru

The notes and the information contained in this offering memorandum have not been and will not be registered with or approved by the SMV or the Lima Stock Exchange. Accordingly, the notes cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among others, that any particular offer may qualify as private if it is directed exclusively to institutional investors, as such term is defined under Article 3 of SMV Resolution Nº 021-2013.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes 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 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), 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, in each case subject to compliance with conditions set forth in the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

    1. to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
    2. where no consideration is or will be given for the transfer; or
    3. where the transfer is by operation of law.

Notice to Prospective Investors in Switzerland

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not and will not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus within the meaning of Articles 1156 and 652a of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "relevant person"). This offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Subscription and Sale Restrictions

The distribution of this offering memorandum and the offer of the Notes in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about and observe any such restrictions, including those set out in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any of such jurisdiction.

TRANSFER RESTRICTIONS

The notes have not been registered, and will not be registered, under the Securities Act or any other applicable 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) in reliance on 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 Rule 903 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:

- 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 in reliance on Rule 144A or (b) a non-U.S. person that is outside the United States.
- It acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any jurisdiction 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.
- It understands and agrees that notes initially offered in the United States to qualified institutional buyers will be represented by one or more global notes and that notes offered outside the United States in reliance on Regulation S will also be represented by one or more global notes.
- It will not resell or otherwise transfer any of such notes except (a) to us, (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 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act.
- It agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes.
- It acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the Indenture.
- It acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us and the trustee, registrar or transfer agent that the restrictions set forth herein have been complied with.
- 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. 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.

The following is the form of restrictive legend which will appear on the face of the Rule 144A Global Note, and which will be used to notify transferees of the foregoing restrictions on transfer:

"This Note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Note, agrees that this Note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to us, (2) so long as this Note is eligible for resale pursuant to Rule 144A under the Securities Act ("Rule 144A"), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act afforded by Rule 144 under the Securities Act (if available) or (5) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this Note, represents and agrees that it will notify any purchaser of this Note from it of the resale restrictions referred to above.

The foregoing legend may be removed from this Note on satisfaction of the conditions specified in the indenture referred to herein."

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:

"This Note has not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other securities laws. The holder hereof, by purchasing this Note, agrees that neither this Note nor any interest or participation herein may be offered, resold, pledged or otherwise transferred in the absence of such registration unless such transaction is exempt from, or not subject to, such registration.

The foregoing legend may be removed from this Note after 40 days beginning on and including the later of (a) the date on which the notes are offered to persons other than distributors (as defined in Regulation S under the Securities Act) and (b) the original issue date of this Note."

LEGAL MATTERS

Certain legal matters in connection with this international offering will be passed upon for Camposol S.A. and Camposol Holding Ltd with respect to New York law by Arnold & Porter LLP, with respect to Peruvian law by Rodrigo, Elias & Medrano Abogados and with respect to Cypriot law by Harneys, Aristodemou Loizides Yiolitis LLC. Certain legal matters in connection with the international offering will be passed upon for the initial purchasers with respect to New York law by Skadden, Arps, Slate, Meagher & Flom LLP and with respect to Peruvian law by Estudio Echecopar.

INDEPENDENT AUDITORS

The Consolidated Financial Statements of Camposol Holding Ltd as of December 31, 2011, 2012 and 2013 and for the years then ended, included in this offering memorandum, have been audited by PricewaterhouseCoopers Limited, independent auditors, as stated in their audit report appearing herein. PricewaterhouseCoopers Limited, has its registered office at Julia House, 3 Themistocles Dervis Street CY-1066 Nicosia, Cyprus and is a member of the Institute of Certified Public Accountants of Cyprus.

The Audited Annual Financial Statements of Camposol S.A. as of January 1, 2012 and December 31, 2012 and 2013 and for the years ended December 31, 2012 and 2013, included in this offering memorandum have been audited by Gaveglio Aparicio y Asociados Sociedad Civil de Reponsabilidad Limitada, independent auditors, as stated in their audit report appearing herein. Their report contains an explanatory paragraph that draws attention to the fact that the investments in the Company's Subsidiaries are reflected on a cost basis and not on a consolidated basis. Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada has registered offices at Av. Santo Toribio 1433, Lima 27 Peru. Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada is a member of the *Colegio de Contadores Públicos de Lima*.

AVAILABLE INFORMATION

We will furnish, upon prior written request of any registered owner of a note, or note holder, or beneficial owner of a note, or note owner, such information as is specified in paragraph (d)(4) of Rule 144A under the Securities Act: (a) to such note holder or note owner, (b) to a prospective purchaser of such note (or beneficial interest therein) who is a qualified institutional buyer designated by such note holder or note owner or (c) to the trustee for delivery to such note holder or note owner or such prospective purchaser so designated, in each case in order to permit compliance by such note holder or note owner with Rule 144A in connection with the resale of such note (or a beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, (1) we are subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or (2) we qualify for the exemption to Rule 12g3-2(b).

For the life of the listing particulars, the following documents or copies thereof may be obtained at the office of the Trustee and the Luxembourg paying and transfer agent:

(a) the memorandum and articles of association of the Issuer and the Guarantors, and English transcripts thereof;

(b) all reports, letters, valuations etc. prepared by an expert at the Issuer's request, any part of which is included or referred to in this offering memorandum;

(c) the historical financial statements included in this offering memorandum; and

(d) the consolidated annual and quarterly financial statements published by the Issuer and the Parent Guarantor.

INDEX TO FINANCIAL STATEMENTS

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 2011 TOGETHER WITH THE
REPORT OF THE INDEPENDENT AUDITORS

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 2011
TOGETHER WITH THE REPORT OF THE INDEPENDENT AUDITORS

CONTENTS Pages

USD = United States dollar
PEN = Nuevo sol
€ = Euros
NOK = Norwegian Krone

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 2011

CONTENTS

Note

GENERAL INFORMATION

Directors
Samuel Barnaby Dyer Coriat - Chairman
Samuel Edward Dyer Ampudia
Pavlos Aristodemou
Gianfranco Dante Máximo Castagnola Zúñiga (resigned 11 November 2013)
Mimi Kristine Berdal
Richard Christopher Yetter (resigned 27 February 2012)
Hugo Walter Chumbez Panesi
Fabio Matarazzo Di Licosa
Samuel Aguirre (resigned 6 November 2013)

Company Secretary
Altruco Secretarial Limited
Arch. Kyprianou & Ag. Andreou,
Loukaides Court, 5th Floor
3036 Limassol,
Cyprus

Registered office
Kanika International
Business Center, 6th Floor,
Profiti Ilia No 4 Germasogeia,
Limassol 4046,
Cyprus

Independent auditors
PricewaterhouseCoopers Limited
Cyprus

pwc

Independent auditor's report
To the Board of Directors of Camposol Holding Plc

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Camposol Holding Plc (the "Company") and its subsidiaries (together with the Company, "the Group"), which comprise the consolidated statements of financial position as at 31 December 2013, 31 December 2012 and 31 December 2011, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three years then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors 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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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.

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 entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

PricewaterhouseCoopers Ltd, Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com/cy

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2013, 31 December 2012 and 31 December 2011 and of its financial performance and its cash flows for each of the three years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

/S/ CONSTANTINOS TALIOTIS

Constantinos Taliotis
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia,
4 April 2014

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF U.S. DOLLARS)

	Note	At December 31 2013	2012	2011
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	128,604	127,733	117,354
Investment in associate	7	864	559	493
Intangible assets	8	18,149	20,343	22,610
Non-current portion of biological assets	9	282,982	242,536	193,015
Deferred income tax	17	1,247	1,398	1,200
Total non-current assets		431,846	392,569	334,672
CURRENT ASSETS				
Prepaid expenses		1,027	821	812
Current portion of biological assets	9	19,187	16,564	16,145
Inventories	12	63,082	52,696	44,349
Other accounts receivable	13	8,721	9,159	5,965
Income tax credit		3,907	6,792	5,093
Trade accounts receivable	14	55,170	40,479	29,923
Cash and cash equivalents	15	27,240	28,523	6,604
Total current assets		178,334	155,034	108,891
Total assets		610,180	547,603	443,563
Equity attributable to shareholders of the parent				
Share capital	16	507	507	507
Share premium	16	212,318	212,318	212,318
Treasury shares	16	-	(11,592)	-
Other reserves	16	825	-	-
Share-based payments	16	-	-	927
Retained earnings		111,285	79,997	62,331
		324,935	281,230	276,083
Non-controlling interest		806	580	569
Total equity		325,741	281,810	276,652
LIABILITIES				
NON-CURRENT LIABILITIES				
Long - term debt	19	133,327	132,352	55,031
Deferred income tax	17	41,371	31,462	25,119
Total non-current liabilities		174,698	163,814	80,150
CURRENT LIABILITIES				
Current portion of long-term debt	19	4,250	2,759	9,712
Trade accounts payable	20	60,655	51,288	40,074
Other accounts payable	21	18,811	18,052	11,178
Bank loans	22	26,025	29,880	25,797
Total current liabilities		109,741	101,979	86,761
Total liabilities		284,439	265,793	166,911
Total equity and liabilities		610,180	547,603	443,563

Approved for issue and signed on behalf of the Board of Directors of Camposol Holding PLC on 4 April 2014.

Directors

Samuel Barnaby Dyer Coriat -Chairman /S/ SAMUEL BARNABY DYER CORIAT
Signature

Samuel Edward Dyer Ampudia - Director /S/ SAMUEL EDWARD DYER AMPUDIA
Signature

The notes on pages F-12 to F-79 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended December 31 2013	2012	2011
Continuing operations:				
Revenue	24	231,241	183,181	167,810
Cost of sales	25	(156,880)	(138,299)	(109,543)
Gross profit		74,361	44,882	58,267
Gain arising from change in fair value of biological assets	9	40,057	40,367	34,112
Profit after adjustment for biological assets		114,418	85,249	92,379
Selling expenses	26	(26,174)	(22,961)	(20,581)
Administrative expenses	27	(22,389)	(20,115)	(19,050)
Other income	29	1,334	1,145	868
Other expenses	29	(3,415)	(1,736)	(2,302)
Operating profit		63,774	41,582	51,314
Profit attributable to associate	7	305	66	111
Financial income	30	81	1,557	27
Financial cost	30	(19,465)	(17,879)	(8,502)
Net foreign exchange transactions losses		(2,750)	(2,042)	(1,316)
Profit before income tax		41,945	23,284	41,634
Income tax expense	32	(10,431)	(6,284)	(8,014)
Profit for the year from continuing operations		31,514	17,000	33,620
Discontinued operations:				
Loss for the year from discontinued operations		-	(147)	(275)
Profit for the year		31,514	16,853	33,345
Attributable to:				
Owners of the parent		31,288	16,778	33,336
Non-controlling interest		226	75	9
		31,514	16,853	33,345
Basic and diluted earnings per ordinary share				
- From continuing operations (expressed in U.S. Dollars per share)	34	1.154	0.611	1.127
- From discontinuing operations (expressed in U.S. Dollars per share)	34	-	(0.005)	(0.009)
		1.154	0.606	1.118
Statement of comprehensive income				
Profit for the year		31,514	16,853	33,345
Other comprehensive income (Items that may be subsequently reclassified to profit or loss)				
Currency translation adjustment		18	(10)	(8)
Other adjustment		(18)	(98)	-
Total comprehensive income for the year		31,514	16,745	33,337
Attributable to:				
Equity shareholders of the parent		31,288	16,734	33,328
Non-controlling interests		226	11	9
		31,514	16,745	33,337
Total comprehensive income attributable to equity shareholders arises from:				
- From continuing operations		31,288	16,881	33,603
- From discontinuing operations		-	(147)	(275)
Total comprehensive income for the year		31,288	16,734	33,328

Items in the statement of comprehensive income above are disclosed net of tax.

The notes on pages F-12 to F-79 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED December 31, 2013, 2012 and 2011
(IN THOUSANDS OF U.S. DOLLARS)

	Attributable to owners of the parent									
	Number of shares	Share capital	Share premium	Treasury shares	Other reserves	Share-based payments	Retained earnings	Total	Non-controlling interest	Total equity
Balances as of 1 January 2011	32,404	507	212,318	-	-	922	28,853	242,600	560	243,160
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	33,336	33,336	9	33,345
Other comprehensive income:										
Currency translation adjustment	-	-	-	-	-	-	(8)	(8)	-	(8)
Total comprehensive income	-	-	-	-	-	-	33,328	33,328	9	33,337
Transactions with owners:										
Share-based payments	-	-	-	-	-	155	-	155	-	155
Expired share options and warrants	-	-	-	-	-	(150)	150	-	-	-
Total transactions with owners	-	-	-	-	-	5	150	155	-	155
Balances as of 31 December 2011	32,404	507	212,318	-	-	927	62,331	276,083	569	276,652
Balances as of 1 January 2012	32,404	507	212,318	-	-	927	62,331	276,083	569	276,652
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	16,778	16,778	75	16,853
Other comprehensive income:										
Currency translation adjustment	-	-	-	-	-	-	(10)	(10)	-	(10)
Other adjustments	-	-	-	-	-	-	(34)	(34)	(64)	(98)
Total comprehensive income	-	-	-	-	-	-	16,734	16,734	11	16,745
Transactions with owners:										
Acquisition of own shares	(2,969)	-	-	(11,592)	-	-	-	(11,592)	-	(11,592)
Share-based payments	-	-	-	-	-	5	-	5	-	5
Expired share options and warrants	-	-	-	-	-	(932)	932	-	-	-
Total transactions with owners	(2,969)	-	-	(11,592)	-	(927)	932	(11,587)	-	(11,587)
Balances as of 31 December 2012	29,435	507	212,318	(11,592)	-	-	79,997	281,230	580	281,810
Balances as of 1 January 2013	29,435	507	212,318	(11,592)	-	-	79,997	281,230	580	281,810
Comprehensive income:										
Profit for the year	-	-	-	-	-	-	31,288	31,288	226	31,514
Other comprehensive income:										
Currency translation adjustment	-	-	-	-	-	-	18	18	-	18
Other adjustments	-	-	-	-	-	-	(18)	(18)	-	(18)
Total comprehensive income	-	-	-	-	-	-	31,288	31,288	226	31,514
Transactions with owners:										
Disposal of treasury shares	2,969	-	-	11,592	-	-	-	11,592	-	11,592
Gains on disposal of treasury shares	-	-	-	-	825	-	-	825	-	825
Total transactions with owners	2,969	-	-	11,592	825	-	-	12,417	-	12,417
Balances as of 31 December 2013	32,404	507	212,318	-	825	-	111,285	324,935	806	325,741

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. Special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009, and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders

The notes on pages F-12 to F-79 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

		For the year ended December 31		
	Note	**2013**	**2012**	**2011**
Cash flows from operating activities				
Collections		215,743	172,888	157,058
Payment to suppliers and employees		(201,533)	(186,425)	(146,515)
Interest paid		(17,984)	(10,589)	(8,094)
Custom duties refund collections		7,868	7,057	6,647
Other collections		1,160	2,929	442
Debt termination fee	19	-	(407)	-
Net cash generated from (used in) operating activities	31	5,254	(14,547)	9,538
Cash flows from investing activities				
Purchases of property, plant and equipment	6	(9,293)	(14,471)	(10,611)
Investment in biological assets		(7,581)	(10,603)	(8,711)
Purchase of intangibles, excluding goodwill	8	(415)	(288)	(408)
Acquisition of subsidiary, net of cash acquired	23	-	-	(259)
Proceeds from sale of property, plant and equipment	6	429	429	372
Net cash used in investing activities		(16,860)	(24,933)	(19,617)
Cash flows from financing activities				
Bank loans proceeds	22	101,495	59,370	94,394
Bank loans payments	22	(105,350)	(55,287)	(85,297)
Repurchase of own shares	16	-	(11,592)	-
Sales of own shares	16	12,417	-	-
Repayment of syndicated loan	19	-	(58,524)	-
Bonds issue, net of transaction costs	19	-	121,013	-
Long-term debt proceeds	19	5,187	8,566	1,615
Payments of long-term debt	19	(3,426)	(2,147)	(3,944)
Net cash generated from financial activities		10,323	61,399	6,768
Net (decrease) increase in cash and cash equivalents		(1,283)	21,919	(3,311)
Cash and cash equivalents at the beginning of the year		28,523	6,604	9,915
Cash and cash equivalents at the end of the year	15	27,240	28,523	6,604

The notes on pages F-12 to F-79 are an integral part of these consolidated financial statements.

CAMPOSOL HOLDING PLC AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 2011
(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

1 GENERAL INFORMATION

a) Business activities -

Camposol Holding PLC (hereinafter the Company) was incorporated as a private company and is domiciled in Cyprus from 9 July 2007, under the name Halemondi Holdings Limited, in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company was converted into a public limited liability company on 8 November 2007. The name of the Company was transformed to Camposol Holding PLC on 11 February 2008. Camposol Holding PLC and subsidiaries are hereinafter referred as the Group. The Company through its subsidiaries are engaged in investing in the agriculture business and managing the export of agricultural products mainly to the United States and to the European Union.

The Company's legal address is Kanika International Business Center, 6th Floor, Profiti Ilia No 4 Germasogeia, Limassol 4046, Cyprus.

The Company's shares are listed in the Oslo Axess Stock Exchange from May 2008 and the last day of listing was 20 December 2013.

The subsidiaries and their activities are as follows:

Company	Principal activity	Country of incorporation
Camposol S.A.	Agribusiness	Peru
Nor Agro Perú S.A.C.	Agriculture	Peru
Sociedad Agrícola Las Dunas	Agriculture	Peru
Prodex S.A.C.	Agriculture	Peru
Vegesol S.A.	Agriculture	Peru
Balfass S.A.	Agriculture	Peru
Campoinca S.A.	Farmland owner	Peru
Muelles y Servicios Paita S.R.L.	Services	Peru
Preco Precio Económico S.A.C.	Retail	Peru
Marinazul S.A.	Shrimp farming	Peru
Domingo Rodas S.A.	Shrimp farming	Peru
Camarones S.A.C.	Shrimp farming	Peru
Marinasol S.A.	Fish canning	Peru
Camposol Europa S.L.	Distribution	Spain
Camposol Fresh B.V.	Distribution	Netherlands
Madoca Corp.	Holding	Panama
Grainlens Ltd.	Holding	Cyprus
Blacklocust Ltd.	Holding	Cyprus
Siboure Holding Ltd.	Holding	Cyprus
Persea, Inc.	Holding	USA
Camposol Fresh U.S.A., Inc.	Distribution	USA
Camposol Specialties, Inc.	Distribution	USA

Except for Prodex S.A.C., Preco Precio Económico S.A.C. and Marinazul S.A., where the Company holds a direct or indirect equity interest of 99.99%, 50% and 94.55%, respectively, holds 100% on its subsidiaries.

In addition, the Company has an associate, Empacadora de Frutos Tropicales S.A.C. which is engaged in the processing and commercialization of fresh fruit products (Note 7).

Camposol S.A. is one of the subsidiaries of the Group which is a Peruvian agribusiness corporation incorporated in the city of Lima on 31 January 1997. Camposol S.A. contributes substantially with all of the consolidated Group's revenues and net profit.

The legal address of Camposol S.A. is Calle Francisco Graña 155, La Victoria, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km. 497.5, Chao, Viru, La Libertad., three production establishments or agricultural lands are located in Carretera Panamericana Norte Kms. 510, 512 and 527 in the department of La Libertad, Peru. In addition Camposol S.A. operates two administrative offices in the department of Piura.

On 21 May 2011, the subsidiary Muelles y Servicios Paita S.R.L. acquired 100% interest in Nor Agro Perú S.A.C.

During 2012, the dormant subsidiaries Preco Precio Económico S.A.C., Sociedad Agrícola la Dunas S.R.L. and Balfas S.A. were liquidated. These entities did not have operations leading to the generation of any income or expenses in 2012 and 2011.

The subsidiaries Persea, Inc., Camposol Fresh U.S.A., Inc., Camposol Specialities, Inc. were incorporated during 2012.

The table below presents details of the agricultural land where the Group carries out its activities:

		Area in Hectares (Ha)		
Land	**Peruvian region**	**2013**	**2012**	**2011**
Mar Verde	La Libertad	2,496	2,496	2,496
Agricultor	La Libertad	1,726	1,726	1,726
Gloria	La Libertad	1,018	1,018	1,018
Agromás	La Libertad	414	414	414
Virú - San José	La Libertad	616	616	616
Compositan	La Libertad	3,778	3,778	3,778
Yakuy Minka	La Libertad	2,770	2,770	2,770
Huangala - Terra	Piura	2,677	2,677	2,662
Santa Ana	Piura	3,370	3,370	3,370
Santa Anita	Piura	128	128	128
Santa Julia	Piura	2,183	2,105	2,105
María Auxiliadora	Piura	1,980	1,980	1,980
La Merced	Piura	1,000	1,000	1,000
Ocoto Alto	Piura	112	112	112
Ocoto Bajo	Piura	31	31	31
Ica	Ica	900	175	175
Tumbes	Tumbes	933	933	933
		26,132	25,329	25,314

The Group carries out its activities over the following planted areas:

	Area in Hectares (Ha)		
	2013	2012	2011
Asparagus	2,395	2,516	2,633
Avocados	2,643	2,616	2,488
Mangoes	450	450	415
Grapes	451	451	451
Shrimp	636	635	628
Pepper	332	291	294
Tangerine	102	102	102
Blueberry	212	206	-
	7,221	7,267	7,011

b) Group reorganization -

Camposol AS was established on 5 September 2007. On 17 October 2007 Camposol AS acquired 100% of the shares in Siboure Holding Ltd (previously Siboure Holdings Inc. which held 100% of Camposol S.A.) through a loan obtained from the Credit Suisse amounting to USD65,000 in November 2007.

On 3 March 2008, the Company made a voluntary offer for the acquisition of all the outstanding shares of Camposol AS in exchange of its own shares. The shareholders of Camposol AS became shareholders of the Company, holding the same number of shares and warrants as the number held in Camposol AS. As a result of this exchange, Camposol AS became a wholly-owned subsidiary of the Company. This transaction does not represent a business combination and is outside the scope of IFRS 3 (2007). There was no economic substance in terms of any real alteration of the composition or ownership of the Group. Accordingly the consolidated financial statements are presented as a continuation of the Camposol AS group using a method similar to the pooling of interests. The application of this method implied that, the items of the financial statement of the combining enterprises at the date in which the combination occurred and for any comparative periods disclosed at the end of such period were presented as if they had been combined from the beginning of the earliest period then presented.

Camposol AS was liquidated on 22 December 2008 with no impact on the Group’s financial statements as all its rights and obligations were transferred to Camposol Holding PLC.

On 24 September 2013, the Oslo Bors, as the take-over supervisory authority, approved the Mandatory Offering to acquire shares in Camposol by Dyer Coriat Holding S.L.

On 21 October 2013, the Board of Directors of Camposol Holding PLC unanimously approved the tender of Camposol Holding PLC and Camposol SA’s 2,968,502 shares in the Company.

Once the Offering was completed, Dyer Coriat Holding S.L. held 26,992,047 shares in the Company, representing 90.47% of the total shareholding.

On 12 December 2013, Cyprus Securities and Exchange Commission approved the application submitted by Dyer Coriat Holding S.L. to acquire from the minority shareholders all the shares of issued share capital of Camposol Holding PLC which Dyer Coriat Holding S.L. did not own (directly or indirectly) following the settlement of the mandatory takeover bid offer dated 24 September 2013. The squeeze-out was effective as of 13 December 2013 and the, the shares of the Company were delisted from Oslo Bors on 20 December 2013.

c) Operating environment of the Group

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the Troika), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through bail in. During 2013 the Cyprus economy further contracted with a decrease in the Gross Domestic Product.

During 2013 following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The economic conditions described above, together with the impact of the Eurogroup decision on Cyprus of 25 March 2013, did not impact the Group, since the Group conducts its operating, financing and investing activities outside the Cypriot territory.

d) Approval of the financial statements -

The 2013 consolidated financial statements of the Group were approved by the Board of Directors' Meeting held in the offices of the Company in Cyprus on 4 April 2014.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation -

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets recognized at fair value and the investment in associate recognized under the equity method accounting. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

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

2.2 Going concern -

In 2013 EBITDA was USD 42,600, 152% higher than in 2012 (USD16,900) as explained by higher volumes of sales of avocadoes and grapes, as well as the increase in the prices of shrimp and asparagus. EBITDA margin increased to 18.4% in 2013 from 9.2% in 2012.

The financial position and future development of the Group will depend significantly on the sales prices of its fruit and vegetables production. The Group produces fresh, frozen and preserved products. Fresh products tend to be more profitable, followed by frozen products and finally preserved goods. However, the complexity of production and the distribution logistics are greater in the case of fresh and frozen products compared to preserved goods. In this way, there is an inversely proportional relationship between profitability and commercial complexity of the product type.

Fresh products, because of their very nature, have a much quicker rotation and almost no inventories of finished products. Preserved products may be stored for up to 5 years and this means that in the distribution chain there are times of very high or very low inventories that have a significant impact on prices.

Natural phenomena such as the warmer and colder ocean currents called “El Niño” and “La Niña”, respectively present a threat to farming during half of each year.

“La Niña” generally means that the winter is colder than usual and this has a positive or negative repercussion on our activities according to the crop. For example, in the case of avocado, the cold weather reduces the rate at which the fruit grows and it reaches its period for harvesting at a lower weight per fruit than usual. In the case of asparagus; however, although growth is slow during the period of the cold current, the plants that are maturing and will be harvested at the end of the year have volumes well in excess of the average.

“El Niño”, which is usually predictable some months in advance, increases the temperature in both summer and winter. This phenomenon benefits the avocado plant, producing a fruit of higher weight but, on the other hand, it reduces the harvest levels of asparagus in the months following warmer weather.

During 2013, none of these natural phenomena has occurred in such a way that affects the Group’s production.

During 2012 Peru experienced a moderate “El Niño” effect, which increased the average temperature from April through August. The adverse climate conditions had a negative impact on company volumes, especially on avocado and asparagus with a volume decrease for the year of 26.8% and 18.4% respectively. None of these natural phenomena has occurred in 2011.

The Directors have the reasonable expectation that the Group has adequate resources to continue operational existence in the foreseeable future. Therefore the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

2.3 Adoption of new and revised IFRSs –

As of the date of the authorization of the consolidated financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2013 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 “Financial Instruments: Recognition and Measurement” relating to portfolio hedge accounting.

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2013. This adoption did not have a material effect on the accounting policies of the Group, with exception of IFRS 13 “Fair value measurement”, which aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

At the date of approval of these financial statements the following International Financial Reporting Standards were issued by the International Accounting Standards Board but were not yet effective in the European Union:

i) Adopted by the European Union

New standards

- IFRS 10,"Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014).
- IFRS 12, "Disclosure of Interests in Other entities" (effective for annual periods beginning on or after 1 January 2014).
- IAS 27, "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).
- IAS 28, "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2014).

Amendments

- Amendments to IAS 32 "Financial Instruments: Presentation" on Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).
- Amendments to IFRS 10, IFRS 11 and IFRS 12: transition guidance (effective for annual periods beginning 1 January 2014).
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment entities (effective for annual periods beginning 1 January 2014).
- Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets (effective for annual periods beginning 1 January 2014; earlier application is permitted if IFRS 13 is applied for the same accounting and comparative period).
- Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning 1 January 2014).

ii) Not yet adopted by the European Union

New standards

- IFRS 9 "Financial Instruments" (and subsequent amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2015).
- IFRS 14, Regulatory Deferral Accounts (issued in January 2014 and effective for annual periods beginning on or after 1 January 2016).

Interpretations

- IFRIC 21 - Levies (effective for annual periods beginning on or after 1 January 2014).

Amendments

- Amendments to IAS 19 – Defined benefit plans: Employee contributions (effective for annual periods beginning 1 July 2014).
- Annual Improvements 2012 (effective for annual periods beginning on or after 1 January 2014).
- Annual Improvements 2013 (effective for annual periods beginning on or after 1 July 2014).

The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Group, with the exception of the following:

(i) IFRS 10, Consolidated financial statements'. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Although Management does not expect any effect on the financial statements once the standard is adopted, it will be required to disclose the main requirements of the standard when assessing control.

2.4 Consolidation -

The consolidated financial statements include the assets, liabilities, results and cash flows of the Company and its subsidiaries detailed in Note 1- (a).

a) Subsidiaries -

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities assumed and the equity interests issued by the Group, if any. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized fair value amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The fair value of services received in relation with business combinations are recognized in equity when they are settled with the Group's own equity instrument (such as warrants).

The excess of the consideration transferred, any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (note 2.8 - a). If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b) Associates -

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognized in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognized in the consolidated statement of comprehensive income.

2.5 Segment information -

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.6 Foreign currency translation -

a) Functional and presentation currency -

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency.

b) Transactions and balances -

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the consolidated statement of comprehensive income within ‘net foreign exchange transactions losses’.

c) Group companies -

The results and financial position of all the Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
(c) equity balances, except for retained earnings, are translated at the historical exchange rates; and
(d) all resulting exchange differences are recognized in other comprehensive income and included in retained earnings.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Property, plant and equipment -

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replaced parts are derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over the estimated useful life of individual assets, as follows:

	Years
Buildings and other constructions	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management. Land is not depreciated.

The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end.

An assets' carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income and other expenses – net' in the consolidated statement of comprehensive income.

2.8 Intangible assets -

a) Goodwill -

Goodwill is initially measured as the excess of the consideration transferred over the fair value of the net acquirer's identifiable assets, liabilities, contingent liabilities and non-controlling interest at the date of acquisition. When the accounting for a business combination is not completed by the end of the reporting period in which the business combinations took place, the Group reports provisional amounts for those items with valuation process still incomplete.

The net identifiable assets acquired and liabilities assumed accounted at provisional fair values at acquisition date may be retroactively adjusted to reflect additional information gathered on facts and circumstances existing at acquisition date which, if known, would have affected the measurement of the amounts originally recognized. The period allowed by the IFRS 3 for the amendment of provisional amounts recognized should not exceed one year from the acquisition date.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating-units, or groups of cash-generating-units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

When the acquisition is made under favorable conditions (when the fair value of the net assets and liabilities acquired is higher than the purchase consideration), the Group recognizes such amount as income in its consolidated statement of comprehensive income.

b) Customer relationships -

Customer relationships acquired in a business combination are initially recognized at fair value at the date of the acquisition and subsequently at cost less amortization over their estimated useful lives which range from 2 to 8 years.

The intangible asset is valued using an income approach and the “multi-period excess earnings” method. The excess of earnings is defined as the difference between after-tax operating cash flows generated by the existing customers at the acquisition date; and, the contribution costs required by the remaining assets (tangible and intangible) for maintaining the relationships with the customer. The application of the “multi-period excess earnings” requires the following estimations:

- Future sales attributable to the existing customer list at the acquisition date, excluding any sales from other customers without an established and clear relationship. The sales forecast for each customer, or customer category, takes into consideration organic sales growth as well as the deterioration rate for this customer list.
- Calculation of operating margins (EBIT), taking into account only costs related to the existing customer base at the acquisition date.

c) Computer software -

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of ten years.

Costs associated with maintaining computer software or programs are recognized as an expense as they are incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.9 Impairment of non-financial assets -

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Fair value is based on an estimate of the amount that the Group may obtain in a sale transaction on an arm's length transaction. In assessing the value in use of an asset, its estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash -generating unit to which the asset belongs.

2.10 Financial assets -

Classification -

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. As of 31 December 2013, 2012 and 2011 the Group only holds financial assets in the category of loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other accounts receivable' and 'cash and cash equivalents' in the consolidated statement of financial position (Notes 14, 13 and 15, respectively).

Recognition, derecognition and measurement -

Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method. Loans and receivable are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Offsetting financial instruments -

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.11 Impairment of financial assets -

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss of loans and receivables category is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

2.12 Biological assets -

Biological assets are living animals or plants managed by the Group for sale. These are asparagus, avocados, mangoes, grapes, shrimp, pepper, tangerine and blueberry which are to be harvested as agricultural produce.

Bearer biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangoes, avocados and grapes). Costs of producing and harvesting biological assets are expensed as incurred. Costs that increase the number of units produced of the biological asset owned or controlled by the Group are added to the carrying amount of the relevant assets. Bearer biological assets are classified as current and non-current depending on their maturity period.

Expenses that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals, fertilizers and others. The line item "cost of agricultural produce and biological assets sold and services rendered" includes: i) the cost of agricultural produce held in inventory, ii) biological assets valued at fair value less costs to sell, and iii) the costs of providing agricultural services. Therefore, "cost of production" accumulates the costs incurred during the growth of the biological assets and the line item "cost of agricultural produce and biological assets sold and services rendered" accumulates the costs of items from inventory and/ or biological assets expensed when sold.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

i) the productive life of the asset;
ii) the period over which the asset will mature;
iii) the expected future sales price;
iv) the cost expected to arise through the life of the asset; and
v) a pre-tax discount rate.

The application of factors mentioned above requires the use of estimates and judgments by management.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical and statistical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the consolidated statement of comprehensive income in the period in which they arise. Agricultural produce harvested from the Group's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the consolidated statement of comprehensive income for the period in which it arises. The cost of the agricultural produce included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

2.13 Inventories -

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.12).

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of inventories may not be recovered if: i) the inventories are damaged or become wholly or partially obsolete; and ii) their selling prices decline or the estimated necessary costs to be incurred to produce their sale increase. In such circumstances, inventories are written-off to their net realizable value. The Group determines the provision for obsolescence as follows:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years
	100% of cost at expiration

The provision for obsolescence is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar other characteristics).

2.14 Trade accounts receivable -

Trade accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less-, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the consolidated statement of comprehensive income. Accounts receivable provided for are written-off when they are assessed as uncollectible.

2.15 Cash and cash equivalents -

In the consolidated statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term highly investments funds, convertible to known amounts of cash and subject to insignificant risk of changes in value and other short-term highly liquid investments with original maturities up-to three months.

2.16 Share capital -

Ordinary shares are classified as equity. Any excess received over the par value of issued shares is classified as share premium.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

2.17 Trade accounts payable -

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Borrowings -

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

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the consolidated statement of financial position date.

2.19 Leases -

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

2.20 Current and deferred income tax -

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for when it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only were there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference it is not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Share-based payments -

The group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the group reviews its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the review to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge is treated as a cash-settled transaction.

2.22 Provisions -

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.23 Employee benefits -

Workers' profit sharing and other employee benefits -

In accordance with Peruvian Legislation, Peruvian entities of the Group are required to provide for workers' profit sharing equivalent to 10% of taxable income in Peru of each year. This amount is charged to the consolidated statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

Statutory bonuses -

The Camposol S.A. and Marinazul S.A. recognizes the expense in bonuses and the related liabilities under Peruvian legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year.

Employees' severance indemnities -

Employees' severance indemnities of Camposol S.A. and Marinazul S.A. personnel comprise indemnities determined under Peruvian laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employees' severance indemnities equal one-month salary. The Group does not have obligations of additional payments once these annual deposits, to which each worker is entitled to, are made.

2.24 Revenue recognition -

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below. The group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Sales of goods -

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of asparagus, avocados, mangoes and grapes. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced), which is determined on current market prices at the date of issuance of the export invoice. In the case of sales on a preliminary liquidation basis, an adjustment to the provisional price is made within the period based on current market prices at the date agreed with the customer, usually within a period ranging from 7 to 30 days after the export delivery. The value of the provisionally priced fresh products is re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts that occurred after the end of the period but before the issue of the financial statements up-to 15 February, is recorded as an adjustment to revenue and to trade receivables within the period.

- Exports of preserved products. This mainly includes asparagus, peppers and artichokes. Revenue is recognized when export delivery conditions are met.

- Export of frozen products. This mainly includes shrimps. Revenue is recognized when export delivery conditions are met.

- Domestic sales. Revenue is recognized on delivery.

b) Interest income -

Interest income is recognized using the effective interest method.

2.25 Costs and expenses -

Cost of sales corresponds to the cost of production of goods sold, and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on an accrual basis and recorded in the periods to which they are related.

2.26 Dividend distribution -

Dividend distribution to the Group’s shareholders is recognized as a liability in the consolidated statement of financial position in the period in which the dividends are approved by the shareholders.

2.27 Contingent liabilities and assets -

Contingent liabilities are not recognized in the financial statements and are disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements and are disclosed only if their realization is assessed as probable.

2.28 Custom duties refunds -

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government by means of which the Company is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the consolidated statement of comprehensive income when the Group has the right to claim the refund (when the export is completed).

2.29 Restatement of prior-year consolidated financial statements

The only deductions permitted under IAS 41 are costs to sell. During the fair value evaluation of the Group's biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at 31 December 2012 was understated by USD 13,401. This understatement also had a direct impact on deferred income tax assets of USD1,395 and deferred tax liabilities of USD5,424. These errors did not have a material impact on the opening balance sheet as at 1 January 2012. The 2012 consolidated financial statements were restated as follows:

	As reported originally	**Adjustments and re-classification**	**As restated**
	USD	**USD**	**USD**
Year ended 31 December 2012			
Consolidated statement of financial position			
Biological assets	245,699	13,401	259,100
Deferred income tax	-	1,398	1,398
Total non-current assets	**377,770**	**14,799**	**392,569**
Total current assets	**140,235**	**14,799**	**155,034**
Total assets	**532,804**	**14,799**	**547,603**
Retained earnings	70,622	9,375	79,997
Total equity	**272,435**	**9,375**	**281,810**
Deferred income taxes	26,038	5,424	31,462
Total non-current liabilities	**158,390**	**5,424**	**163,814**
Total liabilities	**260,369**	**5,424**	**265,793**
Total equity and liabilities	**532,804**	**14,799**	**547,603**
Consolidated statement of comprehensive income			
Gain arising from change in fair value of biological assets	26,966	13,401	40,367
Profit after adjustments of biological assets	**71,848**	**13,401**	**85,249**
Operating profit	**28,181**	**13,401**	**41,582**
Profit before income tax	**9,883**	**13,401**	**23,284**
Income tax expense	(2,258)	(4,026)	(6,284)
Profit for the year	**7,478**	**9,375**	**16,853**
Earnings per share			
Basic and diluted earnings per share	0.269	0.34	0.606
Consolidated statement of changes in equity			
Retained earnings	70,622	9,375	79,997
Profit for the year	7,478	9,375	16,853

	As reported originally	Adjustments and re-classification	As restated
	USD	USD	USD
Consolidated statement of cash flows			
Profit before income taxes	9,883	13,401	23,284
Fair value of biological assets	(36,539)	(13,401)	(49,940)
Deferred income tax	2,119	4,026	6,145
Other account payables	7,631	(4,026)	3,605
Net cash generated from operating activities	(14,547)	-	(14,547)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk.

The Group's senior management and the Board of Directors oversee the management of these risks and implement a risk management program aiming at reducing at a minimum any potential adverse effect on the Group's financial performance.

a) Market risk -

i) Foreign exchange risk -

The Group buys and sells its products and services and obtains funding for its working capital and investments mainly in its functional currency. Some minor costs are incurred in Nuevo Sol and some sales are made in Euros, therefore its financial results are not significantly affected by exchange rate fluctuations between the US Dollar and foreign currency. However, upon significant transactions management evaluates and decides the use of economic hedge contracts to hedge any possible risk of adverse changes in the foreign currency rate that would affect its cash outflows.

As of 31 December 2013, 2012 and 2011 the Group had the following assets and liabilities in the Nuevo Sol (PEN) and Euros (expressed in USD):

	2013		Total	2012		Total	2011		Total
	PEN	€	USD	PEN	€	USD	PEN	€	USD
Assets -									
Cash and cash equivalents	3,670	4,962	8,632	3,118	1,451	4,569	1,960	287	2,247
Trade and other accounts receivable	10,021	15,098	25,119	10,370	9,305	19,675	6,442	6,080	12,522
	13,691	20,060	33,751	13,488	10,756	24,244	8,402	6,367	14,769
Liabilities -									
Accounts payable	24,252	3,129	27,381	23,545	2,704	26,249	21,008	1,040	22,048
(Liability) asset position, net	(10,561)	16,931	6,370	(10,057)	8,052	(2,005)	(12,606)	5,327	(7,279)

The remaining balance of cash and cash equivalents and trade and other accounts receivable amounting to USD61,287 relates to balances denominated in United States Dollar (2012: USD60,709 and 2011: USD32,816).

The remaining balance of liabilities, except for the deferred income tax, amounting to USD215,687 relates to balances denominated in United States Dollar (2012: USD208,082 and 2011: USD119,744).

The following table demonstrates the sensitivity to a reasonable possible change in Nuevo Sol exchange rate and Euro exchange rate for twelve months, with all other variables held constant, on the Group's pre-tax profit:

	Increase/ decrease PEN rate	Effect on in profit before tax	Increase/ decrease € rate	Effect on in profit before tax
2013	+4%	754	+4%	580
	-4%	(754)	-4%	(580)
2012	+4%	1,026	+4%	430
	-4%	(1,026)	-4%	(430)
2011	+4%	716	+4%	364
	-4%	(716)	-4%	(364)

ii) Cash flows interest rate risk -

Changes in interest rates impact primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Since all interest-bearing loans and borrowings have a fixed interest rate, the Group is not exposed to cash flow interest rate risk.

Fixed rate borrowings of the Group are negotiated at market rates on a timely basis, in order to reduce the Group´s exposure to fair value interest rate risk.

iii) Price risk -

Almost all of the Group's products are sold in the international market. A further economic slowdown in the key markets may cause lower sales volumes and prices, and losses on trade receivables. Produce prices have a material impact on the Group´s results of operations. Prices are significantly affected by changes in global economic conditions and related industry cycles. Generally, agricultural producers are unable to influence prices directly; however, the Group profitability is managed through the control of its cost base and the efficiency of its operations. The Group manages its price risk mainly with price sales commitments built into sales contracts. The Group does not use hedge instruments to manage its price risks.

The following table shows the sensitivity of the outstanding balance of the trade accounts receivable at the date of the financial statements in the profit before income tax and related tax if the forward price of its produce had weakened/strengthened by 5%:

	Increase/decrease in price	Effect in profit before income and related taxes
2013	+5%	2,715
	-5%	(2,715)
2012	+5%	1,978
	-5%	(1,978)
2011	+5%	1,471
	-5%	(1,471)

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable as shown on the consolidated statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Group seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customers (over 6 months). As of 31 December 2013, 2012 and 2011, no credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The accounts receivable from a single customer represent 9 per cent of the balance as of 31 December 2013 (33 per cent as of 31 December 2012 and 13 per cent as of 31 December 2011). All new transactions with this customer are being executed with letters of credit to mitigate credit risk exposure.

In addition, the Group has a multimarket credit insurance coverage over the exports of fresh and preserved products in an aggregate amount up to USD158,000 at 31 December 2013 (40,000 at 31 December 2012 and 2011).

c) Liquidity risk -

The Group has sufficient credit capacity to have access to credit lines with top-ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Group develops new bank relationships in order to have adequate funding available all the time. However, with the current world financial crisis there is a risk that banks may revise the terms of the lines of credit.

The table below analyses the Group's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year	Between 1 and 2 years	Between 2 and 6 years	Total
	USD	USD	USD	USD
2013 -				
Long - term debt	18,022	17,120	144,591	179,733
Trade accounts payable	60,655	-	-	60,655
Other accounts payable (Note 10)	13,462	-	-	13,462
Bank loans	26,221	-	-	26,221
	118,360	17,120	144,591	280,071
2012 -				
Long - term debt	16,905	16,779	155,925	189,609
Trade accounts payable	51,288	-	-	51,288
Other accounts payable (Note 10)	13,459	-	-	13,459
Bank loans	30,149	-	-	30,149
	111,801	16,779	155,925	284,505

	Within 1 year	Between 1 and 2 years	Between 2 and 6 years	Total
	USD	USD	USD	USD
2011 -				
Long - term debt	15,042	13,093	51,815	79,950
Trade accounts payable	40,074	-	-	40,074
Other accounts payable (Note 10)	7,252	-	-	7,252
Bank loans	26,089	-	-	26,089
	88,457	13,093	51,815	153,365

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt, less unrealized gains reserve.

As of 31 December 2013, 2012 and 2011, the Group's strategy was to maintain the gearing ratio in no more than 1.

The gearing ratios at 31 December 2013, 2012 and 2011 were as follows:

	2013	2012	2011
	USD	USD	USD
Bank loans (Note 22)	26,025	29,880	25,797
Long - term debt (Note 19)	137,577	135,111	64,743
Less cash and cash equivalents (Note 15)	(27,240)	(28,523)	(6,604)
Net debt (a)	136,362	136,468	83,936
Total equity as per statement of financial position (b)	325,741	281,810	276,652
Total capital as defined by management (a) + (b)	462,103	418,278	360,588
Gearing ratio (a) / (a) + (b)	0.30	0.33	0.23

At 2013 the decrease in the gearing ratio is mainly due to the disposal of treasury shares and the increase in earnings.

At 2012 the increase in the gearing ratio is mainly due to the increase in bank loan balances, issue of bonds to repay existing loans and finance working capital needs.

3.3 Fair value estimation -

The carrying amount less impairment provision of trade accounts receivable and accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The information used by the Group to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See note 9 for disclosures of the measurement of biological assets.

As of 31 December 2013, 2012 and 2011, the Group does not maintain any other financial assets or liabilities measured at fair value since they are measured at amortized cost.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Critical accounting estimates and assumptions -

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analyses of the estimates made as a way of determining the related error margins.

The most significant use of judgment is the estimation of the fair value of biological assets, including asparagus, avocados, mangoes, artichokes, grapes, pepper, shrimp and blueberries. The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of plantation volumes, cost per ton, depletion and the discount rate used to estimate the present values. The valuation of biological assets is described in more detail in Note 9. Management performs sensitivity analyses of the cash flow performed as a way of determining the related error margins.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Recognition and determination of useful lives of customer relationships - Notes 2.8.b and 8

At the date of acquisition, the Group valued the customer relationships (trained and assembled workforce, customer and distribution relationships) using an income approach and the “multi-period excess earnings”, to estimate the accounting value that should be recognized as intangible assets and the period of amortization which was established in a period between 2 and 20 years. In 2012 this estimation was changed as a result of a re-assessment of the customer relationship carried out by Management who given the decrease in the volumes of sales entered into with these customers determined a new estimate of the useful life of this intangible asset of between 2 and 8 years based on the estimated cash flows to be generated in the future.

Customer relationships are amortized on a straight-line basis over their estimated useful lives.

Revenue forecasts for intangible assets represent management's best estimates and are based on actual revenues earned for similar assets and such forecasts are reviewed by management at least annually. Ultimate responsibilities for revenue forecasts rest with the Group's Management. The main factors which could influence the Group's revenue forecasts and ultimately the amortization of intangibles are: growth expectation, future financial crisis and political risk.

If any one of the factors or assumptions, on which the revenue forecasts above are based, were to decrease by more than 10%, then the carrying amount of the customer relationships would decrease by more than USD500 in 2013, USD750 in 2012 and 2011

- Estimation of income tax - Notes 2.20, 17 and 32

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Group receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Group recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Group performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of error to quantify its impact on the financial statements. Where the actual final outcome (on the judgment areas) differs by 10% from management's estimates, the Group would need to:

	Effect on income tax		
	2013	**2012**	**2011**
	USD	**USD**	**USD**
Decrease the income tax liability	(1,043)	(628)	(555)
Increase the income tax liability	1,043	628	555

- Estimation of fair value of biological assets - Note 2.12 and 9

To assess the fair value of biological assets the Company takes into account the criteria set out in IAS 41, which requires that a biological asset should be measured at its fair value less the estimated point-of-sale costs. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, in determining fair value, the Management uses estimates for plantation volumes, cost per ton and exhaustion to the point of harvest. The changes in assumptions or estimates used in the calculations could influence the outcome thereof. The growth model inputs involve estimates that are updated regularly. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a discount rate determined in relation to the cost of financing of the Company (Weighted Average Cost of Capital). The Company carries out a sensitivity analysis of the biological assets taking into consideration the WACC discount, and taking into account the discount rate that the most representative companies used in the market and determines the interest rate to use as a middle point of the market rates.

Management considers that volatility levels of higher/lower than 5% would give rise to a material effect in its profits for the year. These sensitivity percentages have been determined based on the effect on profits for the year resulting of the application of the fair value of biological assets under IAS 41. The variables used in the determination of the fair values of the biological assets that may be subject to variance are: i) the forecast of revenue and costs, and ii) determination of the discount rate under WACC. With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the coming years, which Management considers their error margins depend on quality factors of the produce. These quality factors are monitored by Production Management through a detailed ongoing follow-up. With respect to the discount rate under WACC, its determination has been subject to sensitivity analysis in relation with comparable companies having a similar financial structure.

	Increase/ decrease rate	**Effect on in profit before tax**
		USD
2013	+ 5%	2,003
	- 5%	(2,003)
2012	+ 5%	2,018
	- 5%	(2,018)
2011	+ 5%	1,706
	- 5%	(1,706)

- Review of long-lived assets carrying amounts and impairment charges - Notes 6 and 8

The Group estimates that the value of its non-financial assets will be recovered in the normal course of its operations. Its estimates are supported by assumptions regarding the international price of its products, world production levels and the estimates of future production of the Group. At the date of the consolidated financial statements the available projections of these variables show trends favorable to the interests of the Group which supports the recovery of its non-financial assets. Management performs sensitivity analyses of the impairment tests performed on its assets as a way of determining the related error margins.

4.2 Critical judgments in applying the Group´s accounting policies

Determination of functional currency - Note 2.6

Management has determined the functional currency of the Group's principal operating entities to be the US Dollar. These entities sell their products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in US Dollars and the price of some raw materials and supplies are influenced by the US Dollar. The borrowings and cash balances of these entities are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the United States Dollar.

5 SEGMENT INFORMATION

The Group's Chief Operating Decision-Maker uses product information to manage resources and to identify those production lines which may eventually cease to generate value for the Group, and based on that information, decisions are made to develop other production lines. The Group has eight operating segments which are also cash-generating units, namely asparagus, avocado, artichoke, pepper, mango, shrimp, grapes and blueberry. Goodwill arising from the acquisition of Camposol S.A. was allocated to the cash generating units of asparagus and avocado.

The eight operating segments are engaged in producing, processing and commercializing a number of agricultural products, such as fresh, preserved and frozen, which are mainly exported to European markets and the United States of America.

Disclosure of segment profit measurement is made using the gross profit, which is critical in assessing the performance of each segment.

The products include asparagus, avocado, artichoke, pepper, mango, shrimp, grapes and blueberry. These are further distinguished in fresh, canned and frozen products.

All production and related assets are in Peru.

The analysis of sales below is based on the country/area in which the customer is located.

	2013	2012	2011
	USD	USD	USD
Europe	114,588	102,540	107,483
USA	79,816	49,036	35,987
Canada	6,502	4,795	6,046
Asia	19,439	17,036	11,012
Other	10,896	9,774	7,282
	231,241	183,181	167,810

The following table shows revenues and gross profit by product:

	Asparagus	Avocado	Artichoke	Pepper	Mango	Shrimp	Grapes	Blueberry	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
2013 –										
Revenues	69,955	49,244	12,772	18,730	18,689	26,629	21,245	8,638	5,339	231,241
Cost of sales	(51,508)	(26,460)	(10,906)	(15,716)	(14,422)	(16,827)	(13,968)	(1,573)	(5,500)	(156,880)
Gross profit	18,447	22,784	1,866	3,014	4,267	9,802	7,277	7,065	(161)	74,361
Gain arising from changes in fair value of biological assets	9,691	16,668	-	(291)	2,546	388	5,330	6,025	(300)	40,057
Current portion of biological assets	3,760	3,878		570	467	6,193	3,871	448	-	19,187
Non-current portion of biological assets	30,487	194,429	-	-	3,783	-	22,029	23,268	8,986	282,982
Goodwill	3,778	9,219	-	-	-	-	-	-	-	12,997
Finished products	17,309	935	6,305	6,725	1,268	1,758	2,536	-	-	36,836
Property, plant and equipment	28,902	40,758	-	4,026	7,585	15,847	6,024	493	24,969	128,604
Area (Has)	2,395	2,643	-	332	450	636	451	212	102	7,221
2012 –										
Revenues	68,078	31,436	9,837	15,299	14,722	21,149	18,178	-	4,482	183,181
Cost of sales	(55,796)	(15,141)	(7,430)	(12,813)	(12,829)	(16,958)	(11,843)	-	(5,489)	(138,299)
Gross profit	12,282	16,295	2,407	2,486	1,893	4,191	6,335	-	(1,007)	44,882
Gain arising from changes in fair value of biological assets	(1,435)	32,881	-	329	(8,949)	1,320	(4,409)	14,221	6,409	40,367
Current portion of biological assets	3,456	3,420	-	619	688	5,203	2,850	328	-	16,564
Non-current portion of biological assets	23,973	174,362	-	-	2,288	-	17,788	15,339	8,786	242,536
Goodwill	3,778	9,219	-	-	-	-	-	-	-	12,997
Finished products	10,621	1,387	6,997	11,272	1,140	467	1,175	-	-	33,059
Property, plant and equipment	29,789	41,721	-	4,057	7,806	15,219	6,199	507	22,435	127,733
Area (Has)	2,516	2,616	-	291	450	635	451	206	102	7,267

	Asparagus	Avocado	Artichoke	Pepper	Mango	Shrimp	Grapes	Blueberry	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
2011 –										
Revenues	57,870	39,873	1,973	20,420	16,021	13,300	14,755	-	3,598	167,810
Cost of sales	(44,521)	(13,324)	(1,333)	(15,227)	(11,830)	(10,579)	(7,948)	-	(4,781)	(109,543)
Gross profit	13,349	26,549	640	5,193	4,191	2,721	6,807	-	(1,183)	58,267
Gain arising from changes in fair value of biological assets	(638)	37,046	-	(608)	(674)	(510)	(245)	-	(259)	34,112
Current portion of biological assets	-	-	-	79	-	3,099	-	-	-	16,145
Non-current portion of biological assets	33,448	135,336	-	-	11,017	-	24,655	-	1,526	193,015
Goodwill	3,778	9,219	-	-	-	-	-	-	-	12,997
Finished products	15,384	845	1,661	9,560	446	627	853	-	-	29,376
Property, plant and equipment	28,824	36,391		3,768	6,455	15,047	5,561	-	21,308	117,354
Area (Has)	2,633	2,488	-	294	415	628	451	-	102	7,011

The following table shows revenues and gross profit by customer:

	Major 10 customers	Major 11 to 20 customers	Major 21 to 28 customers	Other customers	Total
	USD	USD	USD	USD	USD
Year 2013					
Revenues	86,007	31,124	15,708	98,402	231,241
Gross profit	31,927	11,036	7,777	23,621	74,361
Year 2012					
Revenues	83,852	22,919	10,621	65,789	183,181
Gross profit	19,531	5,185	2,172	17,994	44,882
Year 2011					
Revenues	63,365	25,726	13,901	64,818	167,810
Gross profit	23,838	9,483	4,684	20,262	58,267

Gross profit by type of produce for the year ended 31 December is as follows:

	2013			2012			2011		
	Revenue	Cost of sales	Gross profit	Revenue	Cost of sales	Gross profit	Revenue	Cost of sales	Gross profit
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Fresh	115,330	(64,606)	50,724	74,776	(44,333)	30,443	78,994	(38,205)	40,789
Preserved	65,608	(54,676)	10,932	63,867	(55,056)	8,811	56,687	(45,508)	11,179
Frozen	42,595	(28,629)	13,966	38,115	(30,679)	7,436	28,998	(21,217)	7,781
Others	7,708	(8,969)	(1,261)	6,423	(8,231)	(1,808)	3,131	(4,613)	(1,482)
	231,241	(156,880)	74,361	183,181	(138,299)	44,882	167,810	(109,543)	58,267

6 PROPERTY, PLANT AND EQUIPMENT

	Opening balance	Additions	Disposals	Adjust-ments	Transfers	Closing balance	Carrying amount
	USD	USD	USD	USD	USD	USD	USD
2013							
Cost							
Land	42,182	20	-	67	2,640	44,909	
Buildings and other constructions	32,539	179	(111)	1,594	6,492	40,693	
Plant and equipment	57,535	860	(47)	(2,158)	7,112	63,302	
Furniture, fixtures and other equipment	8,458	2,439	(25)	205	-	11,077	
Vehicles	5,991	198	(475)	(309)	-	5,405	
Construction in progress	16,267	5,597		1,308	(16,244)	6,928	
	162,972	9,293	(658)	707	-	172,314	

	Opening balance	Additions	Disposals	Adjust-ments	Transfers	Closing balance	Carrying amount
	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation							
Land	-	-	-	-	-	-	44,909
Buildings and other constructions	(6,328)	(1,402)	18	-	1	(7,711)	32,982
Plant and equipment	(21,344)	(5,930)	45	-	(134)	(27,363)	35,939
Furniture, fixtures and other equipment	(3,719)	(1,101)	2	-	(1)	(4,819)	6,258
Vehicles	(3,848)	(513)	410	-	134	(3,817)	1,588
Construction in progress	-	-	-	-	-	-	6,928
Total	(35,239)	(8,946)	475	-	-	(43,710)	128,604
2012							
Cost							
Land	42,071	171	(60)	-	-	42,182	
Buildings and other constructions	29,008	61	-	45	3,425	32,539	
Plant and equipment	47,484	582	-	1,721	7,748	57,535	
Furniture, fixtures and other equipment	5,971	2,537	(87)	37	-	8,458	
Vehicles	5,307	833	(266)	117	-	5,991	
Construction in progress	15,373	10,287	(7)	1,787	(11,173)	16,267	
	145,214	14,471	(420)	3,707	-	162,972	
Accumulated depreciation							
Land	-	-	-	-	-	-	42,182
Buildings and other constructions	(5,272)	(1,056)	-	-	-	(6,328)	26,211
Plant and equipment	(16,184)	(5,160)	-	-	-	(21,344)	36,191
Furniture, fixtures and other equipment	(2,944)	(778)	3	-	-	(3,719)	4,739
Vehicles	(3,460)	(603)	215	-	-	(3,848)	2,143
Construction in progress	-	-	-	-	-	-	16,267
Total	(27,860)	(7,597)	218	-	-	(35,239)	127,733
2011							
Cost							
Land	40,945	248	-	878	-	42,071	
Buildings and other constructions	25,047	-	-	-	3,961	29,008	
Plant and equipment	44,390	34	(733)	1,539	2,254	47,484	
Furniture, fixtures and other equipment	5,092	818	(3)	64	-	5,971	
Vehicles	5,264	142	(99)	-	-	5,307	
Construction in progress	11,590	9,369	-	629	(6,215)	15,373	
	132,328	10,611	(835)	3,110	-	145,214	
Accumulated depreciation							
Land	-	-	-	-	-	-	42,071
Buildings and other constructions	(4,477)	(795)	-	-	-	(5,272)	23,736
Plant and equipment	(10,807)	(4,620)	-	(757)	-	(16,184)	31,300
Furniture, fixtures and other equipment	(2,270)	(644)	3	(33)	-	(2,944)	3,027
Vehicles	(2,889)	(627)	56	-	-	(3,460)	1,847
Construction in progress	-	-	-	-	-	-	15,373
Total	(20,443)	(6,686)	59	(790)	-	(27,860)	117,354

a) As of 31 December 2013 the Group made additions amounting to USD1,922 related to the construction and installation of the calibrator of avocado; USD1,824 related to the construction of the freezing plant; USD3,010 related to the purchase of machinery and equipment, USD849 related to the expansion of offices and systems; USD908 related to constructions on the plots of plum, grape and mango; USD603 related to irrigation equipment; USD157 related to the purchase of vehicles for administration, and USD20 for acquisition of agricultural land. As of 31 December 2012 the Group made additions amounting to USD7,257 related to the construction of the freezing plant; USD3,486 related to the purchase machinery and equipment; USD334 related to the expansion of offices and systems; USD1,415 related to plum and grape; USD1,308 related to irrigation equipment; USD500 related to the purchase of vehicles for administration, and USD171 for acquisition of agricultural land, bridges and implementing offices in Tumbes, North Sea, Campana and Paracas. As of 31 December 2011 the Group made additions of assets amounting to USD1,511 related to the purchase of machinery and plant equipment, packing machines and facilities; USD2,800 related to the construction of field infrastructures in Frusol and Arbus, the construction of reservoirs and wells in Piura and equipment for planting mango and pomegranate; USD2,200 related to the implementation and restructuring of Noragro plant as well as the installation of systems and others; USD4,100 related to the construction of shrimp ponds, earthworks, bridges and the implementation of offices in Tumbes, Mar Norte, Campana and Paracas.

b) As of 31 December 2013 gains on disposal of property, plant and equipment amounts to USD246 (USD227 as of 31 December 2012 and loss of USD404 as of 31 December 2011) (see Note 29). The carrying amount of assets disposed of during 2013 amounted to USD183 (USD202 as of 31 December 2012 and USD776 as of 31 December 2011).

c) As of 31 December 2013, property, plant and equipment include fixed assets acquired under finance leases, the carrying amount of which amounts to USD6,665 (USD8,100 as of 31 December 2012 and USD2,327 as of 31 December 2011) net of their corresponding accumulated depreciation. The payments of these obligations are secured with the assets acquired under the lease contracts.

d) At 31 December 2013 the net adjustments in construction in progress correspond to the reclassification of materials amounting to USD 1,294 related to the constructions of irrigation infrastructure and USD587 corresponding to the negative variation of permanent investments for the year. The other adjustments in land, buildings and other constructions, plant and equipment, other equipment and vehicles correspond to the reclassifications for presenting the fixed assets in the corresponding category according to their nature. At 31 December 2012 the adjustments correspond to the increase in balances by USD1,920 that resulted from leaseback on machinery and equipment, the reclassification of materials amounting to USD906 related to the constructions of the frozen plant and USD881 corresponding to the variation of permanent investments for the year. At 31 December 2011 the adjustments corresponds to the net assets acquired in the business combination described in Note 23 amounting to USD1,717; an increase in balances by USD146 that resulted from leaseback on machinery and equipment and the remaining adjustments, by USD457 correspond to the variation of permanent investments for the year.

e) As of 31 December 2013, property, plant and equipment is insured up to a value of USD60,000 (USD40,000 at 2012 and 2011). Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.

f) The total depreciation for the years 2013, 2012 and 2011 includes USD1,569 each year that corresponds to the depreciation of the fair value of acquired assets in business combinations (see Note 8).

g) The allocation of the depreciation charge is as follows:

	2013 USD	2012 USD	2011 USD
Cost of sales (Note 25)	8,184	6,838	5,856
Selling expenses (Note 26)	-	-	6
Administrative expenses (Note 27)	762	759	824
	8,946	7,597	6,686

h) Bank borrowings are secured by fixed assets with a total amount of USD45,000 in 2013 (USD47,000 in 2012 and USD60,000 in 2011) (Note 19).

i) An independent valuation of the Group's land, buildings and other constructions and plant and equipment was performed by appraisers to determine the fair value of the land and buildings as at 31 December 2013, 2012 and 2011.

	2013 USD	2012 USD	2011 USD
Land	100,953	98,226	94,419
Buildings and other constructions	33,543	26,772	24,297
Plant and equipment	45,472	45,724	40,833
	179,968	170,722	159,549

Buildings and other constructions include the industrial building at a fair value of USD607. Fair values of other assets included in buildings and other constructions are similar to their carrying amounts.

Plant and equipment include irrigation equipment at fair value of USD20,333. Fair values of other assets included in plant and equipment are similar to their carrying amounts.
Valuation processes of the Group

On an annual basis, the Group engages external, independent and qualified valuers to determine the fair value of the Group's land, buildings and other constructions and plant and equipment. The fair values of the land, buildings and other constructions and plant and equipment have been determined by TINSA S.A.C.

The external valuations of the level 3 land and buildings have been performed using unobservable inputs. The external appraisers, has determined these inputs based on the size, age and condition of the land, buildings and other constructions and plant and equipment, the state of the local economy and comparable prices in the corresponding national economy.

At 31 December 2013, 2012 and 2011 valuation inputs for land, buildings and other constructions and plant and equipment correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

7 INVESTMENT IN ASSOCIATE

	% share in the capital stock	2013	2012	2011
	%	USD	USD	USD
Empacadora de Frutos Tropicales S.A.C.	40.00	864	559	493

On 30 September 2006 Camposol S.A. participated in the incorporation of Empacadora de Frutos Tropicales S.A.C (Empafrut), a Peruvian company engaged in the processing and commercialization of fresh fruit products, mainly mangoes. The cost of the investment amounted to USD600.

The Group's share in the 2013 income of this company amounted to USD305 (USD66 in 2012 and USD111 in 2011) which are shown separately in the consolidated statement of comprehensive income.

The summarized financial information at 100% for this associated company for the year ended 31 December is as follows:

	2013	2012	2011
	USD	USD	USD
Total assets	5,098	2,992	2,491
Total liabilities	2,938	1,439	1,185
Total revenue	3,806	3,010	4,267
Gain for the year	813	258	278
Total equity	2,160	1,553	1,306

8 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangibles assets is as follows:

	Opening balance	Additions	Closing balance	Net book value
	USD	USD	USD	USD
2013				
Cost				
Goodwill	12,997	-	12,997	
Customer relationships	9,566	-	9,566	
Software	4,439	415	4,854	
Others	162	-	162	
	27,164	415	27,579	
Accumulated amortization				
Goodwill	-	-	-	12,997
Customer relationships	5,301	2,132	7,433	2,133
Software	1,516	477	1,993	2,861
Others	4	-	4	158
	6,821	2,609	9,430	18,149
2012				
Cost				
Goodwill	12,997	-	12,997	
Customer relationships	9,566	-	9,566	
Software	4,151	288	4,439	
Others	162	-	162	
	26,876	288	27,164	

	Opening balance	Additions	Closing balance	Net book value
	USD	USD	USD	USD
Accumulated amortization				
Goodwill	-	-	-	12,997
Customer relationships	3,169	2,132	5,301	4,265
Software	1,093	423	1,516	2,923
Others	4	-	4	158
	4,266	2,555	6,821	20,343

	Opening balance	Additions	Disposals	Adjustments	Closing balance	Net book value
	USD	USD	USD	USD	USD	USD
2011						
Cost						
Goodwill	10,589	-	-	2,408	12,997	
Customer relationships	9,566	-	-	-	9,566	
Software	3,780	408	(37)	-	4,151	
Others	162	-	-	-	162	
	24,097	408	(37)	2,408	26,876	
Accumulated amortization						
Goodwill	-	-	-	-	-	12,997
Customer relationships	2,722	447	-	-	3,169	6,397
Software	694	409	(10)	-	1,093	3,058
Others	4	-	-	-	4	158
	3,420	856	(10)	-	4,266	22,610

In 2011 the Group recorded an adjustment of USD2,408 to the deferred tax liability, which has been recognized in goodwill instead of the result for the year, since it was related to Peruvian tax laws which existed at the date of the business combination and affected fixed assets acquired as part of that transaction (see Note 1-b).

The amortization of costumer relationship amounting to USD 2,132 in 2013 and 2012 (USD447 for 2011) was charged to selling expenses (Note 26) and the amortization of software was charged to administrative expenses (Note 27) by USD 469 (USD416 for 2012 and USD397 for 2011) and to cost of sales (Note 25) by USD 8 (USD7 for 2012 and USD12 for 2011) in the consolidated statement of comprehensive income.

Goodwill -

On 17 October 2007, Camposol AS acquired 100% of the outstanding shares of Siboure Holding Inc, parent of Camposol S.A.; as a result of this transaction the Group recognized a goodwill amounting to USD9,542.

In 2010 Marinazul S.A. acquired 100% of the outstanding shares of Domingo Rodas S.A. for a consideration of USD164. The fair value of the net liabilities acquired amounted to USD883 giving rise to a goodwill amounting to USD1,047. In addition the Group acquired in 2010 100% of the outstanding shares of Camarones S.A. for a consideration of USD321. The fair value of the net assets acquired amounted to USD399, giving rise to the recognition of a negative goodwill amounting to USD78.

Impairment tests on goodwill -

An impairment test on goodwill was performed by comparing value in use of the cash-generating units and their carrying amount (including goodwill). To estimate the value in use, the Group has used the following assumptions:

- Projections are based on the Group's forecasts approved by management
- A 5-year term of cash flows has been used in the calculation, as the forecasted cash flows can be based on reasonable and reliable assumptions.
- Projections do not include cash inflows or outflows from financing activities.
- Future cash flows are real pre-tax.
- The discount rate is affected by the specific industry and market risks; therefore it represents the rate that a market participant would use.

- Goodwill is allocated to two cash-generating units (asparagus and avocado) as follows:

	Asparagus	**Avocado**
2013	3,778	9,219
2012	3,778	9,219
2011	3,778	9,219

- Cash flows projections comprise the entire cash flows expected to be generated in the normal course of business, including the cash flows that relate to biological assets. All relevant non-current assets have been allocated to each CGU.

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates of zero. The growth rate does not exceed the long-term average growth rate for the industry in which the CGU operates.

The key assumptions used for value in use calculations in 2013, 2012 and 2011 are as follows:

	2013		**2012**		**2011**	
	Asparagus	**Avocado**	**Asparagus**	**Avocado**	**Asparagus**	**Avocado**
Compound annual growth rate in the initial five-year period (%)	14	28	15	44	3	20
Budgeted gross margin in the initial five-year period (%)	18	41	17	40	19	61
Export prices (USD) in the initial five-year period	4.2	1.8	4.3	1.7	4.2	1.6
Discount rate (%)	10.9	11.9	8.71	8.71	8.71	8.71

Management determined budgeted gross margin based on past performance and its expectations of market development. The average growth rates used are consistent with the actual performance in the avocado segment and with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segment.

Sensitivity analysis of asparagus and avocado -

Management performs a sensitivity analysis to assess the impact of changes in the assumptions used in the valuation model. In this respect, during 2013 the WACC rate used by the Group was 11.9% for avocado and 10.9% for Asparagus. By increasing the discount rate to 23.95% and 13.47% for asparagus and avocado, respectively, the recovery amounts would be equal to the carrying amounts in 2013, 14.96% and 13.91% in 2012.

Management performs a sensitivity analysis to assess the impact of changes in the assumptions used in the valuation model. In this respect, during 2011 the WACC rate used by the Group of 8.71%, if be increased to 9.9%, would lead to impairment of USD700 in the carrying amount of the asparagus CGU.

If the budgeted compound annual growth rate in the initial five-year period used in the value-in-use calculation for the avocado CGU had been 6% lower than management's estimates at 31 December 2013 (22% instead of 28%), the Group would have recognized an impairment of Goodwill by USD402; at 31 December 2012 if it had been 14% lower (30% instead 44%) the Group would have recognized an impairment of Goodwill by USD1,839 and at 31 December 2011, if had been lower 7% (13% instead 20%) the Group would have recognized an impairment of Goodwill by USD836.

If the budgeted compound annual growth rate in the initial five-year period used in the value-in-use calculation for the asparagus CGU had been 7% lower than management's estimates at 31 December 2013 (7% instead of 14%), and 8% lower at 31 December 2012 (7% instead of 15%), the Group would not have recognized impairment. If the budgeted compound annual growth rate in the initial five-year period used in the value-in-use calculation for the asparagus CGU had been 3% lower than management's estimates at 31 December 2011 (0% instead of 3%) the Group would have recognized an impairment of Goodwill by USD282.

If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 5% lower than management's estimates at 31 December 2013, the Group would have recognized impairment of Goodwill by USD 830. If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 15% lower than management's estimates at 31 December 2012 and 2011, the Group would not have recognized impairment.

If the export prices used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 15% lower than management's estimates at 31 December 2013 and 2012, the Group would not have recognized impairment. If the export prices used in the value-in-use calculation in the initial five-year period for the asparagus CGU had been 9% lower than management's estimates at 31 December 2011, the Group would have recognized impairment of Goodwill by USD 715.

If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 6% lower than management's estimates at 31 December 2013, the Group would have recognized an impairment of Goodwill by USD860. If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the avocado CGU had been 10% lower than management's estimates at 31 December 2012 and 2011, the Group would not have recognized impairment.

If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the asparagus CGU had been 15% lower than management's estimates at 31 December 2013 and 10% lower at 31 December 2012, the Group would not have recognized impairment. If the budgeted gross margin used in the value-in-use calculation in the initial five-year period for the asparagus CGU had been 10% lower than management's estimates at 31 December 2011, the Group would have recognized an impairment of Goodwill by USD838.

Budgeted compound annual growth (Avocado CGU)

Year	Variation	Impairment USD
2013	-6%	402
2012	-14%	1,839
2011	-7%	836

Budgeted compound annual growth (Asparagus CGU)

Year	Variation	Impairment USD
2013	-7%	-
2012	-8%	-
2011	-3%	282

Prices (Avocado CGU)

Year	Variation	Impairment USD
2013	-5%	830
2012	-15%	-
2011	-15%	-

Prices (Asparagus CGU)

Year	Variation	Impairment USD
2013	-15%	-
2012	-15%	-
2011	-9%	715

Budgeted Gross Margin (Avocado CGU)

Year	Variation	Impairment USD
2013	-6%	860
2012	-10%	-
2011	-10%	-

Budgeted Gross Margin (Asparagus CGU)

Year	Variation	Impairment USD
2013	-15%	-
2012	-10%	-
2011	-10%	838

Despite the large growth rate in avocado, there is enormous potential for growth based on the opening of new markets for the coming years, improvements in production processes, and improvement in the performance of harvest.

Customer relationships -

The relationships with customers established over time become a valuable intangible for the Group. The loyalty of the customers had positive impacts on sales and profits during the last 10 years of operation of Camposol Group enabling the Group to reach a foreseeable growth.

Predictable commercial relationships generate a set of economic benefits to the Group, including increased sales and minimization of sharp fluctuations in sales. Currently, the Group has a base of 194 customers, 8 of which explain 7 per cent of its sales according to 2013 commercial statistics (194 customers, 16 of which explain 13 per cent of its sales in 2012 and 194 customers, 40 of which explain 63 per cent of its sales in 2011).

At the date of the acquisition of Camposol S.A., the fair value was assigned to customer relationships by using the income approach and the “multi-period excess earnings” method to calculate the excess of earnings attributable to customer relationships during their economic life. The excess of earnings is defined as the difference between:

- After-tax operating cash flows generated by the existing customers at the acquisition date; and,
- Cost contribution required by the remaining assets (tangible and intangible) for maintaining the relationships with customer

The application of the “multi-period excess earnings” requires the following estimations:

- Future sales attributable to the existing customers with an established relationship. The sales forecast for each customer, or customer category, should take into consideration organic sales growth as well as the deterioration rate for this customer list.

- Calculation of operating margins (EBIT), taking into account only costs related to the existing customer base at the acquisition date.

The useful life of customer relationships is amortized over their estimated useful lives ranging from 2 to 8 years.

9 BIOLOGICAL ASSETS

The Group measures the value of agricultural plants and shrimps using the expected cash flows for the production of each of its biological assets.

The movement for the period in the fair value of biological assets is as follows:

	Opening balance		Additions and deductions		Closing balance			
	Area	Market value	Area	Market value (Note 31)	Area	Final balance	Less current portion	Non current portion
	Has	USD	Has	USD	Has	USD	USD	USD
2013								
Asparagus	2,516	27,429	(121)	6,818	2,395	34,247	(3,760)	30,487
Avocados	2,616	177,782	27	20,525	2,643	198,307	(3,878)	194,429
Mangoes	450	2,976	-	1,274	450	4,250	(467)	3,783
Pepper	291	619	41	(49)	332	570	(570)	-
Shrimp	635	5,203	1	990	636	6,193	(6,193)	-
Grapes	451	20,638	-	5,262	451	25,900	(3,871)	22,029
Tangerine	102	8,786	-	200	102	8,986	-	8,986
Blueberry	206	15,667	6	8,049	212	23,716	(448)	23,268
	7,267	259,100	(46)	43,069	7,221	302,169	(19,187)	282,982
2012								
Asparagus	2,633	33,448	(117)	(6,019)	2,516	27,429	(3,456)	23,973
Avocados	2,488	135,336	128	42,446	2,616	177,782	(3,420)	174,362
Mangoes	415	11,017	35	(8,041)	450	2,976	(688)	2,288
Pepper	294	79	(3)	540	291	619	(619)	-
Shrimp	628	3,099	7	2,104	635	5,203	(5,203)	-
Grapes	451	24,655	-	(4,017)	451	20,638	(2,850)	17,788
Tangerine	102	1,526	-	7,260	102	8,786	-	8,786
Blueberry	-	-	206	15,667	206	15,667	(328)	15,339
	7,011	209,160	256	49,940	7,267	259,100	(16,564)	242,536
2011								
Asparagus	2,633	37,932	-	(4,484)	2,633	33,448	(4,683)	28,765
Avocados	2,488	93,103	-	42,233	2,488	135,336	(2,707)	132,629
Mangoes	415	11,342	-	(325)	415	11,017	(1,212)	9,805
Pepper	510	1,462	(216)	(1,383)	294	79	(79)	-
Shrimp	290	2,279	338	820	628	3,099	(3,099)	-
Grapes	420	21,093	31	3,562	451	24,655	(4,365)	20,290
Tangerine	102	1,128	-	398	102	1,526	-	1,526
	6,858	168,339	153	40,821	7,011	209,160	(16,145)	193,015

The net effect of the IAS 41 fair value adjustment is USD40,057 (USD40,367 in 2012 and USD40,821 in 2011), and is determined as follows:

	Asparagus	Avocados	Mangoes	Pepper	Shrimp	Grapes	Tangerine	Blueberry	Total
	USD000	USD000	USD000	USD000	USD000	USD000	USD000	USD000	USD000
2013									
Change in market value	6,818	20,525	1,274	(49)	995	5,262	200	8,049	43,069
Net cost of permanent plantations and maintenance	2,873	(3,857)	1,272	(242)	(602)	68	(500)	(2,024)	(3,012)
Change arising from change In fair value of biological assets	9,691	16,668	2,546	(291)	388	5,330	(300)	6,025	40,057

	Asparagus USD000	Avocados USD000	Mangoes USD000	Pepper USD000	Shrimp USD000	Grapes USD000	Tangerine USD000	Blueberry USD000	Total USD000
2012									
Change in market value	(6,019)	42,446	(8,041)	540	2,104	(4,017)	7,260	15,667	49,940
Net cost of permanent plantations and maintenance	4,584	(9,565)	908	(211)	(785)	(392)	(851)	(1,446)	(9,573)
Change arising from change In fair value of biological assets	(1,435)	32,881	(8,949)	329	1,320	(4,409)	6,409	14,221	40,367
2011									
Change in market value	(4,484)	42,233	(325)	(1,383)	820	3,562	398	-	40,821
Net cost of permanent plantations and maintenance	3,846	(5,187)	(349)	775	(1,330)	(3,807)	(657)	-	(6,709)
Change arising from change In fair value of biological assets	(638)	37,046	(674)	(608)	(510)	(245)	(259)	-	34,112

The main assumptions used to estimate the fair values of the biological assets were as follows:

Asparagus:
- 53 plots in Agromás, Pur Pur, Mar Verde, Gloria, Agricultor, Aeropuerto, Oasis, San José, Sincromax, Terra and Yakuy Minka. (55 plots in 2012 and 61 plots in 2011)
- Plots have a useful life of 10 years for 2013, 2012 and 2011.
- Each harvest cycle lasts 6 months for 2013, 2012 and 2011.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 1 year from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Avocados:
- 56 plots in Frusol, Agromás and Yakuy Minka. (54 plots in 2012 and 51 plots in 2011)
- Plots have a useful life of 20 years for 2013, 2012 and 2011.
- Every harvest cycle lasts 1 year 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 3 years from planting 2013, 2012 and 2011.
- Discount rate of 11.9% for 2013 (10.7% for 2012 and 2011).

Mangoes:
- 9 plots in Atypsa, Balfass and Dunas (9 plots in 2012 and 8 plots in 2011).
- Plots have a useful life of 20 years for 2013, 2012 and 2011.
- Every harvest cycle lasts 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 3 years from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Grapes:
- 14 plots in Agroalegre (14 plots in 2012 and 2 plots in 2011).
- The plots have a useful life of 20 years for 2013, 2012 and 2011.
- Each harvest cycle last 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 1 year from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Pepper:
- 13 plots lands from Terra (6 plots in 2012 and 2011).
- The plots have a useful life of 8 month for 2013, 2012 and 2011.
- Each harvest cycle last 8 months including preparation, maintenance and harvest 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Blueberry:
- 5 plots in Oro azul and Yakuy Minka (4 plots in 2012).
- The plots have a useful life of 13 years for 2013 and 2012.
- Each harvest cycle last 1 year for 2013 and 2012.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 2 years from planting 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Tangerine:
- 4 plots in Yakuy Minka (2 plots in 2012 and 2011).
- The plots have a useful life of 20 years for 2013, 2012 and 2011.
- Each harvest cycle last 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño”.
- Plots have their first harvest after 3 years from planting for 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Shrimps:
- 48 shrimp farms that cover an area of 252 Area for 2013, 2012 and 2011.
- Each has a useful life of 180 days, approximately 25 weeks for 2013, 2012 and 2011.
- Each harvest cycle of shrimps lasts approximately 25 weeks, including preparation, maintenance and harvest for 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

The following table demonstrates the sensitivity to a reasonably possible change in the projected production, with all other variables held constant, on the Group’s pre-tax profit:

Increase/ decrease production rate	**Effect on profit before tax**
	USD
2013	
+2%	9,403
-2%	(9,402)
2012	
+2%	9,725
-2%	(9,725)
2011	
+2%	8,178
-2%	(8,172)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Group's pre-tax profit:

Increase/ decrease prices	**Effect on profit before tax**
	USD
2013	
+2%	10,398
-2%	(10,398)
2012	
+2%	10,192
-2%	(10,192)
2011	
+2%	8,729
-2%	(8,724)

The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Group's pre-tax profit:

Increase/ decrease costs	**Effect on profit before tax**
	USD
2013	
+2%	(5,333)
-2%	5,228
2012	
+2%	(5,262)
-2%	5,262
2011	
+2%	(4,358)
-2%	4,358

The reconciliation of the fair value of the biological assets within level 3 of the hierarchy is as follows:

	Asparagus	**Avocados**	**Mangoes**	**Pepper**	**Shrimp**	**Grapes**	**Tangerine**	**Blueberry**	**Total**
	USD	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
31 December 2013									
Initial balance of fair value	24,681	170,975	6,257	619	5,203	16,086	5,459	16,419	245,699
Harvest	(5,251)	(9,707)	(527)	(708)	(10,938)	(1,861)	(179)	(845)	(30,016)
Price change	17,997	3,784	65	192	686	1,262	1,832	(2,244)	23,574
Change in fair value due to biological transformation	(2,193)	7,663	(1,545)	-	-	10,413	1,873	272	16,483
New plantings	(987)	25,592	-	467	11,242	-	-	10,114	46,428
Final balance of fair value	34,247	198,307	4,250	570	6,193	25,900	8,985	23,716	302,168
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	9,691	16,668	2,546	(291)	388	5,330	(300)	6,025	40,057
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	15,804	35,985	(1,480)	192	686	11,675	3,705	7,857	74,424

	Asparagus USD	Avocados USD	Mangoes USD	Pepper USD	Shrimp USD	Grapes USD	Tangerine USD	Blueberry USD	Total USD
31 December 2012									
Initial balance of fair value	33,448	135,336	11,017	79	3,099	24,655	1,526	-	209,160
Harvest	(6,548)	(4,639)	(1,574)	(550)	(6,812)	(1,620)	(29)	-	(21,772)
Price change	3,201	27,673	(6,356)	79	2,142	903	7,278	-	34,920
Change in fair value due to biological transformation	(1,302)	10,157	(119)	-	-	(3,300)	11	-	5,447
New plantings	(1,370)	9,215	8	1,011	6,774	-	-	15,667	31,316
Final balance of fair value	27,429	177,782	2,976	619	5,203	20,638	8,786	15,667	259,100
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	(1,435)	32,881	(8,949)	329	1,320	(4,409)	6,409	14,221	40,367
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,899	45,050	(6,475)	1,090	2,142	(2,397)	7,289	-	48,598
31 December 2011									
Initial balance of fair value	37,932	93,103	11,343	1,461	2,279	21,093	1,128	-	168,339
Harvest	(6,110)	(2,697)	(1,516)	(2,399)	(3,513)	(819)	-	-	(17,054)
Price change	3,079	40,597	478	1,648	2,761	16,908	398	-	65,869
Change in fair value due to biological transformation	(1,453)	(16,988)	712	-	-	(14,028)	-	-	(31,757)
New plantings	-	21,321	-	(631)	1,572	1,501	-	-	23,763
Final balance of fair value	33,448	135,336	11,017	79	3,099	24,655	1,526	-	209,160
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	(638)	37,046	(674)	(608)	(510)	(245)	(259)	-	34,112
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,626	44,362	1,190	1,648	2,761	2,880	398	-	54,865

Valuation processes of the Group

The Group's finance department includes a team that performs the valuations of biological assets required for financial reporting purposes, including level 3 fair values.

This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every quarter, in line with the Group's quarterly reporting dates.

At 31 December 2013, 2012 and 2011 valuation inputs for biological assets correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

The following unobservable inputs were used to measure the Group's biological assets:

Description	Fair value at 31 December 2013 USD	2012 USD	2011 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Asparagus plantation	34,247	27,429	33,448	Discounted cash flows	Crop yield - tonnes Per hectare (white)	4.1 - 7.7 (7.3) per year	The higher the crop yield, the higher the fair value
					Crop yield - tonnes Per hectare (green)	2.7 - 6.4 (5.7) per year	The higher the market price, the higher the fair value
					White asparagus price	1,402 -1,163 per tonne	The higher the market price, the higher the fair value
					Green asparagus price	901 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Avocados plantation	198,307	177,782	135,336	Discounted cash flows	Crop yield - tonnes Per hectare	3.7 - 18.2 (11) per year	The higher the crop yield, the higher the fair value
					Avocados price	1.231 - 0.951 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (11.9%)	The higher the discount rate, the lower the fair value
Mangoes plantation	4,250	2,976	11,017	Discounted cash flows	Crop yield - tonnes Per hectare	3.5 –25 (23.1) per year	The higher the crop yield, the higher the fair value
					Mangoes price	433 - 392 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Pepper plantation	570	619	79	Discounted cash flows	Crop yield - tonnes Per hectare	30 per year	The higher the crop yield, the higher the fair value
					Pepper price	456 - 480 (468) per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Shrimp plantation	6,193	5,203	3,099	Discounted cash flows	Crop yield - tonnes Per hectare	2,343 per year	The higher the crop yield, the higher the fair value
					Shrimp price	5,483 - 5,765 (5,624)	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Grapes plantation	25,900	20,638	24,655	Discounted cash flows	Crop yield - tonnes Per hectare	12.5 - 25 (25) per year	The higher the crop yield, the higher the fair value
					Grapes price	1,273 - 1,303 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Tangerine plantation	8,985	8,786	1,526	Discounted cash flows	Crop yield - tonnes Per hectare	10 - 60 (21.5) per year	The higher the crop yield, the higher the fair value
					Tangerine price	561 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Blueberry plantation	23,716	15,667	-	Discounted cash flows	Crop yield - tonnes Per hectare	1.4 - 15 (0.4) per year	The higher the crop yield, the higher the fair value
					Blueberry price	5,995 - 4,561 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value

10 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position as of 31 December 2013, 2012 and 2011 are as follows:

	Loans and receivables USD
2013	
Trade accounts receivable (Note 14)	55,170
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	2,573
Cash and cash equivalents (Note 15)	27,240
	84,983

	Loans and receivables USD
2012	
Trade accounts receivable (Note 14)	40,479
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	1,648
Cash and cash equivalents (Note 15)	28,523
	70,650
2011	
Trade accounts receivable (Note 14)	29,923
Other accounts receivable (excluding prepayments and statutory obligations) (Note 13)	923
Cash and cash equivalents (Note 15)	6,604
	37,450

Financial liabilities as per the consolidated financial position as of 31 December 2013, 2012 and 2011 are as follow:

	Other financial liabilities USD
2013	
Trade accounts payable (Note 20)	60,655
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	13,462
Bank loans (Note 22)	26,025
Long-term debt (Note 19)	137,577
	237,719
2012	
Trade accounts payable (Note 20)	51,288
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	13,459
Bank loans (Note 22)	29,880
Long-term debt (Note 19)	135,111
	229,738
2011	
Trade accounts payable (Note 20)	40,074
Other accounts payable (Note 21 excluding statutory liabilities and non-financial liabilities)	7,252
Bank loans (Note 22)	25,797
Long-term debt (Note 19)	64,743
	137,866

11 CREDIT QUALITY OF FINANCIAL ASSETS

The Group assesses the credit quality of its trade accounts receivable by reference to historical information about the counterparties' default rates as follows:

	2013 USD	2012 USD	2011 USD
Trade accounts receivable			
New costumers (less than 6 months as a costumer)	2,171	-	-
Existing customers (more than 6 months) without non-compliance experience in the past	50,216	39,191	29,296
Existing customers (more than 6 months) with some non-compliance experience in the past	1,912	374	133
	54,299	39,565	29,429
Other accounts receivable			
Existing customers (more than 6 months) without non-compliance experience in the past	4,053	3,348	2,183

None of the accounts receivable is past due but not impaired.

See credit quality of deposits in banks in Note 15.

12 INVENTORIES

	2013 USD	2012 USD	2011 USD
Finished products:			
- Artichokes	6,305	6,997	1,661
- Asparagus	17,309	10,621	15,384
- Peppers	6,725	11,272	9,560
- Shrimp	1,758	467	627
- Avocados	935	1,387	845
- Mangoes	1,268	1,140	446
- Grapes	2,536	1,175	853
Product in process	715	1,154	410
Supplies	9,517	7,611	5,997
Packs	12,108	7,772	7,795
Seeds, seedlings and others	1,953	2,081	1,908
In-transit raw material and supplies	2,046	2,052	1,025
Other	775	451	4
	63,950	54,180	46,515
Provision for obsolescence of inventories	(868)	(1,484)	(2,166)
	63,082	52,696	44,349

As of 31 December 2013, 2012 and 2011 inventories are free of any pledges as guarantee on liabilities.

The cost of inventories recognized as expense and included in the cost of sales amounted to USD112,670 (2012: USD92,303 and 2011: USD71,872).

	2013 USD	2012 USD	2011 USD
Movement in the provision for obsolescence of inventories:			
Opening balance	(1,484)	(2,166)	(1,645)
Additions (Notes 29 and 31)	(1,218)	(918)	(1,237)
Recoveries	-	100	-
Write-off (Note 31)	1,834	1,500	716
Balance at the end of the year	(868)	(1,484)	(2,166)

13 OTHER ACCOUNTS RECEIVABLE

	2013 USD	2012 USD	2011 USD
Value added tax (IGV in Perú)	3,056	4,778	3,395
Custom duties refund - drawback	2,551	2,103	1,218
Due from employees	143	145	350
Prepayments to suppliers	541	630	429
Accounts receivable for sale of fixed assets	-	-	118
Related companies (Note 36)	80	35	1
Loans to third parties	880	746	213
Subsidies	193	209	124
Doubtful accounts	609	786	766
Claims to third parties	163	41	-
Accounts receivable for services rendered to third parties	274	98	-
Other	840	374	117
	9,330	9,945	6,731
Less:			
Provision for impairment of other accounts receivable	(609)	(786)	(766)
	8,721	9,159	5,965

The movement of the provision for impairment of other accounts receivable is as follows:

	2013 USD	2012 USD	2011 USD
Opening balance	(786)	(766)	(1,333)
Additions (Note 29)	-	-	(1)
Recoveries	-	-	13
Write-Off	145	-	-
Reclassification	32	(20)	355
Balance at the end of the year	(609)	(786)	(766)

Other accounts receivables are current and are not impaired.

The drawback (custom duties refund) recovered during the year 2013 amounted to USD7,675 (USD7,057 in 2012 and USD6,647 in 2011). Receivables from employees are not interest-bearing and are unsecured.

14 TRADE ACCOUNTS RECEIVABLE

	2013 USD	2012 USD	2011 USD
Third parties	60,063	45,480	34,669
Less:			
Provision for impairment of trade accounts receivable	(4,893)	(5,001)	(4,746)
	55,170	40,479	29,923

Trade accounts receivable mainly comprise invoices for the sale of fresh, preserved and frozen products. Turnover ranges between 90 and 180 days and are not interest-bearing.

Trade accounts receivable in foreign currency- amounts to USD14,608 USD59 and USD30 (in 2012 USD6,876, USD72 and USD4,452 and in 2011 USD4,739, USD115 and USD30) in Euros, NOK and Nuevo Sol, respectively. The remaining balances for both years are denominated in US Dollars.

The movement of the provision for impairment of trade accounts receivable is as follows:

	2013 USD	2012 USD	2011 USD
Opening balance	(5,001)	(4,746)	(4,702)
Additions (Notes 29 and 31)	-	(120)	219)
Recoveries (Note 29)	1	22	212
Adjustments	-	-	(37)
Write-Off	110	-	-
Reclassification	(3)	(157)	-
Balance at the end of the year	(4,893)	(5,001)	(4,746)

The Group does not ask for collaterals to secure the full collection of its trade accounts receivable.

At 31 December 2013, 2012 and 2011, the accounts provided for impairment have more than one year past due.

As of 31 December 2013, 2012 and 2011, the ageing analysis of trade accounts receivable is as follows:

	Total USD	Current USD	31-90 days USD	91-180 days USD	180-360 days USD	More than 360 days USD
At 31 December 2013	55,170	35,810	17,203	245	1,767	145
At 31 December 2012	40,479	31,451	8,575	79	233	141
At 31 December 2011	29,923	22,507	7,283	-	-	133

As of 31 December 2013, trade accounts receivable amounting to USD145 (USD141 in 2012 and USD133 in 2011) although past due for more than one year, are not impaired; therefore, no provision for impairment on these accounts has been accounted for. As of December 31, 2013, trade accounts receivable amounting to USD 4,893 (USD5,001 in 2012 and USD4,746 in 2011) are impaired; for which the Group has recognized a provision for impairment. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or / and under litigation. These accounts are past due for more than a year. As of 31 December 2013, 2012 and 2011 these impaired customers have not pledged any security for their debt.

The fair value of accounts receivable approximates their carrying amounts due to their short-term maturities.

15 CASH AND CASH EQUIVALENTS

	2013	2012	2011
	USD	USD	USD
Cash	32	29	24
Bank current accounts	20,984	9,906	6,580
In-transit remittances	-	476	-
Time deposits	-	5,000	-
Short-term investments	6,224	13,112	-
	27,240	28,523	6,604

The Group's bank current accounts amounts to USD12,381, USD3,641 and USD4,962 (in 2012 USD5,363, USD3,092 and USD1,451 and in 2011 USD4,366, USD1,939 and USD276) in U.S. Dollars, Nuevo Sol and Euros, respectively. The 2013 time deposits are denominated in U.S. Dollars.

The time deposits comprise balance in banks with maturities of less than three months. As of 31 December 2013 the time deposits have generated interest for USD36 (USD364 to 31 December 2012 and USD15 to 31 December 2011) (Note 30).

The short-term investments correspond to a fixed portfolio of debt instruments which bears a short-term market interest rate of 11%. At 31 December 2013 have been generated a negative profitability for USD 623 (positive profitability on USD1,187 to 31 December 2012) (Note 30).

Their credit classification is as follows:

	2013	2012	2011
	USD	US	USD
Bank deposits			
Classification Aaa	3,764	2,023	-
Classification A +	17,606	24,026	2,524
Classification A	5,777	1,229	3,877
Others	61	740	179
	27,208	28,018	6,580

The balances above do not include the balance of cash in hand and in-transit remittances.

16 SHAREHOLDERS' EQUITY

Share capital and premium –

The share capital and premium are as follows:

	Number of shares	Share capital	Share premium	Treasury shares	Total
			USD	USD	USD
1 January 2011	32,404	507	212,318	-	212,825
31 December 2011	32,404	507	212,318	-	212,825
Treasury shares	(2,969)	-	-	(11,592)	(11,592)

31 December 2012	29,435	507	212,318	(11,592)	201,233
Treasury shares	2,969	-	-	11,592	11,592
31 December 2013	32,404	507	212,318	-	212,825

In 2012, the total authorized number of ordinary shares is 40,000,000 shares with a par value of €0.01 per share. All shares issued have been fully paid-in.

The Group's 2,570,000 initial shares do not entitled the holder to any voting rights or the right to dividend distribution. These shares correspond to the first capital contribution for purposes of creating the entity.

In April 2008, the Company issued 27,925,070 shares to the shareholders of Camposol AS (Norway) in exchange for an equal number of shares in that company (Note 1-b).

In May 2008, the Company issued 1,908,750 new ordinary shares at a price of 7,859 US dollars per share.

Share premium reserve is not available for distribution.

Treasury shares -

The Group was authorized to acquire own shares up to a maximum of 10% of the issued shares of the Company granted by the Annual General Meeting held on 24 May 2011. As of 31 December 2012, the Group holds 2,968,502 own shares, constituting approximately 9.95% of the issued shares in the Company.

The Group paid a total amount of USD11,592 for the purchase of 2,968,502 of its own shares (total nominal value of 17 US dollars).

On 21 October 2013, the Board of Directors of Camposol Holding PLC unanimously approved the tender of Camposol Holding PLC and Camposol S.A.holding 2,968,502 shares in the Company. The Group received a total amount of USD 12,417 for sale 2,968,502 own shares. The gain on disposal of treasury shares amounted to USD825 is recognized as other reserves in the consolidated statements of changes in equity.

Share-based payments -

In previous years, the Group granted 150,000 share-based payments to a former manager, valued at USD257. The exercise price of these options ranges from NOK 40 to 52 and 1/3 could be exercised in each of the years between 2008 and 2010. As of 31 December 2010, all options expired without being exercised and were reclassified to retained earnings within equity.

In 2008 the Group granted 300,000 share-based payments to Directors and 585,000 options to management. The fair value of the options was estimated at the grant date by an external expert using the Black and Scholes - Merton option pricing formula, at USD561. The exercise price of the options to Directors and management was set at NOK 40 and ¼ can be exercised in each of the years between 2009 and 2012.

During 2010, there were changes in some management positions of the Group, so that 100,000 options granted were terminated. Also, share-based payments granted to replace Directors of the Group remain effective.

The conditions to be met in order to exercise the options are based on the time frame that each person worked as employee of the Group.

Movements in the number of share-based payments outstanding and their related weighted average exercise prices are as follows:

	2013		2012		2011	
	Average exercise price in NOK per Share	Options	Average exercise price in NOK per Share	Options	Average exercise price in NOK per Share	
At 1 January	-	-	40	490,000	40	585,000
Forfeited	-	-	40	(490,000)	40	(95,000)
At 31 December	-	-	40	-	40	490,000
Share-based payments expressed in U.S. Dollars	-	-		-		927,000

Share-based payments expired at February 2012.

In calculating the fair value of NOS uses the Black & Scholes - Merton option pricing model. The model uses the following input.

- Issue date share price (Close):

  27.03.2008 and 27.08.2008

- Exercise Price:

The exercise price for the options is NOK 40.00. If the share price exceeds three times the strike price (NOK 120.00), the strike will be adjusted upwards so that the difference between the share price and the strike price would not be greater than NOK 80.00. Effectively, there is a cap on the option gain. This cap is included in the fair value calculation.

- Option Life:

Vesting / Grant Date	27.03.2008	27.08.2008
25%	01.02.2009	01.06.2009
25%	01.02.2010	01.06.2010
25%	01.02.2011	01.06.2011
25%	01.02.2012	01.06.2012

- Volatility: 45% based on similar companies.

- Risk free rate: Rates from Norges Bank on issue date are used (Bonds and Treasury bills).

- Dividend: Expected dividend, if any, should be taken into account when measuring the fair value of the options issued. In this case, no dividends were included as the strike prices of the options are to be adjusted for dividend payouts.

Shareholder -

As of December 31, 2013 Dyer Coriat Holding has the 100% of the shares of the Company.

Non-controlling interest -

The non-controlling interest is related to the change in the shareholding in Marinazul S.A.

17 DEFERRED INCOME TAX

The movement in the deferred income tax liabilities is as follows:

	2013 USD	2012 USD	2011 USD
Opening balance	30,064	23,919	13,618
Expense for the year (Note 32)	10,060	6,145	7,817
Business combination	-	-	(79)
Adjustment	-	-	2,563
Balance at the end of the year	40,124	30,064	23,919

Deferred tax relates to the following items:

	Opening balance USD	Income statement USD	Closing balance USD
2013 -			
Deferred tax assets -			
Tax losses carried-forward	10,646	(3,375)	7,271
Gain on investments in associates	6	(46)	(40)
Provisions	1,555	(807)	748
Others	-	346	346
	12,207	(3,882)	8,325
Deferred tax liabilities -			
Fair value of biological assets	35,253	6,222	41,475
Fair value of fixed assets at acquisition of subsidiary	6,153	12	6,165
Fair value of customer relationships	640	(320)	320
Differences in depreciation rates	529	(127)	402
Other	(304)	391	87
	42,271	6,178	48,449
	30,064	(10,060)	(40,124)
2012 -			
Deferred tax assets -			
Tax losses carried-forward	8,214	2,432	10,646
Gain on investments in associates	51	(45)	6
Provisions	1,318	237	1,555
	9,583	2,624	12,207
Deferred tax liabilities -			
Fair value of biological assets	24,158	11,122	35,253
Fair value of fixed assets at acquisition of subsidiary	6,388	(235)	6,153
Fair value of customer relationships	959	(319)	640
Differences in depreciation rates	1,175	(646)	529
Other	822	(1,126)	(304)
	33,502	8,769	42,271
	23,919	6,145	30,064

	Opening balance	Income statement	Business combination	Adjustments	Closing balance
	USD	USD	USD	USD	USD
2011 -					
Deferred tax assets -					
Tax losses carried-forward	8,176	(385)	326	97	8,214
Gain on investments in associates	67	(16)	-	-	51
Provisions	1,157	161	-	-	1,318
	9,400	(240)	326	97	9,583
Deferred tax liabilities -					
Fair value of biological assets	16,570	7,588	-	-	24,158
Fair value of fixed assets at acquisition of subsidiary	4,215	(235)	-	2,408	6,388
Fair value of customer relationships	1,025	(66)	-	-	959
Differences in depreciation rates	885	290	-	-	1,175
Other	323	-	247	252	822
	23,018	7,577	247	2,660	33,502
	13,618	7,817	(79)	2,563	23,919

Deferred income tax assets are recognized for tax losses carried-forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group did not recognize deferred income tax assets of USD510 related to the tax losses carried-forward of Marinasol S.A.

The deferred income tax from tax losses carried-forward can be applied to taxable income to be generated in the following years:

	2013	2012	2011
	USD	USD	USD
2014	2,607	4,460	2,322
2015	1,320	4,566	5,331
2016	3,103	1,296	243
2017	241	324	318
	7,271	10,646	8,214

In Peru, tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime; tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Group has selected the first regime; and at the reporting date; based on Management's estimate of its future tax losses, no tax loss would expire.

18 WORKERS' PROFIT SHARING

In accordance with Peruvian Legislation Camposol S.A. and Marinazul S.A. shall provide for a workers' profit sharing equivalent to 10% of the taxable income of each year. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.23).

19 LONG-TERM DEBT

Creditor and type of debt	Guarantee	Annual interest rate and maturity	2013	2012	2011
			USD	USD	USD
Bonds	Camposol Holding PLC, Marinazul S.A.	9.875% per year with installments payable until 2017 and Campoinca S.A.	122,303	121,598	-
Carmine Holding Group for purchase of Nor Agro Perú S.A.C.		with 19 installments due every three month until 2016	555	800	1,049
Banco Interbank, to finance Civil works of Stage I frozing plant	-	5.5% per year with 20 installments every three months until 2017	1,126	-	-
Banco Interbank, to finance the capital expenditure	Camposol S.A. fixed assets	8.65% per year with installments payable until 2016	-	-	57,649
			123,984	122,398	58,698
Santander for purchase of a system of irrigation	Property subject to financial lease	7.10% per year with 12 installments every three months until 2015	2,209	3,845	-
Banco Interbank for purchase of frozing plant construction	Property subject to financial lease	5.50% per year with 36 installments every three months until 2018	4,003	3,394	-
Santander for purchase of asparagus peeler	Property subject to financial lease	7.50% per year with 60 installments every months until 2016	817	1,060	1,303
Santander for purchase of thirty two tractors	Property subject to financial lease	7.10% per year with 36 monthly installments until 2015	307	571	-
Banco Interbank for purchase of a asparagus sorter	Property subject to financial lease	7.50% per year with 12 installments every three months until 2015	331	532	-
Scotiabank for purchase of a Spectrometer	Property subject to financial lease	4.75% per year with 12 installments every three months until 2014	36	177	312
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.18% per year with 12 installments every three months until 2013	-	135	262
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.22% per year with 12 installments every three months until 2013	-	125	242
Santander for purchase of thirteen tractors	Property subject to financial lease	7.10% per year with 36 monthly installments until 2015	56	104	-
Banco Interbank for purchase of a engine, oxygen generator	Property subject to financial lease	6.93% per year with 12 monthly installments until 2013	11	43	76
Banco Interbank for purchase of a vehicle	Property subject to financial lease	6.99% per year with 20 monthly installments until 2014	12	34	26
Leasing Perú for purchase of a pick up Toyota	Property subject to financial lease	7.05% per year with 12 installments every three months until 2015	24	34	-
Banco Interbank for purchase of three truck jack	Property subject to financial lease	7.69% per year with 12 installments every three months until 2015	21	33	-
Leasing Perú for purchase of a pick up Hilux	Property subject to financial lease	7.05% per year with 12 installments every three months until 2015	16	25	-
Leasing Perú for purchase of a lathe equipment	Property subject to financial lease	7.05% per year with 12 installments every three months until 2015	12	22	-
Banco Interbank for purchase of a vehicle	Property subject to financial lease	6.89% per year with 20 monthly installments until 2014	9	17	52
Banco Interbank for purchase of a air vacuum cleaner	Property subject to financial lease	6.18% per year with 12 installments every three months until 2013	-	17	33
Banco Interbank for purchase of a electronic boards	Property subject to financial lease	6.89% per year with 20 monthly installments until 2014	6	14	23
Banco Interbank for purchase of termociclador equipment	Property subject to financial lease	7.69% per year with 12 installments every three months until 2015	6	6	-
Banco Interbank for purchase of six tractors	Property subject to financial lease	5.50% per year with 12 installments every three months until 2016	380	-	-
Banco Interbank for purchase of truck Dodge	Property subject to financial lease	5.50% per year with 12 installments every three months until 2016	27	-	-
Banco Interbank for purchase of a cutter Urschell machine	Property subject to financial lease	5.50% per year with 20 installments every three months until 2018	73	-	-
Banco Interbank for purchase of line of avocado Roda	Property subject to financial lease	5.45% per year with 20 installments every three months until 2018	1,457	-	-
Scotiabank for purchase of gauge avocado	Property subject to financial lease	5.80% per year with 13 installments every three months until 2016	473	-	-
Leasing Perú for purchase of ten tractors	Property subject to financial lease	6.36% per year with 12 installments every three months until 2016	462	-	-
Leasing Perú for purchase of four tunnels ripening of mangoes	Property subject to financial lease	6.14% per year with 15 installments every three months until 2017	695	-	-
Santander for purchase of construction of storm drainage	Property subject to financial lease	6.65% per year with 20 installments every three months until 2018	428	-	-
Banco Interbank for purchase of truck Dongfeng	Property subject to financial lease	7.68% per year with 36 installments every months until 2016	12	-	-
Banco Interbank for purchase of bioreactor system, genetic analizer	Property subject to financial lease	7.69% per year with 11 installments every three months until 2015	54	-	-
BBVA Banco Continental for purchase of a Lab larvaes	Property subject to financial lease	7.30% per year with 12 installments every three months until 2011	-	-	123
BBVA Banco Continental for purchase of pipes	Property subject to financial lease	7.30% per year with 12 installments every three months until 2011	-	-	97
Banco Interbank for purchase of an hydraulic Excavator	Property subject to financial lease	8.90% per year with 10 installments every six months until 2012	-	-	16
Banco Interbank for purchase of a excavator machine	Property subject to financial lease	9.11% per year with 20 monthly installments until 2012	-	-	10
			11,937	10,188	2,575
Ferreyros to finance capital expenditure	Domingo Rodas S.A. fixed assets	3.00% per year with 26 installments payable every six months until 2018	1,656	2,525	3,470
			137,577	135,111	64,743
Less- current portion			(4,250)	(2,759)	(9,712)
			133,327	132,352	55,031

All loans are denominated in United States Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2013, 2012 and 2011:

	Other borrowings	Bonds	Bank borrowings	Finance lease liabilities	Total long-term debt
	USD	USD	USD	USD	USD
Balance as of 1 January 2011	3,642	-	58,717	3,256	65,615
Cash transactions					
Repayment of long-term borrowings	(172)	-	(1,476)	(2,296)	(3,944)
Proceeds from long-term borrowings	-	-	-	1,615	1,615
Non-cash transactions					
Proceeds Long-term borrowings	1,049	-	-	-	1,049
Accrued interest	-	-	408	-	408
Balance as of 31 December 2011	4,519	-	57,649	2,575	64,743
Balances as of 1 January 2012	4,519	-	57,649	2,575	64,743
Cash transactions					
Repayment of long-term borrowings	(742)	-	(58,524)	(1,405)	(60,671)
Proceeds from long-term borrowings	-	-	-	8,566	8,566
Bonds	-	125,000	-	-	125,000
Transaction costs	-	(3,987)	-	-	(3,987)
Non-cash transactions					
Proceeds from long-term borrowings	-	-	-	452	452
Accrued interest	-	585	875	-	1,460
Condoned debt	(452)	-	-	-	(452)
Balance as of 31 December 2012	3,325	121,598	-	10,188	135,111
Balance as of 1 January 2013	3,325	121,598	-	10,188	135,111
Cash transactions					
Repayment of long-term borrowings	(1,114)	-	(174)	(2,138)	(3,426)
Proceeds from long-term borrowings	-	-	1,300	3,887	5,187
Non-cash transactions					
Proceeds Long-term borrowings	-	-	-	-	-
Accrued interest	-	705	-	-	705
Balance as of 31 December 2013	2,211	122,303	1,126	11,937	137,577

The maturity of the non - current portion of long - term debt is as follows:

	2013	2012	2011
	USD	USD	USD
1 year	3,527	4,688	8,696
2 year	1,446	1,395	18,626
3 years	126,968	295	14,539
More than 3 years	1,386	125,974	13,170
	133,327	132,352	55,031

Fair values -

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount			Fair value		
	2013	2012	2011	2013	2012	2011
	USD	USD	USD	USD	USD	USD
Bank borrowings	884	-	49,807	838	-	49,456
Bonds	123,085	122,303	-	112,023	111,311	-
Finance lease liabilities	7,694	7,255	1,619	7,262	6,819	1,389
Other borrowings	1,664	2,794	3,605	1,616	2,729	3,148
	133,327	132,352	55,031	121,739	120,859	53,993

a) Bonds -

USD125,000 9.875% Senior Notes due 2017

On 26 January 2012, Camposol S.A. and its guarantors Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. agreed with Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc., as representatives of several purchasers, to issue and sell to the several purchasers, USD125,000 of the principal of its 9.875% Senior Notes due in 2017 to be issued under an indenture dated 2 February 2012, signed between Camposol S.A., the Guarantors, and Wells Fargo Bank, National Association, as trustee, guaranteed on an unsecured senior basis by Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. Coupons bear a 9.875% interest and are payable on a semi-annual basis. Cash proceeds are to be used to pay the long term debt obtained to finance capital expenditures and for general corporate uses. The bonds are listed on the Luxembourg Stock Exchange.

The issue of these bonds includes certain restrictive covenants.

If during any period of time the Notes obtains Investment Grade Ratings from two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

i) Change of control: Putable at 101% of principal plus accrued and unpaid interest.

ii) Limitation on indebtedness and Disqualified Stock:

   a. The Leverage Ratio is less than (i) 3.5 to 1.0 during the period from the Original Issue Date through June 30, 2013 and (ii) 3.25 to 1.0 from July 1, 2013 through the Maturity Date.
   b. Working capital shall not to exceed 25% of net sales
   c. Other Indebtedness shall not to exceed the greater of USD20,000 and 5% of the total assets.

iii) Limitation on Restricted Payments:

   a. Declare or pay any dividend or make any distribution
   b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
   c. Dividends up to USD10,000 for fiscal year up to 2010.
   d. Year 2011, 50% of net income if leverage is equal or greater than 1.5 to 1
   e. 75% of net income is lower than 1.5 to 1
   f. Other restricted payments no to exceed USD15,000 since the original issue date.

iv) Limitation on Issuances of Guarantees by Restricted Subsidiaries

a. Loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding USD2,000 at any time.

v) Limitation on Liens

a. Not to exceed 10% of the total assets

vi) Limitation on Asset Sales

a. At least 75% is paid in cash or temporary cash investments

vii) Limitation on Business Activities

a. Only permitted Businesses

According to the income tax regime currently in force in Peru, Camposol S.A. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not complete the payment of the withholding tax by the holders, Camposol S.A. will assume it as its own expense.

At 31 December 2013 and 2012 there is not exist any default.

b) Finance leases -

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2013		2012		2011	
	Minimum payments	Present value of payments	Minimum payments	Present Value of payments	Minimum payments	Present Value of payments
	USD	USD	USD	USD		
Within one year	4,788	4,494	3,313	3,097	1,112	956
After one year but no more than five years	8,306	7,443	7,494	7,091	1,767	1,619
Total minimum lease	13,094	11,937	10,807	10,188	2,879	2,575
payments less amounts representing finance charges	(1,157)		(619)		(304)	
Present value of minimum lease payments	11,937		10,188		2,575	

c) Syndicated loan -

In June 2010, Camposol S.A. signed a loan agreement with a syndicate of banks led by Banco Interbank for a total amount of USD60,000 to be repaid by June 2016, at a fixed interest rate of 8.65%. Interest are payable monthly and amortization of the principal will be performed during the loan term as established in the repayment schedule attached to the credit agreement. Part of this loan was used to pay the entire loan received from Credit Suisse AS of USD50,900 and to pay the debt termination fee of USD3,700 (Note 30). The balance of the funds received was used in investments in new plantations.

The Syndicate loan was fully repaid during 2012 with the funds received from the bond issue served to pay long term debt, to finance capital expenditures and in general corporate uses. The repaid amount was USD58,500, plus a debt termination fee of USD407.

20 TRADE ACCOUNTS PAYABLE

	2013 USD	2012 USD	2012 USD
Suppliers	48,588	41,490	26,693
Bills of exchange payable	11,904	9,384	13,050
Payables to related parties (Note 36)	163	414	331
	60,655	51,288	40,074

Payables to suppliers are mainly in US dollars, are due within 12 months and are not interest-bearing.

Bills of exchange in U.S. dollars and Nuevo Sol, amounts to USD6,330 and USD 5,574 respectively (in 2012 USD4,692 each currency and in 2011 USD8,781 and USD4,269, respectively), which are due within 3 months and bear interest at an annual average rate of 9%.

The average payment terms of trade payables are between 30 to 60 days.

21 OTHER ACCOUNTS PAYABLE

	2013 USD	2012 USD	2011 USD
Vacations and other payables to employees	5,406	5,390	4,942
Provisions (Note 35)	2,477	1,877	3,091
Taxes payable	971	510	692
Board remuneration	49	-	40
Pension fund	533	1,136	574
Interest	5,648	5,780	382
Deferred gain on sale and leaseback	943	1,664	143
Accrual of unbilled services	384	352	-
Business management services	-	-	391
Prepayment received	958	542	-
Others	1,442	801	923
	18,811	18,052	11,178

Other accounts payable are due within 12 months and are not interest-bearing and are mainly denominated in new Peruvian soles.

	2013 USD	2012 USD	2011 USD
Movement of provisions:			
Opening balance	1,877	3,091	4,057
Additions (Note 29)	600	-	
Deductions	-	(1,214)	(966)
Balance at the end of the year	2,477	1,877	3,091

22 BANK LOANS

	2013 USD	2012 USD	2011 USD
Loans -			
Banco Interbank (Peru)	2,500	6,000	14,900
Banco Scotiabank (Peru)	9,380	14,380	5,210
Banco Santander (Peru)	-	-	3,100
Latin America Export Found (United States)	-	-	2,137
Banco de Comercio (Peru)	-	1,500	450
Banco Continental BBVA (Peru)	10,000	5,000	-
Multibank, Inc (Panama)	4,145	3,000	-
	26,025	29,880	25,797

For purposes of reconciliation with the information provided in the consolidated statement of cash flows, following is the movement of bank loans for the years ended 31 December:

	2013 USD	2012 USD	2011 USD
Initial balance	29,880	25,797	16,700
Bank loans proceeds	101,495	59,370	94,394
Bank loans payments	(105,350)	(55,287)	(85,297)
Final balance	26,025	29,880	25,797

Loans represent promissory notes with maturities up to 180 days, which were obtained for working capital. These loans bear fixed annual interest rates that are between 3.05 per cent and 6.27 per cent (between 3.50 per cent and 6 per cent in 2012 and between 3.55 per cent and 10.53 per cent in 2011).

23 BUSINESS COMBINATION

a) Muelles y Servicios Paita S.R.L. -

On 21 May 2011, Muelles y Servicios Paita S.R.L. (subsidiary of the Company) acquired 100% of the outstanding shares of Nor Agro Perú S.A.C. for a consideration of USD1,350 (At 31 December 2011 was paid USD301), the net assets value of the acquired entity at the purchase date amounted to USD1,838, giving rise to the recognition of a gain in the consolidated statement of comprehensive income of USD488.

The acquired entity was engaged in packing of agricultural products. The purchase of this entity was made aiming to facilitate the packaging process of agricultural products of the Group. From its acquisition date until 31 December 2011, the acquired entity generated a profit of USD1,038. The acquired entity's profit for the year 2011 amounted to USD1,055. The acquired entity sold its assets in December 2011

The gain in the acquisition is detailed bellow:

	USD
Purchase consideration (cash)	1,350
Fair value of net assets acquired	(1,838)
Gain in acquisition (Note 29)	(488)

The fair value of the net assets of the acquired entity is detailed bellow:

	USD
Fair Value:	
Cash and cash equivalents	42
Property, plant and equipment	1,717
Trade and other accounts receivable	101
Prepaid expenses	17
Trade and other accounts payable	(117)
Borrowings	(1)
Deferred income tax	79
Net assets acquired	1,838

The cash movement in the acquisition of this entity, net of cash acquired amounts to USD259.

The gain on acquisition is supported by valuations performed by independent appraisers. The sale and purchase agreement does not contemplate any contingent consideration that may affect the consideration paid for the acquisition.

b) Camarones S.A.C. and Domingo Rodas S.A. –

On 3 May 2010 Marinazul S.A. granted 914,221 shares for the acquisition of Camarones S.A.C. The shares granted represent 5.45% interest of its total share capital. From the its acquisition and until 31

December 2010, the acquired entity generated a profit of USD114. The acquired entity´s profit for the year 2012 is USD93 (USD176 in 2011).

Domingo Rodas S.A. from its acquisition and until 31 December 2010 generated a loss of USD286 The acquired entity´s profit for the year 2012 amounted to USD940 (USD661 in 2011).

Goodwil (gain) in acquisition is detailed bellow:

	Domingo Rodas S.A.	Camarones S.A.
	USD	USD
Purchase consideration	164	321
Fair value of liabilities / (assets) acquired	883	(399)
Goodwill (gain) in acquisition	1,047	(78)

Goodwill of Domingo Rodas S.A.is attributable to the larger market share expected to be obtained by the Company in the shrimp line of business of.

	Fair Value	
	Domingo Rodas S.A.	Camarones S.A.
	USD	USD
Cash and cash equivalents	273	4
Property, plant and equipment	3,917	1,052
Trade and other accounts receivable	560	117
Inventories	453	285
Trade and other accounts payable	(1,849)	(520)
Borrowings	(4,140)	(539)
Deferred income tax	(97)	-
Net (liabilities) / assets acquired	(883)	399

The cash movement in the acquisition of these entities, net of cash acquired amounts to USD113 (Note 23).

The gain on acquisition is supported by valuations performed by independent appraisers. The sale and purchase agreement does not contemplate any contingent consideration that may affect the consideration paid for the acquisition. The purchase of these entities was made aiming to increase the production of shrimp.

The gain on acquisition is explained by the fact that the former owner needed to exit the specific business of the acquired entity in order to pursue other businesses that is currently developing.

The amounts of the net identifiable assets and liabilities recognized in the consolidated financial statements are final values as established by IFRS 3.

24 REVENUE

Revenue represents the sale of fresh, preserved and frozen biological products.

For the years ended 31 December, comprise the following (Note 5):

	2013	2012	2011
	USD	USD	USD
Asparagus	69,955	68,078	57,870
Avocado	49,244	31,436	39,873
Pepper	18,730	15,299	20,420
Mango	18,689	14,722	16,021
Shrimp	26,629	21,149	13,300
Grapes	21,245	18,178	14,755
Artichoke	12,772	9,837	1,973
Blueberry	8,638	-	-
Other	5,339	4,482	3,598
Total	231,241	183,181	167,810

25 COST OF SALES

	2013	2012	2011
	USD	USD	USD
Cost of inventories recognized as expenses	112,670	92,303	71,872
Personnel expenses (Note 28)	44,342	46,351	38,263
Depreciation (Note 6)	8,184	6,838	5,856
Custom duties refund	(8,316)	(7,193)	(6,448)
	156,880	138,299	109,543

In Peru, Camposol S.A and Marinazul S.A. are beneficiaries of a simplified procedure for custom duties refunding (Drawback), at a rate of 5.0% of FOB value of exports.

The cost of inventories recognized as expenses include amortization of software by USD8 (USD 7 for 2012 and USD12 for 2011) (Note 8).

26 SELLING EXPENSES

Selling expenses for the years ended December 31 comprise the following:

	2013	2012	2011
	USD	USD	USD
Freight	11,712	11,681	11,574
Custom duties	6,761	4,535	4,403
Amortization of customer relationships (Note 8)	2,132	2,132	447
Personnel expenses (Note 28)	1,300	1,184	987
Selling commissions	674	946	637
Consulting services	624	818	670
Travel and business expenses	907	561	558
Insurances	598	382	523
Depreciation (Note 6)	-	-	6
Subscriptions to associations	373	411	440
Other expenses	1,093	311	336
	26,174	22,961	20,581

27 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31 are comprised of the following:

	2013	2012	2011
	USD	USD	USD
Personnel expenses (Note 28)	10,544	9,818	9,744
Professional fees	3,464	3,213	3,156
Statutory auditors' remuneration	71	64	53
Audit services	225	210	183
Depreciation (Note 6)	762	759	824
Travel and business expenses	727	963	792
Transport and telecommunications	924	757	673
Directors' remuneration (Note 28)	389	400	360
Renting of machinery and equipment	1,332	1,035	722
Amortization of computer software (Note 8)	469	416	397
Share-based payments (Note 28)	-	5	155
Materials and supplies	928	873	694
Maintenance	739	522	467
Insurances	133	93	123
Utilities	82	61	54
Taxes other than income tax	98	79	81
Other expenses	1,502	847	572
	22,389	20,115	19,050

No non-audit services were provided in 2013, 2012 and 2011 by the statutory audit firm.

28 PERSONNEL EXPENSES

	2013 USD	2012 USD	2011 USD
Salaries and wages	49,230	50,034	42,878
Vacations	1,698	1,978	2,117
Other employees' benefits	4,950	4,949	3,505
Share-based payments (Note 27)	-	5	155
Other expenses	697	787	699
	56,575	57,753	49,354

Personnel expenses are allocated as follows:

	2013 USD	2012 USD	2011 USD
Cost of sales (Note 25)	44,342	46,351	38,263
Selling expenses (Note 26)	1,300	1,184	987
Administrative expenses (Note 27)	10,544	9,818	9,744
Directors' remuneration - Administrative expenses (Note 27)	389	400	360
	56,575	57,753	49,354

29 OTHER INCOME AND EXPENSES

	2013 USD	2012 USD	2011 USD
Other income -			
Condoned debt	-	452	-
Gain on acquisitions (Note 23)	-	-	488
Recovery of written-off accounts receivable (Note 14)	1	22	212
Gain on sale of property, plant and equipment (Note 31)	246	227	-
Indemnity of insurance	126	108	-
Services to third parties	441	283	-
Other	520	53	168
	1,334	1,145	868
Other expenses -			
Obsolescence of inventories (Notes 12)	(1,218)	(918)	(1,237)
Contingencies	(600)	-	-
Donations and samples	(236)	(236)	(312)
Loss on sale of property, plant and equipment (Note 31)	-	-	(404)
Impairment of accounts receivable (Notes 13 and 14)	-	(120)	(220)
Write-off of plots of pepper	(500)	-	-
Default interest and fines	(304)	(103)	-
Other	(557)	(359)	(129)
	(3,415)	(1,736)	(2,302)

30 FINANCIAL INCOME AND COSTS

	2013	2012	2011
	USD	USD	USD
Income -			
Interest (note 15)	36	364	15
Profitability of investment funds (Note 15)	-	1,187	-
Other finance income	45	6	12
	81	1,557	27
Costs -			
Interest on bank loans	(14,526)	(14,690)	(6,810)
Interest on finance leases	(3,241)	(2,339)	(1,356)
Tax on financial transactions	(747)	(821)	(266)
Interest on accounts payable to suppliers	(161)	(29)	(69)
Loss in investment funds (Note 15)	(623)	-	(1)
Other finance costs	(167)	(-)	-
	(19,465)	(17,879)	(8,502)

31 CASH GENERATED FROM OPERATIONS

	Note	2013	2012	2011
		USD	USD	USD
Reconciliation of profit for the year to net cash from (used in) operating activities:				
Profit before income tax		41,945	23,284	41,634
Depreciation	6	8,946	7,597	6,686
Amortization	8	2,609	2,555	856
Transference to biological assets	9	5,296	4,915	4,461
Impairment of trade accounts receivable	13 and 14	-	120	220
Obsolescence of inventories	12	1,218	918	1,237
Recovery of doubtful accounts	13 and 14	(1)	(22)	(225)
Fair value of biological assets	9	(43,069)	(49,940)	(40,821)
Gain / (loss) on sale of property, plant and equipment	29	(246)	(227)	404
Disposal of intangibles	8	-	-	27
Share-based payments expense	28	-	5	155
Gain attributable to associate	7	(305)	(66)	(111)
Deferred income tax	32	10,060	6,145	7,817
Net exchange difference		(299)	349	32
Write down off trade accounts receivable	13 and 14	(255)	-	-
Write down off inventories	12	(1,834)	(1,500)	-
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:				
Trade accounts receivable		(15,497)	(10,391)	(10,747)
Other accounts receivable		4,269	(5,333)	132
Inventories		(9,770)	(7,665)	(11,263)
Prepaid expenses		(209)	(9)	11
Trade accounts payable		9,367	11,214	12,780
Other accounts payable		(6,971)	3,504	(3,747)
Net cash generated from operating activities		5,254	(14,547)	9,538

32 INCOME TAX EXPENSE

a) According to the Peruvian tax legislation in force the income tax is determined on separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the result derived from the accounting records maintained in Nuevo Sol is those items considered as taxable and non-taxable, respectively.

As established under Law No.27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and /or cattle as well as in industrial agriculture, the applicable income tax rate is 15%. This income tax regulations is applicable until 31 December 31 2021.

The standard rate of Cyprus income tax for 2013, 2012 and 2011 is 10% and for the Peruvian subsidiaries it ranges between 30% and 15%.

	2013	2012	2011
	USD	USD	USD
Current income tax	371	139	197
Deferred income tax (Notes 17 and 31)	10,060	6,145	7,817
Income tax expense	10,431	6,284	8,014

b) For the years 2013, 2012 and 2011 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	2013	2012	2011
	USD	USD	USD
Profit before income tax	41,945	23,284	41,634
At Peruvian statutory income tax rate at 15%	6,292	3,493	6,245
Revenue not subject to tax	(840)	(1,000)	(973)
Expenses not deductible for tax purposes	2,250	1,905	359
Tax loss expiration	4,600	-	-
Adjustments	-	124	2,460
Other	(1,871)	1,762	(77)
Income tax expense / (credit)	10,431	6,284	8,014

Profit before income tax only corresponds to Peruvian subsidiaries; therefore taxation charge in the consolidated statement of comprehensive income corresponds to the Peruvian tax rate of 15%.

According to tax Peruvian Legislation, there are two systems to offset net losses arising from 2004:

- Offsetting the total tax loss against the future taxable profits to be obtained in the four years from the fiscal year following the year in which the tax loss was generated; after those four years have elapsed, any remaining tax loss that has not been offset, will not be able to be offset against future taxable profits.
- Offsetting 50% of the annual taxable profits until they are exhausted.

The Company has chosen the first system to offset tax losses.

At December 31, 2013, deferred income tax assets have been impaired due to the maturity of tax losses which amount to USD4,600.

c) The Peruvian Tax Authority may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries in the last four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Group, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations. Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities is resolved. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The following table shows the income tax and value-added tax returns subject to review by the Tax Authority corresponding to the Company and its subsidiaries.

	Years open to tax review	
Company	**Income Tax**	**Value Added Tax**
Camposol Holding PLC	2009-2013	2008-2013
Camposol S.A.	2009-2013	2010-2013
Preco Precio Economico S.A.C.	2009-2013	2009-2013
Sociedad Agricola Las Dunas S.R.L.	2009-2013	2009-2013
Prodex S.A.C.	2009-2013	2009-2013
Belfast S.A.	2009-2013	2009-2013
Vegetales del Norte S.A.C.	2009-2013	2009-2013
Muelles y Servicios Paita S.A.C.	2009-2013	2009-2013
Nor Agro Perú S.A.	2009-2013	2012-2013
Marinasol S.A.	2009-2013	2009-2013
Marinazul S.A.	2009-2013	2009-2013
Grainlens Ltd.	2009-2013	2009-2013
Blacklocust Ltd.	2009-2013	2009-2013
Siboure Holding Ltd.	2009-2013	2009-2013
Madoca Corp.	2009-2013	2009-2013
Camposol Europa S.L.	2009-2013	2009-2013
Campoinca S.A.	2009-2013	2009-2013
Camposol Fresh B.V.	2010-2013	2010-2013
Domingo Rodas S.A.	2009-2013	2009-2013
Camarones S.A.C.	2009-2013	2009-2013

33 DISCONTINUED OPERATIONS

In January 2010, the Board decided to discontinue operations of Marinasol S.A. which was devoted to fishing and harvesting of fish for human consumption. The result from operations of this company is shown under discontinued operations in the statement of comprehensive income of loss of USD147 in 2012 and loss of USD275 in 2011).

A summary of the results of Marinasol S.A. is shown below:

	2012 USD	2011 USD
Revenue	-	1
Cost of sales	-	(1)
Gross loss	-	-
Administrative expenses	-	(185)
Selling expenses	-	(5)
Other income	1	-
Other expenses	(202)	(251)
Operating loss	(201)	(441)
Financial income	-	114
Financial expenses	(1)	(2)
Currency translation differences	14	44
Loss before income tax	(188)	(285)
Deferred income tax	41	10
Loss for the year from discontinued operations	(147)	(275)
Cash flows		
Operating activities	58	(110)
Investing activities	-	-
Financing activities	-	-
	58	(110)

During the 2013 Marinasol S.A. did not generate relevant results

34 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share -

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares (Note 16)

	2013	2012	2011
Profit for the year from continuing operations (USD)	31,514	17,000	33,620
Loss for the period from discontinued operations (USD)	-	(147)	(275)
Profit for the year	31,514	16,853	33,345
Weighted average number of ordinary outstanding shares (thousands)	27,313	27,828	29,834
From continuing operations (expressed in dollars per share)	1.154	0.611	1.127
From discontinued operations (expressed in dollars per share)	-	(0.005)	(0.009)
Basic earnings per share (USD)	1.154	0.606	1.118

The Company was incorporated on July 9, 2007. One class of 2,570,000 initial shares does not grant the voting rights or participation in dividend distributions and are not taken into account for the purposes of determining earnings per share.

Share capital was increased through the exchange of shares with Camposol S.A. shareholders in March 2008 compresing 27,925,070 shares and a private placement with Fondo de Inversion Agroindustrial (FIDAF) of 1,908,750 shares.

Diluted earnings per share -

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has granted Share-based payments which are dilutive. The Group determines the number of potential shares using the average market share price of the Group's shares for the year. However, since during 2013 and 2012 the exchange value of the potential shares was greater than the fair value of the shares, the Group did not consider any potential ordinary shares for determination of the dilutive earnings per share; the dilutive earnings per share being the same as the basic earnings per share.

35 CONTINGENT LIABILITIES

As of 31 December 2013, the Group has several labor-related contingencies and other claims amounting to USD1,600 (USD1,000 in 2012 and USD2,200 in 2011), which is included in the balance of USD2,477 (USD1,877 in 2012 and USD3,091 in 2011) shown as provisions in other accounts payable (Note 21).

As of 31 December 2013, the Group has labor-related and other claims contingencies amounting to USD571. No provision has been made since legal advice indicates that it is not probable that a significant liability will arise. No contingencies arose in 2012 and 2011.

36 TRANSACTIONS WITH SHAREHOLDERS AND OTHER RELATED PARTIES

a) Transactions -

The main transactions carried out between the Group and its related parties are as follows:

	2013 USD	2012 USD	2011 USD
i) Associate -			
Empacadora de Frutos Tropicales S.A.C. -			
Sale of services	1	-	1
Purchase of services	1,881	1,633	1,876
ii) Entities related to Directors -			
Apoyo Consultoría S.A.C. -			
Purchase of services	24	7	10
Gestion del Pacifico S.A.C -			
Sales of services	27	1	1
Purchase of services and others	1,546	1,255	666
Purchase of fixed assets	311	187	47
Corporación Pesquera Inca S.A. (COPEINCA) -			
Sales of services	-	352	293
Purchase of services	-	-	19

b) Amounts due from/to related parties –

Other accounts receivable (Note 13)

	2013	2012	2011
j) Entities related to Directors			
Empacadora de Frutos Tropicales S.A.C.	77	-	-
Corporación Pesquera Inca S.A.	-	35	-
Gestión del Pacífico S.A.C. (*)	3	-	1
	80	35	1

	2013 USD	2012 USD	2011 USD
Trade payables (Note 20)			
i) Associates			
Empacadora de Frutos Tropicales S.A.C.	143	308	235
ii) Entities related to Directors			
Gestión del Pacífico S.A.C. (*)	17	103	94
Apoyo Consultoría S.A.C. (**)	3	3	2
	163	414	331

(*) A manager of the Group is a shareholder of Gestión del Pacífico S.A.C.
(**) The legal representative of Apoyo Consultoría S.A.C. was Director of the Group until November 2013.

The transactions during the year with related companies correspond to purchase of consulting, legal services, cash loans for working capital and purchase of raw materials. These balances have no schedule date for collection or payment and do not bear interest; however, the effect on results, if interest would be charged, is not significant.

Other transactions with related parties correspond to share-based payments (granted to Directors and management), the details of which are provided in Note 16 and their balances are shown in the consolidated statement of equity.

c) Compensation of the Group key management

	2013 USD	2012 USD	2011 USD
Salaries of key management	2,296	2,631	2,123
Remuneration of Directors (all of which are non-executives)	389	400	360

37 COMMITMENTS AND GUARANTEES

a) Commitments and guarantees in respect of the bonds are set out in Note 19.

b) On October, 2008, Camposol S.A. signed an agreement with Peru Land & Farming LLC (PL&F) by means of which the Company gives first option to purchase avocado production from a designated area of 800 Ha to be sold in the United States of America. When the US market opens for Peruvian avocado, PL&F will have the right to purchase 100% of the production from that area. The option will gradually decrease over ten years, after which it will maintain a lifetime option for 30% of the production in the designated area. The transactions will be settled at market price. At the reporting date, no changes in the agreement with PL&F have occurred.

38 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the end of the financial year.

Independent auditor’s report on pages F-6 to F-7.

CAMPOSOL S.A.

SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 1 JANUARY 2012

CAMPOSOL S.A.

SEPARATE FINANCIAL STATEMENTS
31 DECEMBER 2013, 2012 AND 1 JANUARY 2012

CONTENTS

S/. = Nuevo Sol
USD = United States dollar
€ = Euros

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
Camposol S.A.

4 April 2013

We have audited the accompanying separate financial statements of Camposol S.A. which comprise the separate statements of financial position as at 31 December 2013 and 2012 and at 1 January 2012, and the separate statements of comprehensive income, changes in equity and cash flows for the years ended at 31 December 2013 and 2012 and a summary of significant accounting policies and other explanatory notes (Note 1 to 37).

Management's responsibility for the separate financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing approved for application in Peru by the Board of Deans of Institutes of Peruvian Certified Public Accounts. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements 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 entity's internal control. 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 separate financial statements.

Gaveglio Aparicio y Asociados Sociedad Civil de Responsabilidad Limitada.
Av. Santo Toribio 143, Piso 7, San Isidro, Lima, Perú, T: +51 (1) 211 6500 F: +51 (1) 211 6550
www.pwc.com/pe

4 April 2013
Camposol S.A.

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

Opinion

In our opinion, the accompanying separate financial statements present fairly in all materials respects, the financial position of **Camposol S.A.** as at 31 December 2013 and 2012 and at 1 January 2012, its financial performance and its cash flows for the years then ended, in accordance with the International Financial Reporting Standards.

Gaveglio Aparicio y Asociados

Countersigned by

--(partner)
Félix U. Horna
Peruvian Certified Public Accountant
Registration No.01-13774

CAMPOSOL S.A.

SEPARATE STATEMENT OF FINANCIAL POSITION
(IN THOUSANDS OF U.S. DOLLARS)

	Note	As of 31 December 2013 USD	As of 31 December 2012 USD	As of 1 January 2012 USD
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	6	109,262	108,653	96,072
Investments in subsidiaries and associates	7	13,238	12,933	9,219
Financial assets available for sale	8	-	8,676	-
Intangible assets	9	2,909	2,967	3,155
Non-current portion of biological assets	10	282,982	242,536	193,015
Accounts receivable from related parties	34	797	1,422	-
Total non-current assets		409,188	377,187	301,461
CURRENT ASSETS				
Prepaid expenses		349	309	617
Current portion of biological assets	10	12,994	11,358	13,046
Inventories	13	50,410	44,031	37,137
Other accounts receivable	14	6,954	7,934	4,472
Income tax credit		3,335	5,953	4,406
Accounts receivable from related parties	34	13,263	6,594	2,177
Trade accounts receivable	15	53,154	39,152	34,509
Cash and cash equivalents	16	22,643	26,510	5,797
Total current assets		163,102	141,841	102,161
Total assets		572,290	519,028	403,622
EQUITY AND LIABILITIES				
EQUITY				
Share capital	17	159,717	159,717	159,717
Legal reserve	17	5,115	5,115	5,115
Other reserves	17	(26,580)	(27,682)	(26,580)
Retained earnings	17	162,769	129,730	112,965
Total equity		301,021	266,880	251,217
LIABILITIES				
NON-CURRENT LIABILITIES				
Long - term debt	20	131,604	129,453	51,043
Deferred income tax	18	39,312	30,113	23,596
		170,916	159,566	74,639
CURRENT LIABILITIES				
Current portion of long-term debt	20	3,579	1,828	8,334
Trade accounts payable	21	57,081	50,600	37,712
Other accounts payable	22	13,986	14,277	8,805
Bank loans	23	22,645	25,000	22,417
Accounts payable to related parties	34	3,062	877	498
		100,353	92,582	77,766
Total liabilities		271,269	252,148	152,405
Total equity and liabilities		572,290	519,028	403,622

The notes on pages F-88 to F-143 are an integral part of these separate financial statements.

CAMPOSOL S.A.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

	Note	For the year ended 31 December 2013 USD	2012 USD
Revenue	24	189,698	159,961
Cost of sales	25	(126,776)	(119,676)
Gross profit		62,922	40,285
Gain arising from change in fair value of biological assets	10	39,673	39,044
Profit after adjustments for biological assets		102,595	79,329
Selling expenses	26	(22,609)	(20,131)
Administrative expenses	27	(18,090)	(16,763)
Other income	29	2,509	873
Other expenses	29	(2,954)	(1,847)
Operating profit		61,451	41,461
Gain attributable to subsidiary and associates	7 and 8	1,262	66
Financial income	30	253	1,809
Financial cost	30	(19,041)	(17,372)
Net foreign exchange transactions losses		(1,882)	(2,487)
Profit before income tax		42,043	23,477
Income tax	32	(9,004)	(6,712)
Profit for the year		33,039	16,765
Other comprehensive income		-	(1,102)
Total comprehensive income for the year		33,039	15,663

The notes on pages F-88 to F-143 are an integral part of these separate financial statements.

CAMPOSOL S.A.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2013 AND 2012
(IN THOUSANDS OF U.S. DOLLARS)

	Number of Shares	Share capital	Legal reserve	Other reserve	Retained earnings	Total equity
	Thousand	USD	USD	USD	USD	USD
Balances as of 1 January 2012	473,767	159,717	5,115	(26,580)	112,965	251,217
Profit for the year	-	-	-	-	16,765	16,765
Other comprehensive income	-	-	-	(1,102)	-	(1,102)
Balances as of 31 December 2012	473,767	159,717	5,115	(27,682)	129,730	266,880
Profit for the year	-	-	-	-	33,039	33,039
Other comprehensive income	-	-	-	1,102	-	1,102
Balances as of 31 December 2013	473,767	159,717	5,115	(26,580)	162,769	301,021

The notes on pages F-88 to F-143 are an integral part of these separate financial statements.

CAMPOSOL S.A.

SEPARATE STATEMENT OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

	As of 31 December	
	2013	2012
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from costumers	175,696	160,136
Payments to suppliers and employees	(160,994)	(172,595)
Interest paid	(18,418)	(11,053)
Custom duties refund collections	6,983	5,624
Others collections	2,755	3,200
Debt termination fee	-	(407)
Net cash generated from (used in) operating activities	6,022	(15,095)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(8,154)	(15,560)
Investment in biological assets	(7,581)	(9,982)
Purchases of intangibles	(413)	(229)
Purchase of financial assets available for sale	-	(9,975)
Proceeds and collections from related companies	20,617	8,817
Loans granted to related companies	(26,447)	(10,689)
Proceeds from sale financial assets available for sale	10,930	-
Proceeds from sale of property, plant and equipment	334	379
Net cash used in investing activities	(10,714)	(37,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank loans proceeds	92,455	49,780
Bank loans payments	(94,810)	(47,197)
Repayment of syndicated loan	-	(58,524)
Bonds issue, net of transaction costs	-	121,013
Long-term debt proceeds	5,121	8,466
Payments of long-term debt	(1,941)	(491)
Net cash generated from financial activities	825	73,047
Net (decrease) increase in cash and cash equivalents	(3,867)	20,713
Cash and cash equivalents at beginning of year	26,510	5,797
Cash and cash equivalents at end of year	22,643	26,510

The notes on pages F-88 to F-143 are an integral part of these separate financial statements.

(IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE STATED)

1 GENERAL INFORMATION

a) Business activities -

Camposol S.A. is a Peruvian agribusiness incorporated in Lima, on 31 January 1997. As of 31 December 2009, Camposol S.A. (hereinafter “the Company”) major shareholders were Blacklocust Ltd. incorporated under the laws of Cyprus and Siboure Holdings Inc., a company domiciled in the British Virgin Islands, holders of 68 and 23 percent of the Company’s capital stock, respectively.

The legal address of the Company is Calle Francisco Graña 155, La Victoria, Lima, Peru; its operating and commercial office is located in Carretera Panamericana Norte Km. 497.5, Chao, Virú, La Libertad; three production establishments or agricultural lands are located in Carretera Panamericana Norte Kms. 510, 512 and 527 in the department of La Libertad, Peru. In addition Camposol S.A. operates two administrative offices in the department of Piura.

The subsidiaries and associate and their activities are as follows:

Company	Principal activity	Country of incorporation	As of 31 December, 2013	2012	As of 1 January, 2012
			%	%	%
Nor Agro Perú S.A.C.	Agriculture	Peru	100.00	100.00	100.00
Sociedad Agrícola Las Dunas S.R.L.	Agriculture	Peru	-	-	99.99
Prodex S.A.C.	Agriculture	Peru	100.00	100.00	100.00
Balfass S.A.	Agriculture	Peru	-	-	100.00
Vegesol S.A.	Agriculture	Peru	100.00	100.00	100.00
Empacadora de Frutos Tropicales S.A.	Agriculture	Peru	40.00	40.00	40.00
Muelles y Servicios Paita S.A.C.	Services	Peru	100.00	100.00	100.00
Preco Precio Económico S.A.C.	Retail	Peru	-	-	50.00
Marinazul S.A.	Shrimp farming	Peru	94.55	94.55	94.55
Domingo Rodas S.A.	Shrimp farming	Peru	100.00	100.00	100.00
Camarones S.A.C.	Shrimp farming	Peru	100.00	100.00	100.00
Marinasol S.A.	Fish canning	Peru	68.00	68.00	68.00
Camposol Europa S.L.	Distribution	Spain	87.27	87.27	87.27
Camposol Fresh B.V.	Distribution	Netherlands	100.00	100.00	100.00
Persea, Inc.	Holding	USA	100.00	100.00	-
Camposol Fresh U.S.A., Inc.	Distribution	USA	100.00	100.00	-
Camposol Specialties, Inc.	Distribution	USA	100.00	100.00	-

During 2012, Preco Precio Económico S.A.C., Sociedad Agrícola la Dunas S.R.L. and Balfass S.A. were liquidated because those Companies had been dormant and had no income or expenses in 31 December 2012 and 1 January 2012.

The table below presents details of the agricultural land where the Company carries out its activities:

Land	Geographical Area	Area in hectares (Ha) As of 31 December, 2013	2012	As of 1 January, 2012
Mar verde	La Libertad	2,496	2,496	2,496
Huangala - Terra	Piura	2,677	2,677	2,662
Agricultor	La Libertad	1,726	1,726	1,726
Gloria	La Libertad	1,018	1,018	1,018
Agromás	La Libertad	414	414	414
Virú - San José	La Libertad	616	616	616
Compositan	La Libertad	3,778	3,778	3,778
Yakuy Minka	La Libertad	2,770	2,770	2,770
		15,495	15,495	15,480

The Company carries out its activities over the following planted areas:

	Areas in hectares (Ha) As of 31 December, 2013	2012	As of 1 January, 2012
Asparagus	2,395	2,516	2,633
Avocadoes	2,643	2,616	2,488
Mangoes	450	450	415
Grapes	451	451	451
Peppers	332	291	294
Tangerines	102	102	102
Blueberries	212	206	-
	6,585	6,632	6,383

b) Approval of the separate financial statements -

The financial statements for the year ended 31 December 2013 were issued with Management's authorization and will be submitted for the consideration of the Board of Directors for approval of their issue and then submitted for the consideration of General Shareholder's Meeting. The 2012 financial statements of the Company were approved by the Board of Directors Meeting held on 16 April 2013.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation -

The separate financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and effective at 31 December 2013.

Presentation in the statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are regarded as current if they mature or used within one year or are held for sale.

The 2013 and 2012 financial statements have been prepared under the historical cost convention, as modified by the fair value less costs to sell of biological assets and the investment in associate recognized under the equity method accounting. The financial statements are expressed in thousands of United States Dollars, unless otherwise stated.

These separate financial statements as of 31 December 2013 are the Company's first set of separate financial statement prepared in accordance with IFRS. For all periods up to and including the year ended 31 December 2012, the Company prepared its financial statements in accordance with local generally accepted accounting practice in Peru (Peru GAAP). Note 37 include the information on how the Company adopted IFRS for the first time in its financial statements.

2.2 Going concern -

EBITDA for the year ended 31 December 2013 amounted to USD36,116 (USD15,416 as of 31 December 2012) as explained by higher volumes of avocadoes and grapes, as well as increasing prices of asparagus.

The financial position and future development of the Company will depend significantly on the sales prices of its fruit and vegetables production. The Company produces fresh, frozen and preserved products. Fresh products tend to be more profitable, followed by frozen products and finally preserved goods. However, the complexity of production and the distribution logistics are greater in the case of fresh and frozen products compared to preserved goods. In this way, there is an inversely proportional relationship between profitability and commercial complexity of the product type.

Fresh products, because of their very nature, have a much quicker rotation and almost no inventories of finished products. Preserved products may be stored for up to 5 years and this means that in the distribution chain there are times of very high or very low inventories that have a significant impact on prices.

Natural phenomena such as the warmer and colder ocean currents called "El Niño" and "La Niña", respectively present a threat to farming during half of each year.

"La Niña" generally means that the winter is colder than usual and this has a positive or negative repercussion on our activities according to the crop. For example, in the case of avocadoes, the cold weather reduces the rate at which the fruit grows and it reaches its period for harvesting at a lower weight per fruit than usual. In the case of asparagus; however, although growth is slow during the period of the cold current, the plants that are maturing and will be harvested at the end of the year have volumes well in excess of the average.

"El Niño", which is usually predictable some months in advance, increases the temperature in both summer and winter. This phenomenon benefits the avocadoes plant, producing a fruit of higher weight but, on the other hand, it reduces the harvest levels of asparagus in the months following warmer weather.

During 2013, none of these natural phenomena has occurred in such a way that affects the Company's production.

During 2012 Peru experienced a moderate "El Niño" effect, which increased the average temperature from April thru August. The adverse climate conditions had a negative impact on company volumes, especially on avocadoes and asparagus with a volume decrease for the year of 26.8% and 18.4% respectively. None of these natural phenomena has occurred in 2011.

The Directors have the reasonable expectation that the Company has adequate resources to continue operational existence in the foreseeable future. Therefore, the Company continues to adopt the going concern basis in preparing its financial statements.

2.3 Changes in accounting policies and disclosures -

Standards, amendments and interpretations issued but not yet effective for 2013 not early adopted by the Company –

- Amendment to IAS 32 - “Financial instruments, presentation of offsetting of assets and liabilities”. The amendment responds to the application guide of IAS 32, “Financial instruments: Presentation”, and clarify some of the requirements for the offsetting of financial assets and liabilities in the statement of financial position. This standard is effective for periods beginning on or after January 1, 2014.

- IFRS 9, ‘Financial instruments’. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

- Amendments to IAS 36 - Recoverable amount disclosures for non-financial assets. The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

2.4 Segment information -

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.5 Foreign currency translation -

a) Functional and presentation currency -

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The separate financial statements are presented in USD Dollars, which is the Company’s functional and presentation currency.

b) Transactions and balances -

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings, cash and cash equivalents and other accounts are presented in the statement of comprehensive income within ‘net foreign exchange transactions losses’.

2.6 Property, plant and equipment -

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Historical cost comprises the purchase price and any cost directly attributable to bringing the asset into working condition for its intended use. Cost of replacing part of the plant and equipment is recognized in the carrying amount of the plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost less the residual value of each item of property, plant and equipment is depreciated over its useful life.

Depreciation is calculated on a straight-line basis over the estimated useful life of individual assets, as follows:

	Years
Buildings	Between 10 and 33
Irrigation structure	70
Plant and equipment	Between 5 and 10
Furniture and fixtures	10
Other equipment	Between 3 and 10
Vehicles	5

Depreciation commences when assets are available for use as intended by management. Land is not depreciated.

The assets residual values and useful lives are reviewed, and adjusted prospectively if appropriate, at each financial year-end.

An asset's carrying amount is written-down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other income and expenses - net' in the statement of comprehensive income.

2.7 Investments -

a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholdings of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstance where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholders give the Company the power to govern the financial and operating policies, etc. The Company carries the investments in subsidiaries at cost less any impairment in its financial statements.

Dividend income is recognized when the right to receive payment is established.

b) Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

The Company's share of its associates' post-acquisition profits or losses is recognized in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize its share of further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company.

Dilution gains and losses arising in investments in associates are recognized in the statement of comprehensive income.

2.8 Intangible assets -

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (ten years).

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or Sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalized include: software development, employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are expensed as incurred.

Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

2.9 Impairment of non-financial assets -

The carrying amounts of assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. At each reporting date the Company assesses if there are indicators of impairment and if so, or if an impairment test for an asset is required, an assessment is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the assessment is undertaken at the cash-generating unit level. If the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

The recoverable amount of assets is the greater of their value in use or their fair value less cost to sell. Fair value is based on an estimate of the amount that the Company may obtain in a sale transaction on an arm's length transaction. In assessing value in use of an asset, its 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 specific risk for the asset. For an asset that does not generate cash inflows largely independent of those from others assets, the recoverable amount is determined for the cash-generating unit to which the assets belongs, the Company cash-generating unit are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

For non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the adjusted asset´s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognized in prior periods.

2.10 Financial assets -

Classification -

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. As of 31 December 2013, 2012 and 2011 the Company holds financial assets in the categories of loans and receivables and available-for-sale.

a) Loans and receivables -

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company loans and receivables comprise 'trade and other accounts receivable' and 'cash and cash equivalents' in the statement of financial position (Notes 15, 14 and 16, respectively).

b) Available-for-sale financial assets -

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the statement of financial position.

Recognition and measurement -

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Changes in the fair value of financial assets classified as available-for-sale are recognized in other comprehensive income.

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the statement of comprehensive income as profit and losses.

Offsetting financial instruments -

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.11 Impairment of financial assets -

a) Assets carried at amortized cost -

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument’s fair value using an observable market price.

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

b) Assets classified as available for sale -

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in profit or loss. Impairment losses recognized in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income.

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in profit or loss. Impairment losses recognized in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

2.12 Biological assets -

Biological assets are living plants managed by the Company for sale. These are asparagus, avocadoes, mangoes, grapes, peppers, tangerines and blueberries which are to be harvested as agricultural produce.

Biological assets are those assets capable of producing more than one harvest or are able to sustain regular harvests (as for example: asparagus, mangoes, avocadoes and grapes). Costs of producing and harvesting biological assets are expensed as incurred. Costs that increase the number of units produced of the biological asset owned or controlled by the Company are added to the carrying amount of the relevant assets. Biological assets are classified as current and non-current depending on their maturity period.

Expenses that relate to the agricultural activity include planting, harvesting, seedlings, irrigation, agrochemicals, fertilizers and others. The line item "cost of agricultural produce and biological assets sold and services rendered" includes: i) the cost of agricultural produce held in inventory, ii) biological assets valued at fair value less costs to sell, and iii) the costs of providing agricultural services. Therefore, "cost of production" accumulates the costs incurred during the growth of the biological assets and the line item "cost of agricultural produce and biological assets sold and services rendered" accumulates the costs of items from inventory and/or biological assets expensed when sold.

Biological assets are measured at fair value less costs to sell on initial recognition and at each statement of financial position date, except where fair value cannot be reliably measured. The fair value of biological assets excludes the land upon which the biological assets are harvested. Cost approximates fair value when little or no biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material.

Costs to sell include all incremental costs directly attributable to the sale of the biological assets, excluding finance costs and income taxes. The fair value of a biological asset in its present location and condition is determined based on the present value of expected net cash flows from the biological asset discounted at a current market-determined pre-tax rate.

In determining the fair value of a biological asset based on the expected net discounted cash flows, the following factors have been taken into account:

i) the productive life of the asset;
ii) the period over which the asset will mature;
iii) the expected future sales price;
iv) the cost expected to arise through the life of the asset; and
v) a pre-tax discount rate.

The application of factors mentioned above requires the use estimates and judgments by management.

Expected future sale prices for all biological assets are determined by reference to observable data in the relevant market. Costs expected to arise through the life of the biological assets are estimated based on historical and statistical data.

The gain or loss arising from initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset is recognized in the statement of comprehensive income in the period in which they arise. Agricultural produce harvested from the Company's biological assets is initially measured at its fair value less costs to sell at the point of harvest. The fair value of agricultural produce is determined based on market prices. The gain or loss arising from initial recognition of agricultural produce as a result of harvesting is recognized in the statement of comprehensive income for the period in which it arises. The cost of the agricultural produce included in inventories for subsequent sale is deemed to be the fair value of produce less costs to sell at the point of harvest in the local market.

2.13 Inventories -

Inventories are valued at the lower of average cost and net realizable value. Cost is determined using the average cost method.

The cost of biological products is determined as the fair value less estimated point of sale costs at the time of harvest (Note 2.12).

The net realizable value is the estimated sale price in the ordinary course of business, less estimated cost to place inventories in selling conditions and commercialization and distributions expenses.

The cost of inventories may not be recovered if: i) those inventories are damaged or become wholly or partially obsolete; and ii) their selling prices decline or the estimated necessary costs to be incurred to make the sale increase. In such circumstances, inventories are written down to their net realizable value. The Company determines the provision for obsolescence as follow:

Fresh and frozen products	100% of cost at expiration
Preserved products	50% of cost after 2 years
	100% of cost at expiration

The provision is estimated on an item by item basis or for groups of items with similar characteristics (with same crop, market and similar others characteristics).

2.14 Trade accounts receivable -

Trade accounts receivable are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is estimated when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the invoice. The amount of the provision is the difference between the carrying amount and the present value of the recoverable amounts and this difference is recognized in the separate statement of comprehensive income. Accounts receivable provided for are written off when they are assessed as uncollectible.

2.15 Cash and cash equivalents -

In the statement of cash flows, cash and cash equivalents includes cash at banks and in hand, deposits held at call with banks, short-term highly investments funds, convertible to known amounts of cash and subject to insignificant risk of changes in value and other short-term highly liquid investments with original maturities up-to three months.

2.16 Share capital -

Ordinary shares are classified as equity.

2.17 Trade accounts payable -

Trade accounts payable are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Borrowings -

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2.19 Leases -

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Company leases certain property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

2.20 Current and deferred income tax -

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in profit or loss or directly in equity. In this case the income tax is also recognized in profit or loss or directly in equity, respectively.

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

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.21 Provisions -

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures at fair value expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.22 Employee benefits -

Worker's profit sharing and other employee benefits -

In accordance with Peruvian Legislation the Company is required to provide for workers' profit sharing equivalent to 10% of taxable income in Peru of each year. This amount is charged to the statement of comprehensive income (distributed among cost of sales, administrative expenses and selling expenses, as appropriate). This charge is a deductible expense for income tax purposes.

Statutory bonuses -

The Company recognizes the expense in bonuses and the related liabilities under legal tax regulations. Statutory bonuses consist of two (2) annual one-month salaries paid in July and December every year.

Employees' severance indemnities -

Employees' severance indemnities of the Company personnel comprise indemnities determined under local laws and regulations and which has to be credited to bank accounts selected by employees in May and November every year. The annual employee's severance indemnities equal one-month salary. The Company does not have obligations of additional payments once these annual deposits to which each worker is entitled to be made.

2.23 Revenue recognition -

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Company.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Sale of goods -

Sales of goods are recognized when all risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Sales of goods comprise:

- Exports of fresh products. This mainly includes fresh products of asparagus, avocadoes, mangoes and grapes. Some of these exports are invoiced at a fixed price while others on a preliminary liquidation basis (provisionally priced), which is determined on current market prices at the date of issuance of the export invoice. In the case of sales on a preliminary liquidation basis, an adjustment to the provisional price is made within the period based on current market prices at the date agreed with the customer, usually within a period ranging from 7 to 30 days after the export delivery. The value of the provisionally priced fresh products is re-measured using the forward selling price for the respective quotation period agreed with the customer until this quotation period ends. The selling price of fresh products can be measured reliably as these products are actively traded on international markets. The change in value of provisionally priced contracts that occurred after the end of the period but before the issue of the financial statements up-to 15 February, is recorded as an adjustment to revenue and to trade receivables within the period.
- Exports of preserved products. This mainly includes asparagus, peppers and artichokes. Revenue is recognized when export delivery conditions are met.

- Export of frozen products. This mainly includes mangoes. Revenue is recognized when export delivery conditions are met.

- Domestic sales. Revenue is recognized on delivery.

b) Interest income -

Revenue is recognized as interest accrues using the effective interest method.

2.24 Cost and expenses -

Cost of sales corresponds to the cost of production of goods sold, and is recorded simultaneously with the recognition of revenue. Other costs and expenses are recognized on accrual basis and recorded in the periods to which they are related.

2.25 Dividend distribution -

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders.

2.26 Contingent liabilities and assets -

Contingent liabilities are not recognized in the financial statements and are disclosed in notes to the financial statements unless their occurrence is estimated as remote. Contingent assets are not recognized in the financial statements and are disclosed only if their realization is assessed as probable.

2.27 Custom duties refunds -

Custom duties refunds (drawback) correspond to a tax benefit granted by the Peruvian Government, by means of which, the Company is reimbursed for the custom duties paid on the importation of goods that are a component of the FOB value of the exported products. The refund of these custom duties is credited to the cost of sales in the statement of comprehensive income when the Company has the right to claim the refund (when the exportation is completed).

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors -

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's senior management and the Board of Directors oversee the management of these risks and implement a risk management program to reduce to a minimum any potential adverse effect on the Company's financial performance.

a) Market risks -

i) Foreign rate risk -

The Company buys and sells its products and services and obtains funding for its working capital and investments mainly in its functional currency. Some minor costs are incurred in Nuevo Sol and some sales are made in Euros, therefore its financial results are not significantly affected by exchange rate fluctuations between the US Dollar and foreign currency. However, upon significant transactions management evaluates and decides the use of economic hedge contracts to hedge any possible risk of adverse changes in the foreign currency rate that would affect its cash outflows.

As of 31 December 2013, 2012 and as of 1 January 2012, the Company had the following assets and liabilities in the Nuevo Sol (PEN) and Euros (expressed in USD):

	As of 31 December,						As of 1 January,		
	2013		Total	2012		Total	2012		Total
	PEN	EUR	USD	PEN	EUR	USD	PEN	EUR	USD
Assets -									
Cash and cash equivalents	3,178	1,173	4,351	2,873	1,197	4,070	1,841	77	1,918
Trade and other accounts Accounts receivable	10,487	15,006	25,493	11,321	7,947	19,268	6,446	2,600	9,046
	13,665	16,179	29,844	14,194	9,144	23,338	8,287	2,677	10,964
Liabilities -									
Accounts payable	25,270	2,660	27,930	24,916	1,312	26,228	21,008	440	21,448
(Liability) asset position, net	(11,605)	13,519	1,914	(10,722)	6,042	(2,890)	(12,721)	2,237	(10,484)

The remaining balance of cash and cash equivalents and trade and other accounts receivable amounting of USD73,491 relates to balances denominated in United States Dollar (As of 31 December, 2012: USD64,227; As of 1 January, 2012: USD40,397).

The remaining balance of liabilities, except the deferred income tax, amounting to USD204,027 relates to balances denominated in United States Dollar (As of 31 December, 2012: USD195,807; As of 1 January, 2012: USD 107,361).

The following table demonstrates the sensitivity to a reasonably possible change in the new Peruvian soles exchange rate and Euro exchange rate for a twelve month period, with all other variables held constant, on the Company's pre-tax profit:

	Increase/ decrease S/. rate	Effect on in profit before tax	Increase/ decrease Eur rate	Effect on in profit before tax
As of 31 December 2013	+4%	2,746	+4%	1,318
	-4%	(2,746)	-4%	(1,318)
As of 31 December 2012	+4%	1,095	+4%	546
	-4%	(1,095)	-4%	(546)
As of 1 January 2012	+4%	770	+4%	213
	-4%	(770)	-4%	(213)

ii) Cash flows interest rate risk

Changes in interest rates impacts primarily loans and borrowings by changing either their fair value (fixed rate debt) or their future cash flows (variable rate debt).

Since all interest bearing loans and borrowings have a fixed rate, the Company is not exposed to cash flow interest rate risk.

Fixed rate borrowings of the Company are renegotiated at market rates on a timely basis, in order to reduce the Company's exposure to fair value interest rate risk.

iii) Price risk -

Almost all of the Company products are sold in the international market. A further economic slowdown in the key markets may cause lower sales volumes and prices, and losses on trade receivables. Produce prices have a material impact on the Company results of operations. Prices are significantly affected by changes in global economic conditions and related industry cycles. Generally, agricultural producers are unable to influence prices directly; however, the Company profitability is managed through the control of its cost base and the efficiency of its operations.

The Company manages its price risk mainly with price sales commitments built into sales contracts. The Company does not use hedge instruments to manage its price risks.

The following table shows the sensitivity of the outstanding balance of the trade accounts receivable at the date of the financial statements in the profit before income and related tax if the forward price of its produce had weakened/strengthened by 5%:

	Increase/decrease in price	**Effect in profit before income and related taxes**
As of 31 December 2013	+5%	2,658
	-5%	(2,658)
As of 31 December 2012	+5%	1,958
	-5%	(1,958)
As of 1 January 2012	+5%	1,725
	-5%	(1,725)

b) Credit risk -

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk on trade and other receivables and deposits in banks.

The maximum exposure to credit risk is the carrying amount of accounts receivable as shown on the statement of financial position. Sales transactions are carried out with a number of different counterparties, which mitigates credit risk concentration. The Company seeks for external assistance to evaluate the rating of the possible new customer. With this information, a credit limit for the customer is set. Management makes efforts in building long-lasting relationships with customer (over 6 months). As of 31 December 2013, 2012 and 1 January 2012, no credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The accounts receivable from a single customer represent 9 per cent of the balance as of 31 December 2013 (15 per cent as of 31 December 2012; 30 per cent as of 1 January 2012). All new transactions with this customer are being executed with letters of credit to mitigate credit risk exposure.

In addition, the Company has a multimarket credit insurance coverage over the exports of the fresh and preserved products in an aggregate amount up to USD84,000 at 31 December 2013 (USD40,000 in 31 December 2012 and 1 January 2012).

c) Liquidity Risk

The Company has sufficient credit capacity to have access to credit lines with top ranked financial institutions (institutions with no history of default and prestigious locally) under market terms. In addition, the Company develops new bank relationships in order to have adequate funding available all the time. However, with the current world financial crisis there is risk that banks may revise the terms of the lines of credit.

The table below analyses the Company’s non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Within 1 year	Between 1 and 2 years	Between 2 and 6 years	Total
	USD	USD	USD	USD
31 December 2013 -				
Long-Term Debt	17,298	16,049	143,880	177,227
Trade accounts payable	57,081	-	-	57,081
Other accounts payable (Note 11)	10,736	-	-	10,736
Banks loans	22,799	-	-	22,799
	107,914	16,049	143,880	267,843
31 December 2012 -				
Long-Term Debt	15,910	15,801	153,957	185,668
Trade accounts payable	50,600	-	-	50,600
Other accounts payable (Note 11)	11,204	-	-	11,204
Banks loans	25,210	-	-	25,210
	102,924	15,801	153,957	272,682
1 January 2012 -				
Long-Term Debt	12,809	11,377	47,977	72,163
Trade accounts payable	37,712	-	-	37,712
Other accounts payable (Note 11)	5,935	-	-	5,935
Banks loans	22,825	-	-	22,825
	79,281	11,377	47,977	138,635

3.2 Capital risk Management

The Company objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

As of 31 December 2013, 2012 and 1 January 2012, the Company's strategy was to maintain the gearing ratio in no more than 1.

The gearing ratio as of 31 December 2013, 2012 and 1 January 2012 were as follows:

	As of 31 December,		As of 1 January,
	2013	2012	2012
	USD	USD	USD
Banks loans (Note 23)	22,645	25,000	22,417
Long - term debt (Note 20)	135,183	131,281	59,377
Less cash and cash equivalents (Note 16)	(22,643)	(26,510)	(5,797)
Net debt (a)	135,185	129,771	75,997
Total equity as per statement of financial position (b)	301,021	266,880	251,217
Total capital (a) + (b)	436,206	396,651	327,214
Gearing ratio (a) / (a) + (b)	0.31	0.33	0.23

The decrease in the gearing ratio is mainly due to the increase in earnings.

3.3 Fair value estimation

The carrying value less impairment provision of trade accounts receivable and accounts payable are similar to their fair values, as the impact of discounting is not significant. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The information used by the Company to estimate the fair value is categorized in following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

See note 10 for disclosures of the measurement of biological assets.

As of 31 December 2013, 2012 and 1 January 2012, the Company does not maintain any financial assets or liabilities measured at fair value since they are measured at the amortized cost, except for financial assets available for sale (Note 8). These investments are included in Level 3.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

4.1 Critical accounting estimates and assumptions -

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting estimates made by management are continually evaluated and are based on historical experience and other factors, including expectation of future foreseeable events that are believed to be reasonable under the circumstances. Management performs sensitivity analyses of the estimates made as a way of determining the related error margins.

The most significant use of judgment is the estimation of the fair value of biological assets, including asparagus, avocadoes, mangoes, artichokes and peppers. The inputs to the valuation models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of plantation volumes, cost per ton, depletion and the discount rate used to estimate the present values. The valuation of biological assets is described in more detail in Note 10. Management performs sensitivity analyses of the cash flow performed as a way of determining the related error margins.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Estimation of income tax- Notes 2.20, 18 and 32.

Determination of the tax obligations and expenses requires interpretations of the applicable tax laws and regulations. The Company receives advice from its professional legal tax counsel before making any decision on tax matters. Even though Management considers its estimates are prudent and appropriate, differences of interpretation may arise with Tax Authorities that may require future tax adjustments. The Company recognizes liabilities for situations observed in preliminary tax audits based on estimates as to whether the payment of additional taxes is required. When the final tax result of these situations is different from the amounts that were initially recorded, the differences are charged to the current and deferred income tax assets and liabilities in the period in which this fact is determined. The Company performed sensitivity analysis on the possibility of inappropriate interpretations of tax law. In this it has assessed the probability of error to quantify its impact on the financial statements. Where the actual final outcomes (on the judgment areas) differ by 10% from management’s estimates, the Company would need to:

	Effect on income tax		
	As of 31 December,		As of 1 January,
	2013	2012	2012
	USD	USD	USD
Decrease the income tax liability	(918)	(292)	(817)
Increase the income tax liability	918	292	817

- Estimation of fair value of biological assets - Note 2.12 and 10

To assess the fair value of biological assets the Company takes into account the criteria set out in IAS 41 and IFRS 13, which requires that a biological asset should be measured at its fair value less the estimated point-of-sale costs. The fair value indicated is determined by using the present value of net cash flows expected to be obtained from the assets. Determining the fair value of an asset requires the application of judgment to decide on the way in which biological asset will be recovered and assumptions to be used in its determination.

In this regard, to determine the fair value, Management uses estimates for plantation volumes, cost per ton and exhaustion to the point of harvest. The changes in assumptions or estimates used in the calculations could influence the outcome thereof. The growth model inputs involve estimates that are updated regularly. The fair value has been determined in US dollars and the discounted net cash flows included in estimates of management consider a discount rate determined in relation to the cost of financing of the Company (Weighted Average Cost of Capital). The Company carries out a sensitivity analysis of the biological assets taking into consideration the WACC discount, and taking into account the discount rate that the most representative companies used in the market and determines the interest rate to use as a middle point of the market rates.

Management considers that volatility levels of higher/lower than 5% would give rise to a material effect in its profits for the year. These sensitivity percentages have been determined based on the effect on profits for the year resulting of the application of the fair value of biological assets under IAS 41. The variables used in the determination of the fair values of the biological assets that may be subject to variance are: i) the forecast of revenue and costs, and ii) determination of the discount rate under WACC. With respect to the revenue and costs forecasts, it should be noted that it has been determined based on the harvest and investment forecast for the coming years, which Management considers their error margins depend on quality factors of the produce. These quality factors are monitored by Production Management through a detailed ongoing follow-up. With respect to the discount rate under WACC, its determination has been subject to sensitivity analysis in relation with comparable companies having a similar financial structure.

	Increase/ decrease rate	Effect on profit before tax
		USD
As of 1 December, 2013	+ 5%	2,348
	- 5%	(2,348)
As of 1 December, 2012	+ 5%	1,282
	- 5%	(1,282)
As of 1 January, 2012	+ 5%	1,731
	- 5%	(1,731)

- Review of long lived assets carrying amounts and impairment charges - Notes 6, 7 and 9

The Company estimates that the value of its non-financial assets will be recovered in the normal course of its operations. Its estimates are supported by assumptions regarding the international price of its products, world production levels and the estimates of future production of the Company. At the date of the financial statements the available projections of these variables show trends favorable to the interests of the Company which supports the recovery of its non-financial assets. Management performs sensitivity analyses of the impairment tests performed on its assets as a way of determining the related error margins.

4.2 Critical judgments in applying the Company's accounting policies -

- Determination of functional currency - Note 2.5

Management has determined the functional currency of the Company's principal operating entities to be the US Dollar. These entities sell their products in international markets to customers in a number of countries and sales are influenced by a number of currencies. Most operating costs are incurred in Peru but many are invoiced in US Dollars and the price of some raw materials and supplies are influenced by the US Dollar. The borrowings and cash balances of these entities are held in US Dollars. Management has used its judgment to determine the functional currency, taking into account the secondary factors and concluded that the currency that most faithfully represents the economic environment and conditions of these entities is the United States Dollar.

5 SEGMENT INFORMATION

The Company's Chief Operating Decision Maker uses product information to manage resources and to identify those production lines which may eventually cease to generate value for the Company, and based on that information, decisions are made to develop other production lines. The Company has seven operating segments which are also cash-generating units, namely asparagus, avocadoes, artichokes, peppers, mangoes, grapes and blueberries. Goodwill arising from the acquisition of Camposol S.A. was allocated to the cash generating units of asparagus and avocadoes.

The seven operating segments are engaged in producing, processing and commercializing a number of agricultural products, as fresh, preserved and frozen, which are mainly exported to European markets and the United States of America.

Disclosure of segment profit measure is made using the gross profit, which is critical in assessing the performance of each segment.

The products include asparagus, avocadoes, artichokes, peppers, mangoes, grapes and blueberries. These are further distinguished in fresh, canned and frozen products.

All production and related assets are in Peru.

The analysis of sales below is based on the country/area in which the customer is located.

	As of 31 December,	
	2013	**2012**
	USD	**USD**
Europe	105,162	98,696
USA	53,802	29,913
Canada	6,197	4,836
Asia	19,849	17,871
Other	4,688	8,645
	189,698	159,961

The following table shows revenues and gross profit by product:

	Asparagus	Avocadoes	Artichokes	Peppers	Mangoes	Grapes	Blueberries	Other	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
2013 –									
Revenues	60,259	43,574	12,740	16,789	18,494	21,051	8,749	8,042	189,698
Cost of sales	44,129	20,752	10,928	13,439	14,009	13,263	1,735	8,521	126,776
Gross profit	16,130	22,822	1,812	3,350	4,485	7,788	7,014	(479)	62,922
Gain arising from changes in fair value of biological assets	9,691	16,672	-	(291)	2,546	5,330	6,025	(302)	39,673
Current portion of biological assets	3,760	3,878	-	570	467	3,871	448	-	12,994
Non-current portion of biological assets	30,487	194,429	-	-	3,783	22,029	23,268	8,986	282,982
Finished products	12,830	686	5,248	5,568	1,222	932	-	-	26,486
Property, plant and equipment	28,006	39,495	-	3,901	7,350	5,837	478	24,195	109,262
Area (Has)	2,395	2,643	-	332	450	451	212	102	6,585
2012 –									
Revenues	65,711	29,969	10,019	14,643	14,739	18,880	207	5,784	159,961
Cost of sales	54,180	13,626	7,620	12,073	12,690	11,762	95	7,620	119,676
Gross profit	11,531	16,333	2,399	2,570	2,049	7,127	112	(1,836)	40,285
Gain arising from changes in fair value of biological assets	(1,435)	32,881	-	329	(8,949)	(4,409)	14,221	6,410	39,044
Current portion of biological assets	3,456	3,417	-	619	688	2,850	328	-	11,358
Non-current portion of biological assets	23,973	174,362	-	-	2,288	17,788	15,339	8,786	242,536
Finished products	7,736	1,268	6,557	9,536	835	616	-	-	26,548
Property, plant and equipment	28,947	40,542	-	3,942	7,585	6,024	493	21,120	108,653
Area (Has)	2,516	2,616	-	291	450	451	206	102	6,632
2011 –									
Revenues	57,323	39,533	2,209	21,687	15,926	15,050	-	3,375	155,103
Cost of sales	44,844	12,121	1,468	16,704	11,213	8,018	-	4,461	98,829
Gross profit	12,479	27,412	741	4,983	4,713	7,032	-	(1,086)	56,274
Gain arising from changes in fair value of biological assets	(638)	37,046	-	(608)	(674)	(245)	-	(259)	34,622
Current portion of biological assets	4,683	2,707	-	79	1,212	4,365	-	-	13,046
Non-current portion of biological assets	28,765	132,629	-	-	9,805	20,290	-	1,526	193,015
Finished products	13,306	845	1,443	7,811	406	265	-	4	24,076
Property, plant and equipment	27,067	34,173	-	3,538	6,062	5,223	-	20,009	96,072
Area (Has)	2,633	2,488	-	294	415	451	-	102	6,383

The following table shows revenues and gross profit by customer:

	Major 10 customers	Major 11 to 20 customers	Major 21 to 28 customers	Other customers	Total
	USD	USD	USD	USD	USD
31 December 2013					
Revenues	102,602	26,891	14,053	46,152	189,698
Gross profit	38,342	11,890	5,353	7,337	62,922
31 December 2012					
Revenues	91,265	20,018	9,950	38,728	159,961
Gross profit	24,464	5,020	2,684	8,117	40,285

Gross profit by type of produce is as follows:

	As of 31 December,					
	2013			2012		
	Revenue	Cost of sales	Gross profit	Revenue	Cost of sales	Gross profit
	USD	USD	USD	USD	USD	USD
Fresh	100,100	(51,293)	48,807	72,305	(42,292)	30,012
Preserved	66,454	(55,206)	11,248	64,436	(55,394)	9,042
Frozen	17,607	(12,825)	4,782	18,344	(14,614)	3,730
Others	5,537	(7,452)	(1,915)	4,876	(7,375)	(2,499)
	189,698	(126,776)	62,922	159,961	119,676	40,285

6 PROPERTY, PLANT AND EQUIPMENT

The movement of the cost and the accumulated depreciation of property, plant and equipment are as follows:

	Opening balance	Additions	Retirements	Adjust-ments	Transfers	Closing balance	Carrying amount
	USD	USD	USD	USD	USD	USD	USD
2013							
Cost							
Land	27,837	-	-	-	2,388	30,225	-
Buildings and other constructions	27,166	179	(1)	1,595	5,745	34,684	-
Plant and equipment	65,966	860	-	(2,178)	7,098	71,746	-
Furniture, fixtures and other equipment	8,557	2,332	(24)	185	-	11,050	-
Vehicles	4,424	166	(411)	(309)	-	3,870	-
Construction in progress	15,915	4,617	-	1,392	(15,231)	6,693	-
	149,865	8,154	(436)	685	-	158,268	-
Accumulated depreciation							
Land	-	-	-	-	-	-	30,225
Buildings and other constructions	(4,189)	(1,020)	-	-	1	(5,208)	29,476
Plant and equipment	(30,324)	(5,736)	-	-	(134)	(36,194)	35,552
Furniture, fixtures and other equipment	(3,626)	(953)	2	-	(1)	(4,578)	6,472
Vehicles	(3,073)	(436)	349	-	134	(3,026)	844
Construction in progress	-	-	-	-	-	-	6,693
	(41,212)	(8,145)	351	-	-	(49,006)	109,262
2012							
Cost							
Land	27,432	405	-	-	-	27,837	-
Buildings and other constructions	24,740	54	-	45	2,327	27,166	-
Plant and equipment	54,182	582	-	1,719	9,483	65,966	-
Furniture, fixtures and other equipment	6,264	2,256	-	37	-	8,557	-
Vehicles	3,811	702	(207)	118	-	4,424	-
Construction in progress	14,326	11,561	(7)	1,845	(11,810)	15,915	-
	130,755	15,560	(214)	3,764	-	149,865	-
Accumulated depreciation							
Land	-	-	-	-	-	-	27,837
Buildings and other constructions	(3,464)	(725)	-	-	-	(4,189)	22,977
Plant and equipment	(25,553)	(4,771)	-	-	-	(30,324)	35,642
Furniture, fixtures and other equipment	(2,966)	(660)	-	-	-	(3,626)	4,931
Vehicles	(2,700)	(537)	164	-	-	(3,073)	1,351
Construction in progress	-	-	-	-	-	-	15,915
	(34,683)	(6,693)	164	-	-	(41,212)	108,653

2012	**Opening balance**		
	Cost	**Accumulated depreciation**	**Carrying amount**
	USD		USD
Land	27,432	-	27,432
Buildings and other constructions	24,740	(3,464)	21,276
Plant and equipment	54,182	(25,553)	28,629
Furniture, fixtures and other equipment	6,264	(2,966)	3,298
Vehicles	3,811	(2,700)	1,111
Construction in progress	14,326	-	14,326
	130,755	(34,683)	96,072

a) As of 31 December 2013 the Company made acquisitions amounting to USD1,922 relating to the construction and installation of the calibrator of avocadoes; USD1,824 in respect of additional works of frozen ground; USD 1,876 related to the purchase machinery and equipment; USD896 in relation to the expansion of offices; USD 908 related to plum, grapes and mangoes; USD 603 of irrigation equipment and USD 125 in relation to the purchase of vehicles for the administration. As of 31 December 2012 the Company mainly made acquisitions amounting to USD 7,257 related to the construction of the freezing plant; USD 3,486 related to the purchase machinery and equipment; USD300 related to the expansion of offices and systems; USD2,062 related to plum and grapes; USD1,955 related to irrigation equipment; USD500 related to the purchase of vehicles for administration.

b) As of 31 December 2013 the gain on disposal of property, plant and equipment amounts to USD249 (gain of USD397 as of December 2012). The net book value of assets disposed during 2013 amounts to USD85 (USD50 as of 31 December 2012).

c) As of 31 December 2013, property, plant and equipment include fixed assets acquired under finance leases for USD6,600 (USD8,000 in 31 December 2012) net of their corresponding cumulative depreciation, which are secured on the same assets.

d) At 31 December 2013 the adjustments correspond to the reclassification of materials amounting to USD1,270 related to the constructions of irrigation infrastructure and USD585 corresponding to the negative variation of permanent investments for the year. The other adjustments in land, buildings and other constructions, plant and equipment, other equipment and vehicles correspond to the reclassifications for presenting the fixed assets in the corresponding category according to their nature. At 31 December 2012 the adjustments correspond to the increase in balances by USD1,920 that resulted from leaseback on machinery and equipment, the reclassification of materials amounting to USD963 related to the constructions of the frozen plant and USD881 corresponding to the variation of permanent investments for the year.

e) As of 31 December 2013, property, plant and equipment are insured up to a value of USD40,000 (USD 40,000 in 31 December 2012). Management believes that this policy is consistent with international practices in the industry and takes into account the risk of eventual losses due to the nature of the assets.

f) The allocation of depreciation charge is as follows:

	2013	**2012**
	USD	**USD**
Cost of sales (Note 25)	7,464	5,978
Selling expenses (Note 26)	-	5
Administrative expenses (Note 27)	681	710
Total	8,145	6,693

g) Bank borrowings are secured by fixed assets the value of which amounts to USD27,000 in 31 December 2013 (USD47,000 in 31 December 2012, USD60,000 in 1 January 2012) (Note 20).

h) An independent valuation of the Company’s land, buildings and other constructions and plant and equipment was performed by appraisers to determine the fair value of the land and buildings as at 31 December 2013 and 2012.

	As of 31 December		As of 1 January
	2013	2012	2012
	USD	USD	USD
Land	86,140	83,752	83,347
Buildings and other constructions	30,037	23,584	21,837
Plant and equipment	45,085	45,175	38,162
	161,262	152,511	143,346

Buildings and other constructions include the industrial building at a fair value of USD607. Fair values of other assets included in buildings and other constructions are similar to their carrying amounts.

Plant and equipment include irrigation equipment at fair value of USD20,333. Fair values of other assets included in plant and equipment are similar to their carrying amounts.

Valuation processes of the Company -

On an annual basis, the Company engages external, independent and qualified valuers to determine the fair value of the Company's land, buildings and other constructions and plant and equipment. The fair values of the land, buildings and other constructions and plant and equipment have been determined by TINSA S.A.C.

The external valuations of the level 3 land and buildings have been performed using unobservable inputs. The external appraisers, has determined these inputs based on the size, age and condition of the land, buildings and other constructions and plant and equipment, the state of the local economy and comparable prices in the corresponding national economy.

At 31 December 2013 and 2012 valuation inputs for land, buildings and other constructions and plant and equipment correspond to level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Company	Principal activity	Country of incorporation	As of 31 December 2013	2012	As of 1 January 2012
			USD	USD	USD
Marinazul S.A.	Shrimp farming	Peru	6,861	6,861	6,861
Marinasol S.A.	Fish canning	Peru	4,295	4,295	4,295
Campoinca S.A.	Agriculture	Peru	1,610	1,610	1,610
Camposol Europa S.L.	Distribution	Spain	4,688	4,688	647
Sociedad Agrícola Las Dunas S.R.L.	Agriculture	Peru	-	-	350
Empresa de Frutos Tropicales S.A.C.	Agriculture	Peru	600	600	600
Prodex S.A.C.	Agriculture	Peru	200	200	200
Balfass S.A.	Agriculture	Peru	-	-	51
Vegetales del Norte S.A.C.	Agriculture	Peru	2	2	2
Muelles y Servicios Paita S.A.C.	Services	Peru	1	1	1
Persea, Inc	Holding	Netherlands	8	8	-
Preco Precio Económico S.A.C.	Retail	Peru	-	-	1,001
Total			18,265	18,265	15,618
Provision by impairment			(5,027)	(5,332)	(6,399)
			13,238	12,933	9,219

The Company has not prepared consolidated financial statements with these entities, because it is an intermediate subsidiary of Camposol Holding PLC, who prepares consolidated financial statements, and do not have minority shareholders.

Movement in the allowance for investments in associates:

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January, 2012 USD
Opening balance	(5,332)	(6,399)	(5,514)
Gain (loss) recognized under the equity method (a)	305	66	(238)
Write-off		1,001	-
Impairment (b)	-	-	(647)
Balance at the end of the year	(5,027)	(5,332)	(6,399)

a) On 30 September, 2006 Camposol S.A. participated in the incorporation of Empacadora de Frutos Tropicales S.A.C. (Empafrut), a Peruvian company engaged in the processing and commercialization of fresh fruits products, mainly mangoes. The cost of the investment was USD600.

   The Company's share in the 2013 income of this company amounted to USD305 (USD66 in 31 December 2012 and USD111 in 1 January 2012).

   The summarized financial information for this associate for the year is as follows:

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January, 2012 USD
Total assets	5,098	2,992	2,491
Total liabilities	2,938	1,439	1,185
Total revenue	3,806	3,010	4,267
Gain (loss) for the year	813	258	278
Total equity	2,160	1,553	1,306

b) In December 2011, the Company decided to impair the entire investment in Camposol Europa S.L. (an associate) because it has obtained a negative equity of USD 806,000.

c) During 2012, the dormant subsidiaries Preco Precio Económico S.A.C., Sociedad Agricola Las Dunas S.R.L. and Balfass S.A. were liquidated. These entities did not have operations leading to the generation of any income or expenses in 2012 and 2011.

d) The subsidiary Persea, Inc was incorporated in August 2012.

8 FINANCIAL ASSETS AVAILABLE FOR SALE

During 2012, the Company acquired 2,613,130 shares in its Parent Company, Camposol Holding PLC, listed on the Oslo Stock Exchange until 20 December 2013. Each share was acquired at an average price of USD3.82. The total amount paid amounted to USD9,973,283 and the unrealized earnings arising from the changes in the quoted price amounting to USD1,297,430 was recognized in other comprehensive income, net of the related deferred income tax of USD194,615 (Note 18).

On 21 October 2013, the Company accepted an Offer to sell the shares receiving a total amount of USD 10,930,819. The gain on disposal of shares amounted to USD 957,536 is recognized as Gain attributable to subsidiary in the statement of comprehensive income. The unrealized earnings of US$1,297,430, net of the related deferred income tax of US$194,615 were reversed in other comprehensive income.

9 INTANGIBLE ASSETS

The movement of the cost and the accumulated amortization of intangible assets is as follows:

	Opening balance	Additions	Closing balance	Carrying amount
	USD	USD	USD	USD
2013				
Cost				
Software	4,317	413	4,730	-
Others	158	-	158	-
	4,475	413	4,888	-
Accumulated amortization				
Software	1,504	471	1,975	2,755
Others	4	-	4	154
	1,508	471	1,979	2,909
2012				
Cost				
Software	4,088	229	4,317	-
Others	158	-	158	-
	4,246	229	4,475	-
Accumulated amortization				
Software	1,087	417	1,504	2,813
Others	4	-	4	154
	1,091	417	1,508	2,967

	Opening balance	Carrying amount
	USD	USD
2012		
Cost		
Software	4,088	-
Others	158	-
	4,246	-
Accumulated amortization		
Software	1,087	3,001
Others	4	154
	1,091	3,155

The amortization of software was charged to administrative expenses (Note 27) by USD 463 (USD410 for 2012) and to cost of sales (Note 25) by USD 8 (USD7 for 2012) in the separate statement of comprehensive income.

10 BIOLOGICAL ASSETS

The Company measures the value of agricultural plants using the expected cash flows for the production of each of its biological assets.

The movement for the period in the fair value of biological assets is as follows:

	Opening balance		Additions and deductions		Closing balance			
	Area	Market value	Area	Market value (Note 31)	Area	Final balance	Less current portion	Non current portion
	Has	USD	Has	USD	Has	USD	USD	USD
31 December 2013 -								
Asparagus	2,516	27,429	(121)	6,818	2,395	34,247	(3,760)	30,487
Avocadoes	2,616	177,779	27	20,528	2,643	198,307	(3,878)	194,429
Mangoes	450	2,976	-	1,274	450	4,250	(467)	3,783
Peppers	291	619	41	(49)	332	570	(570)	-
Grapes	451	20,638	-	5,262	451	25,900	(3,871)	22,029
Tangerines	102	8,786	-	200	102	8,986	-	8,986
Blueberries	206	15,667	6	8,049	212	23,716	(448)	23,268
	6,632	253,894	(47)	42,082	6,585	295,976	(12,994)	282,982
31 December 2012 -								
Asparagus	2,633	33,448	(117)	(6,019)	2,516	27,429	(3,456)	23,973
Avocadoes	2,488	135,336	128	42,446	2,616	177,779	(3,417)	174,362
Mangoes	415	11,017	35	(8,041)	450	2,976	(688)	2,288
Peppers	294	79	(3)	540	291	619	(619)	-
Grapes	451	24,655	-	(4,017)	451	20,638	(2,850)	17,788
Tangerines	102	1,526	-	7,260	102	8,786	-	8,786
Blueberries	-	-	206	15,667	206	15,667	(328)	15,339
	6,383	206,061	249	47,836	6,632	253,894	(11,358)	242,536
1 January 2012 -								
Asparagus	2,633	37,932	-	(4,484)	2,633	33,448	(4,683)	28,765
Avocadoes	2,488	93,103	-	42,233	2,488	135,336	(2,707)	132,629
Mangoes	415	11,342	-	(325)	415	11,017	(1,212)	9,805
Peppers	510	1,462	(216)	(1,383)	294	79	(79)	-
Grapes	420	21,093	31	3,562	451	24,655	(4,365)	20,290
Tangerines	102	1,128	-	398	102	1,526	-	1,526
	6,568	136,060	(185)	40,001	6,383	206,061	(13,046)	193,015

The net effect of the IAS 41 fair value adjustment is USD39,673 (USD39,044 in 2012 and USD34,662 in 2011), and is determined as follows:

	Asparagus	Avocadoes	Mangoes	Peppers	Grapes	Tangerines	Blueberries	Total
	USD	USD	USD	USD	USD	USD	USD	USD
2013								
Change in market value	6,818	20,529	1,274	(49)	5,262	200	8,049	42,083
Net cost of permanent plantations and maintenance	2,873	(3,857)	1,272	(242)	68	(500)	(2,024)	(2,410)
Change arising from change In fair value of biological assets	9,691	16,672	2,546	(291)	5,330	(300)	6,025	39,673
2012								
Change in market value	(6,019)	42,446	(8,041)	540	(4,017)	7,260	15,667	47,836
Net cost of permanent plantations and maintenance	4,584	(9,565)	(908)	(211)	(392)	(851)	(1,446)	(8,792)
Change arising from change In fair value of biological assets	(1,435)	32,881	(8,949)	329	(4,409)	6,409	14,221	39,044
2011								
Change in market value	(4,484)	42,233	(325)	(1,383)	3,562	398	-	40,001
Net cost of permanent plantations and maintenance	3,846	(5,187)	(349)	775	(3,807)	(657)	-	(5,379)
Change arising from change In fair value of biological assets	(638)	37,046	(674)	(608)	(245)	(259)	-	34,662

The main assumptions used to estimate the fair values of biological assets were as follows:

Asparagus:
- 53 plots in Agromás, Pur Pur, Mar Verde, Gloria, Agricultor, Aeropuerto, Oasis, San Jose, Sincromax, Terra and Yakuy Minka. (55 plots in 2012 and 61 plots in 2011)
- Plots have a useful life of 10 years for 2013, 2012 and 2011.
- Each harvest cycle lasts 6 months for 2013, 2012 and 2011.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 1 year from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Avocadoes:
- 56 plots in Frusol, Agromás and Yakuy Minka. (54 plots in 2012 and 51 plots in 2011)
- Plots have a useful life of 20 years for 2013, 2012 and 2011.
- Every harvest cycle lasts 1 year 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 3 years from planting 2013, 2012 and 2011.
- Discount rate of 11.9% for 2013 (10.7% for 2012 and 2011).

Mangoes:
- 9 plots in Atypsa, Balfass and Dunas (9 plots in 2012 and 8 plots in 2011).
- Plots have a useful life of 20 years for 2013, 2012 and 2011.
- Every harvest cycle lasts 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 3 years from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Grapes:
- 14 plots in Agroalegre (14 plots in 2012 and 2 plots in 2011).
- The plots have a useful life of 20 years for 2013, 2012 and 2011.
- Each harvest cycle last 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 1 year from planting 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Peppers:
- 13 plots lands from Terra (6 plots in 2012 and 2011).
- The plots have a useful life of 8 month for 2013, 2012 and 2011.
- Each harvest cycle last 8 months including preparation, maintenance and harvest 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Blueberries:
- 5 plots in Oro Azul and Yakuy Minka (4 plots in 2012).
- The plots have a useful life of 13 years for 2013 and 2012.
- Each harvest cycle last 1 year for 2013 and 2012.
- Assumes reduction of 45% of production in year 2018 due to the “Fenómeno del Niño” 2013, 2012 and 2011.
- Plots have their first harvest after 2 years from planting 2013 and 2012.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

Tangerines:
- 4 plots in Yakuy Minka (2 plots in 2012 and 2011).
- The plots have a useful life of 20 years for 2013, 2012 and 2011.

- Each harvest cycle last 1 year for 2013, 2012 and 2011.
- Assumes reduction of 80% of production in year 2018 due to the “Fenómeno del Niño”.
- Plots have their first harvest after 3 years from planting for 2013, 2012 and 2011.
- Discount rate of 10.9% for 2013 (10.7% for 2012 and 2011).

The following table demonstrates the sensitivity to a reasonably possible change in the projected production, with all other variables held constant, on the Company’s pre-tax profit:

Increase/ decrease production rate	**Effect on profit before tax**
	USD
31 December 2013	
+2%	9,403
-2%	(9,402)
31 December 2012	
+2%	9,725
-2%	(9,725)
1 January 2012	
+2%	8,178
-2%	(8,172)

The following table demonstrates the sensitivity to a reasonably possible change in the projected prices for each biological asset, with all other variables held constant, on the Company’s pre-tax profit:

Increase/ decrease prices	**Effect on profit before tax**
	USD
31 December 2013	
+2%	10,398)
-2%	(10,398)
31 December 2012	
+2%	10,192)
-2%	(10,192)
1 January 2012	
+2%	8,729)
-2%	(8,724)

The following table demonstrates the sensitivity to a reasonably possible change in the projected maintenance costs of growing and harvesting, with all other variables held constant, on the Company’s pre-tax profit:

Increase/ decrease costs	**Effect on profit before tax**
	USD
31 December 2013	
+2%	(5,333)
-2%	5,228)
31 December 2013	
+2%	(5,262)
-2%	5,262)
1 January 2012	
+2%	(4,358)
-2%	4,358)

The reconciliation of the fair value of the biological assets within level 3 of the hierarchy is as follows:

	Asparagus	Avocadoes	Mangoes	Peppers	Grapes	Tangerines	Blueberries	Total
	USD	USD	USD	USD	USD	USD	USD	USD
31 December 2013								
Initial balance of fair value	24,681	170,975	6,257	619	16,086	5,459	16,419	240,496
Harvest	(5,251)	(9,707)	(527)	(708)	(1,861)	(179)	(845)	(19,078)
Price change	17,997	3,784	65	192	1,262	1,832	(2,244)	22,888
Change in fair value due to biological transformation	(2,193)	7,965	(1,545)	-	10,413	1,873	272	16,785
New plantings	(987)	25,291	-	467	-	-	10,114	34,885
Final balance of fair value	34,247	198,308	4,250	570	25,900	8,985	23,716	295,976
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	9,691	16,672	2,546	(291)	5,330	(300)	6,025	39,673
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period	15,804	35,985	(1,480)	192	11,675	3,705	7,857	73,738
31 December 2012								
Initial balance of fair value	33,448	135,336	11,017	79	24,655	1,526	-	206,061
Harvest	(6,548)	(4,639)	(1,574)	(550)	(1,620)	(29)	-	(14,960)
Price change	3,201	27,673	(6,356)	79	903	7,278	-	32,778
Change in fair value due to biological transformation	(1,302)	10,976	(119)	-	(3,300)	11	-	6,266
New plantings	(1,370)	8,433	8	1,011	-	-	15,667	23,749
Final balance of fair value	27,429)	177,779	2,976	619	20,638	8,786	15,667	253,894
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	(1,435)	32,878	(8,950)	329	(4,410)	6,408	14,224	39,044
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,899	45,050	(6,475)	1,090	(2,397)	7,289	-	46,456
1 January 2012								
Initial balance of fair value	37,932	93,103	11,343	1,461	21,093	1,128	-	166,060
Harvest	(6,110)	(2,697)	(1,516)	(2,399)	(819)	-	-	(13,541)
Price change	3,079	40,597	478	1,648	16,908	398	-	63,108
Change in fair value due to biological transformation	(1,453)	(16,988)	712	-	(14,028)	-	-	(31,757)
New plantings	-	21,321	-	(631)	1,501	-	-	22,191
Final balance of fair value	33,448	135,336	11,017	79	24,655	1,526	-	206,061
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period, under 'Change in fair value of biological assets'	(638)	37,046	(674)	(608)	(245)	(259)	-	34,622
Change in unrealized gains or losses for the period included in profit or loss for assets held at the end of the reporting period	1,626	44,362	1,190	1,648	2,880	398	-	52,104

At 31 December 2013 and 2012 biological assets are included in the Level 3 of the hierarchy defined in Note 3.3. There were no transfers between any levels during the year.

The following unobservable inputs were used to measure the Company's biological assets:

Description	Fair value at 31 December 2013 USD	2012 USD	2011 USD	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
Asparagus plantation	34,247	27,429	33,448	Discounted cash flows	Crop yield - tonnes Per hectare (white)	4.1 - 7.7 (7.3) per year	The higher the crop yield, the higher the fair value
					Crop yield - tonnes Per hectare (green)	2.7 - 6.4 (5.7) per year	The higher the crop yield, the higher the fair value
					White asparagus price	1,402 -1,163 per tonne	The higher the market price, the higher the fair value
					Green asparagus price	901 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Avocadoes plantation	198,307	177,782	135,336	Discounted cash flows	Crop yield - tonnes Per hectare	3.7 –18.2 (11) per year	The higher the crop yield, the higher the fair value
					Avocadoes price	1.231 - 0.951 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (11.9%)	The higher the discount rate, the lower the fair value
Mangoes plantation	4,250	2,976	11,017	Discounted cash flows	Crop yield - tonnes Per hectare	3.5 –25 (23.1) per year	The higher the crop yield, the higher the fair value
					Mangoes price	433 - 392 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Peppers plantation	570	619	79	Discounted cash flows	Crop yield - tonnes Per hectare	30 per year	The higher the crop yield, the higher the fair value
					Peppers price	456 -480 (468) per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Grapes plantation	25,900	20,638	24,655	Discounted cash flows	Crop yield - tonnes Per hectare	12.5 - 25 (25) per year	The higher the crop yield, the higher the fair value
					Grapes price	1,273 - 1,303 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Tangerines plantation	8,985	8,786	1,526	Discounted cash flows	Crop yield - tonnes Per hectare	10 - 60 (21.5) per year	The higher the crop yield, the higher the fair value
					Tangerines price	561 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value
Blueberries plantation	23,716	15,667	-	Discounted cash flows	Crop yield - tonnes Per hectare	1.4 - 15 (0.4) per year	The higher the crop yield, the higher the fair value
					Blueberries price	5,995 – 4,561 per tonne	The higher the market price, the higher the fair value
					Discounted rate	9.9% - 12.1% (10.9%)	The higher the discount rate, the lower the fair value

11 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per the statement of financial position as of 31 December 2013, 2012 and 1 January 2012 are as follows:

	Loans and Receivables USD	Available for sale USD	Total USD
31 December 2013			
Trade accounts receivable			
Cash and cash equivalents (Note 16)	22,643	-	22,643
Trade accounts receivable (Note 15)	53,154	-	53,154
Accounts receivable from related parties (Note 34)	13,263	-	13,263
Other accounts receivable (Note 14 excluding prepayments and statutory obligations)	2,681	-	2,681
	91,741	-	91,741

	Loans and Receivables	Available for sale	Total
	USD	USD	USD
31 December 2012			
Trade accounts receivable			
Cash and cash equivalents (Note 16)	26,510	-	26,510
Trade accounts receivable (Note 15)	39,152	-	39,152
Accounts receivable from related parties (Note 34)	8,016	-	8,016
Other accounts receivable (Note 14 excluding prepayments and statutory obligations)	2,139	-	2,139
Financial assets available for sale (Note 7)	-	8,676	8,676
	75,817	8,676	84,493
1 January 2012			
Trade accounts receivable			
Cash and cash equivalents (Note 16)	5,797	-	5,797
Trade accounts receivable (Note 15)	34,509	-	34,509
Accounts receivable from related parties (Note 34)	2,177	-	2,177
Other accounts receivable (Note 14) excluding prepayments and statutory obligations)	1,190	-	1,190
	43,673	-	43,673

Financial liabilities as per the statement of financial position as of 31 December 2012 and 2011 are as follow:

	Other financial liabilities
	USD
31 December 2013	
Trade accounts payable (Note 21)	57,081
Other accounts payable (Note 22 excluding statutory liabilities and non-financial liabilities)	10,742
Accounts payable to related parties (Note 34)	3,062
Bank loans (Note 23)	22,645
Long-term debt (Note 20)	135,183
	228,713
31 December 2012	
Trade accounts payable (Note 21)	50,600
Other accounts payable (Note 22 excluding statutory liabilities and non-financial liabilities)	11,204
Accounts payable to related parties (Note 34)	877
Bank loans (Note 23)	25,000
Long-term debt (Note 20)	131,281
	218,962
1 January 2012	
Trade accounts payable (Note 21)	37,712
Other accounts payable (Note 22 excluding statutory liabilities and non-financial liabilities)	5,935
Accounts payable to related parties (Note 34)	498
Bank loans (Note 23)	22,417
Long-term debt (Note 20)	59,377
	125,939

12 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of the trade accounts receivable can be assessed by reference to historical information about counterparties default rates:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Trade accounts receivable			
New costumers (less than 6 months as a costumer)	2,171	-	-
Existing customers (more than 6 months) without non-compliance in the past	48,506	38,778	34,376
Existing customers (more than 6 months) with some non-compliance in the past	2,477	374	133
	53,154	39,152	34,509
Other accounts receivable			
Existing customers (more than 6 months) without non-compliance in the past	2,681	2,139	1,190

See quality of bank balances in Note 16.

13 INVENTORIES

This item includes:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Finished products:			
- Artichokes	5,248	6,557	1,443
- Asparagus	12,830	7,736	13,306
- Peppers	5,568	9,536	7,811
- Avocadoes	686	1,268	845
- Mangoes	1,222	835	406
- Grapes	932	616	265
Products in process	379	838	115
Supplies	8,884	6,960	5,236
Packs	11,867	7,523	7,538
Seeds, seedlings and others	1,435	1,243	1,254
In-transit raw material and supplies	1,745	2,018	980
Other	482	385	4
	51,278	45,515	39,203
Provision for obsolescence of inventories	(868)	(1,484)	(2,066)
	50,410	44,031	37,137

As of 31 December 2013, 2012 and 1 January 2012 the Company has not pledged its inventories as guarantee on liabilities.

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Movement in the allowance for obsolescence of inventories:			
Opening balance	(1,484)	(2,066)	(1,530)
Additions (Note 29)	(1,218)	(1,010)	(1,221)
Write-off	1,834	1,592	708
Adjustments	-	-	(23)
Balance at the end of the year	(868)	(1,484)	(2,066)

14 OTHER ACCOUNTS RECEIVABLE

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Drawback import duties	1,892	1,754	1,135
Value added tax	2,005	3,443	1,681
Prepayments to suppliers	376	598	466
Loans to third parties	342	443	193
Claims to insurance entities	221	245	205
Due from employees	146	132	138
Doubtful accounts	210	362	357
Other	1,972	1,319	654
	7,164	8,296	4,829
Less:			
Provision for impairment of other accounts receivable	(210)	(362)	(357)
	6,954	7,934	4,472

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Movement in the provision for impairment of accounts receivable:			
Opening balance	(362)	(357)	(353)
Write-off	145	-	-
Adjustments	7	(5)	(4)
Balance at the end of the year	(210)	(362)	(357)

Other accounts receivable are current and are not impaired.

The drawback (import duty refund) recovered during 2013 was USD7,121 (USD6,243 during 2012)(Note 25). Receivables from employees are not interest-bearing and are unsecured.

15 TRADE ACCOUNTS RECEIVABLE

This item includes:

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Third parties	42,271	35,544	30,033
Subsidiaries and related companies (Note 34)	15,358	8,181	9,077
	57,629	43,725	39,110
Less:			
Provision for impairment of trade accounts receivable	(4,475)	(4,573)	(4,601)
	53,154	39,152	34,509

Trade accounts receivable mainly comprise invoices for the sale of fresh, preserved and frozen products. Turnover ranges between 90 and 180 days and are not interest-bearing.

Trade accounts receivable in foreign currency amounts to USD14,597, USD59 and USD27 (in 31 December 2012: USD7,949, USD116 and USD1,672, in 1 January 2012: USD6,796, USD1 and USD210) in Euros, Pounds and Nuevo Sol, respectively.

The movement of the provision for impairment of trade accounts receivable is as follows:

	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Opening balance	(4,573)	(4,601)	(4,686)
Additions (Note 29 and 31)	-	-	(90)
Recoveries (Note 29)	1	39	212
Write-Off	110	-	-
Adjustments	(13)	(11)	(37)
Balance at the end of the year	(4,475)	(4,573)	(4,601)

The Company does not ask for collaterals to secure the full collection of its trade accounts receivable.

As of 31 December 2013, 31 December 2012 and as of 1 January 2012, the accounts provided for have more than one year past due.

As of 31 December 2013, 31 December 2012 and as of 1 January 2012, the aging analysis of trade accounts receivable is as follows:

	Total USD	Current USD	31-90 days USD	91-180 days USD	181-360 days USD	More than 361 days USD
At 31 December 2013	53,154	42,256	7,502	1,373	1,880	143
At 31 December 2012	39,152	31,759	7,241	-	-	152
At 1 January 2012	34,509	28,036	6,345	-	-	128

As of 31 December 2013, trade receivables of USD143 (USD152 in 31 December 2012 and USD128 in 1 January 2012) were past due but not impaired. These accounts are past due for more than a year; therefore, no provision for impairment on these accounts has been accounted for. As of 31 December 2013, trade accounts receivable of USD4,475 (USD4,573 in 31 December 2012 and

USD4,601 in 1 January 2012) are impaired; for which the Company has recognized a provision for impairment. The individually impaired accounts relate to customers who are in unexpected difficult economic situations or and under litigation. These accounts are past due for more than a year.

As of 31 December 2012 and 1 January 2012, these impaired customers have not pledged any security for their debt.

The fair value of trade accounts receivable approximates their carrying amounts due to their short-term maturities.

16 CASH AND CASH EQUIVALENTS

This item includes:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Cash	18	14	11
In-transit remittances	-	476	-
Bank current accounts	16,401	7,908	5,786
Time deposits	-	5,000	-
Short-term investments	6,224	13,112	-
	22,643	26,510	5,797

The Company's bank current accounts amounts to USD12,068 USD3,160 and USD1,173 (in 2012 USD4,379 USD2,812 and USD717 in 2011 USD3,881 USD1,828 and USD77) in U.S. Dollars, Nuevo Sol and Euros, respectively.

The time deposits comprise balance in banks with maturities of less than three months. At 31 December 2013 the time deposits have generated interest for USD36 (USD364 at 31 December 2012) (Note 30). Their credit classification is as follows:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Bank deposits			
(counterparties with external credit rating)			
Classification AAA	-	2,023	-
Classification A+	17,034	22,908	1,960
Classification A	5,589	1,086	3,750
Others	2	3	76
	22,625	26,020	5,786

The balances above do not include the balance of cash in hand and in-transit remittances.

17 SHAREHOLDERS' EQUITY

Share capital -

Authorized and fully paid shares	PEN	USD
473,766,641 ordinary shares of PEN 1 each	473,767	159,717

The Peruvian General Corporate Law provides that no less than 10 percent of the distributable income of each fiscal year, net of the income tax, must be transferred to a legal reserve until it equals 20% of the capital stock. Its legal reserve may offset losses or be capitalized with the obligation, in both cases, to replenish it.

Legal reserve -

In accordance with the Peruvian Corporate Law, the legal reserve is created through the transfer of 10% of the net income for the year, up to a maximum of 20% of the paid-up capital. The legal reserve can be used to offset losses in absence of non-distributed earnings or non-restricted reserves and should be restored with future earnings. This reserve may be capitalized but also has to be restored.

Other reserves -

The balance of this account comprises unrealized losses that resulted from changes price in the quoted price of available-for-sale financial assets (Note 8), net of deferred income tax (Note 18).

Dividend distribution -

Dividends to be distributed to shareholders other than legal domiciled corporations are subject to an income tax of 4.1% to be assumed by such shareholders. However, such a tax should be withheld and settled by the Company.

There are no restrictions to repatriate dividends to foreign investors.

18 DEFERRED INCOME TAX

The movement in the deferred income tax is as follows:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Opening balance	30,113	23,596	13,251
Expense for the year (Note 32)	9,004	6,712	7,937
Adjustment	-	-	2,408
Other comprehensive income (Note 7)	195	(195)	-
	39,312	30,113	23,596

Deferred tax relates to the following items:

	Opening Balance	Income statement	Equity	Closing balance
	USD	USD	USD	USD
31 December 2013 -				
Deferred tax assets -				
Tax losses carried-forward	9,009	(3,037)	-	5,972
Loss on investments in associates	800	(46)	-	754
Provisions	1,504	(785)	-	719
Change in fair value of available for sale	195	-	(195)	-
Other	-	439	-	439
	11,508	(3,429)	(195)	7,884

	Opening Balance	Income statement	Equity	Closing balance
	USD	USD	USD	USD
Deferred tax liabilities -				
Fair value of biological assets	34,835	5,896	-	40,940
Fair value of fixed assets	6,153	(236)	-	5,917
Differences in depreciation rates	360	(21)	-	339
Other	64	(64)	-	-
	41,621	5,575	-	47,196
	30,113	9,004	195	39,312
31 December 2012 -				
Deferred tax assets -				
Tax losses carried-forward	6,855	2,154	-	9,009
Loss on investments in associates	961	(161)	-	800
Provisions	1,258	246	-	1,504
Change in fair value of available for sale	-	-	195	195
	9,074	2,239	195	11,508
Deferred tax liabilities -				
Fair value of biological assets	24,146	10,898	-	35,044
Fair value of fixed assets	6,388	(235)	-	6,153
Differences in depreciation rates	1,041	(681)	-	360
Other	1,095	(1,031)	-	64
	32,670	8,951	-	41,621
	23,596	6,712	(195)	30,113

	Opening Balance	Income statement	Adjustments	Closing balance
	USD	USD	USD	USD
1 January 2012 -				
Deferred tax assets -				
Tax losses carried-forward	7,286	(431)	-	6,855
Loss on investments in associates	827	134	-	961
Provisions	1,119	139	-	1,258
	9,232	(158)	-	9,074
Deferred tax liabilities -				
Fair value of biological assets	16,493	7,653	-	24,146
Fair value of fixed assets	4,215	(235)	2,408	6,388
Differences in depreciation rates	865	176	-	1,041
Other	910	185	-	1,095
	22,483	7,779	2,408	32,670
	13,251	7,937	2,408	23,596

The deferred income tax from tax losses carried-forward can be applied to taxable income to be generated in the following years:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
2014	2,305	3,583	1,825
2015	947	3,387	5,030
2016	2,720	2,039	-
	5,972	9,009	6,855

Tax losses can be carried forward by choosing one of the two tax-loss offsetting regimes available; by one of them, tax losses may be carried forward over 4 consecutive years after the year in which they have been obtained and then they expire; by the second offsetting regime; tax losses are offset at a 50% of the taxable income obtained year after year and they do not expire. The Company has selected the first regime; and at the reporting date, based on Management's estimate of its future tax losses, no tax loss would expire.

19 WORKERS PROFIT SHARING

In accordance with Peruvian legislation, the Company shall provide for worker's profit sharing equivalent to 10% of taxable income of each year. The amount of the workers' profit sharing must be paid during the second quarter of the following year of its determination (Note 2.22).

20 LONG-TERM DEBT

The following table presents the components of this caption as of the statement of financial position. All debts are obtained in United States Dollars:

Creditor and type of debt	Collateral	Annual Interest Rate and Maturity	As of 31 December, 2013 USD	As of 31 December, 2012 USD	As of 1 January 2012 USD
Bonds	Camposol Holding PLC, Marinazul S.A. and Campoinca S.A.	9.875% per year with installments payable until 2017	122,303	121,598	-
Banco Interbank, to finance Civil works of Stage I freezing plant		5.5% per year with 20 installments every three months until 2017	1,126	-	-
Banco Interbank, to the finance the capital expenditure	The Company´s fixed assets (e)	8.65% year with installments until 2016	-	-	57,649
			123,429	121,598	57,649
Santander for purchase of system of irrigation	Property subject to financial lease	7.10 % per year with 12 installments every three months until 2015	2,209	3,845	-
Banco Interbank for purchase of frozing plant construction	Property subject to financial lease	5.50 % per year with 36 installments every three months until 2018	4,003	3,394	-
Santander for purchase of asparagus peeler	Property subject to financial lease	7.50 % per year with 60 monthly installments until 2016	817	1,060	1,303
Santander for purchase of thirty two tractors	Property subject to financial lease	7.10 % per year with 36 monthly installments until 2015	307	571	-
Banco Interbank for purchase of an asparagus sorter	Property subject to financial lease	7.50 % per year with 12 installments every three months until 2015	331	532	16
Scotiabank for purchase of a spectrometer	Property subject to financial lease	4.75 % per year with 12 installments every three months until 2014	36	177	312
Santander for purchase of thirteen tractors	Property subject to financial lease	7.10 % per year with 36 monthly installments until 2015	56	104	-
BBVA Banco Continental for purchase of pipes	Property subject to financial lease	7.30 % per year with 12 installments every three months until 2011	-	-	97
Banco Interbank for purchase of six tractors	Property subject to financial lease	5.50 % per year with 12 installments every three months until 2016	380	-	-
Banco Interbank for purchase of truck Dodge	Property subject to financial lease	5.50 % per year with 12 installments every three months until 2016	27	-	-
Banco Interbank for purchase of a cutter Urschell machine	Property subject to financial lease	5.50 % per year with 20 installments every three months until 2018	73	-	-
Banco Interbank for purchase of line of avocadoes Roda	Property subject to financial lease	5.45 % per year with 20 installments every three months until 2018	1,457	-	-
Scotiabank for purchase of gauge avocadoes	Property subject to financial lease	5.80 % per year with 13 installments every three months until 2016	473	-	-
Leasing Perú for purchase of ten tractors	Property subject to financial lease	6.36 % per year with 12 installments every three months until 2016	462	-	-
Leasing Perú for purchase of four tunnels ripening of mangoes	Property subject to financial lease	6.14 % per year with 15 installments every three months until 2017	695	-	-
Santander for purchase of construction of storm drainage	Property subject to financial lease	6.65 % per year with 20 installments every three months until 2018	428	-	-
			11,754	9,683	1,728
			135,183	131,281	59,377
Less- current portion			(3,579)	(1,828)	(8,334)
			131,604	129,453	51,043

All loans are denominated in United Stated Dollars.

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2013, 2012 and 1 January 2012:

	Bonds	Bank borrowings	Finance lease liabilities	Total long-term debt
	USD	USD	USD	USD
Balances as of 1 January 2012	-	57,649	1,728	59,377
Cash transactions				
Repayment of long-term borrowings	-	(58,524)	(491)	(59,015)
Proceeds from long-term borrowings	-	-	8,446	8,446
Bonds	125,000	-	-	125,000
Transaction costs	(3,987)	-	-	(3,987)
Non-cash transactions				
Accrued interest	585	875	-	1,460
Balance as of 31 December 2012	121,598	-	9,683	131,281
Balances as of 1 January 2013	121,598	-	9,683	131,281
Cash transactions				
Repayment of long-term borrowings	-	(174)	(1,750)	(1,924)
Proceeds from long-term borrowings	-	1,300	3,821	5,121
Bonds	-	-	-	-
Transaction costs	-	-	-	-
Non-cash transactions				
Accrued interest	705		-	705
Balance as of 31 December 2013	122,303	1,126	11,754	135,183

The term of the non-current portion of long-term debt is as follows:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
1 year	2,487	3,280	7,761
2 years	1,142	1,558	18,002
3 years	126,644	955	13,805
More than 3 years	1,331	123,660	11,475
	131,604	129,453	51,043

Fair values -

The carrying amounts and fair values of the non-current borrowings are as follows:

	Carrying amount			Fair value		
	2013	2012	2011	2013	2012	2011
	USD	USD	USD	USD	USD	USD
Bank borrowings	884	-	49,807	838	-	49,456
Bonds	123,085	122,303	-	112,023	111,311	-
Finance lease liabilities	7,635	7,150	1,236	7,207	6,309	1,165
	131,604	129,453	51,043	120,068	117,620	50,621

a) Bonds -

USD125 million 9.875% Senior Notes due 2017

On 26 January 2012, the Company and its guarantors Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. agreed with Credit Suisse Securities (USA) LLC and Santander Investment Securities Inc., as representatives of several purchasers, to issue and sell to the several purchasers, USD125 million of the principal of its 9.875% Senior Notes due in 2017 to be issued under an indenture dated 2 February 2012, signed between Camposol S.A., the Guarantors, and Wells Fargo Bank, National Association, as trustee, guaranteed on an unsecured senior basis by Camposol Holding PLC, Marinazul S.A. and Campoinca S.A. Coupons bear a 9.875% interest and are payable on a semi-annual basis. Cash proceeds are to be used to pay the long term debt obtained to finance capital expenditures and for general corporate uses. The bonds are listed on the Luxembourg Stock Exchange.

The issue of these bonds includes certain restrictive covenants.

If during any period of time that the Notes have Investment Grade Ratings from two Rating Agencies and no payment default or Event of Default has occurred and is continuing, the Issuer, the Parent Guarantor and its Restricted Subsidiaries will not be subject to the following provisions of the Indenture:

i) Change of control: Putable at 101% of principal plus accrued and unpaid interest.

ii) Limitation on indebtedness and Disqualified Stock:

   a. The Leverage Ratio is less than (i) 3.5 to 1.0 during the period from the Original Issue Date through June 30, 2013 and (ii) 3.25 to 1.0 from July 1, 2013 through the Maturity Date.
   b. Working capital not to exceed 25% of net sales
   c. Other Indebtedness not to exceed the greater of USD 20 million and 5% of the total assets.

iii) Limitation on Restricted Payments:

   a. Declare or pay any dividend or make any distribution
   b. Purchase, redeem, retire or otherwise acquire for value any shares of Capital Stock.
   c. Dividends up to USD10 million for fiscal year up to 2010.
   d. Year 2011, 50% of net income if leverage is equal or greater than 1.5 to 1
   e. 75% of net income is lower than 1.5 to 1
   f. Other restricted payments no to exceed USD15 million since the original issue date.

iv) Limitation on Issuances of Guarantees by Restricted Subsidiaries

   a. Loans and advances to officers, directors and employees of the Parent Guarantor or any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding USD2.0 million at any time.

v) Limitation on Liens

   a. Not to exceed 10% of the total assets

vi) Limitation on Asset Sales

   a. At least 75% is paid in cash or temporary cash investments

vii) Limitation on Business Activities

a. Only permitted Businesses

According to the income tax regime currently in force in Peru, Camposol S.A. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not complete the payment of the withholding tax by the holders, Camposol S.A. will assume it as its own expense.

At 31 December 2013 and 2012 there is not any default.

a) Finance leases -

The future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2013		2012		2011	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Within one year	4,656	4,370	2,887	2,697	601	492
After one year but not more than five years	8,243	7,384	7,376	6,986	1,403	1,236
Total minimum lease payments	12,899	11,754	10,263	9.683	2,004	1,728
Less amounts representing finance charges	(1,145)		(580)		(276)	
Present value of minimum lease payments	11,754		9,683		1,728	

b) Syndicate loan -

In June 2010, the Company signed a loan agreement with a syndicate of banks led by Banco Interbank for a total amount of USD60,000 to be repaid by June 2016, at a fixed interest rate of 8.65%. Interest is payable monthly and amortization of the principal is performed during this period following the payment schedule in the credit agreement. Part of this loan was used to pay entire loan received from Credit Suisse AS of USD50,900, to pay the debt termination fee of USD3,700 and the balance for investments in new plantations.

The Syndicate loan was fully repaid during 2012 with the funds received from the bond issue served to pay long term debt, to finance capital expenditures and in general corporate uses. The repaid amount was USD58,500, plus a debt termination fee of USD407.

21 TRADE ACCOUNTS PAYABLE

This item includes:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Suppliers	42,372	38,087	24,778
Bills of exchange payable	11,904	9,383	12,295
Payables to related parties (Note 34)	2,805	3,130	639
	57,081	50,600	37,712

Payables to suppliers are mainly in US dollars, are due within 12 months and are not interest-bearing.

Bills of exchange represent payables to suppliers mainly in U.S. dollars (USD6,301 as of 31 December 2013 USD4,692 as of 31 December 2012 USD8,781 as of 31 December 2011) which are due within 3 months and are bear interest at an average annual rate of 9%.

The average payment terms of trade payables are between 30 to 60 days.

22 OTHER ACCOUNTS PAYABLE

This item includes:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Vacation and other payables to employees	4,426	4,509	4,845
Provisions (Note 33)	1,544	944	2,158
Taxes payable	757	465	569
Pension fund	533	1,140	475
Interest	5,145	5,153	205
Deferred gain on sale and leaseback	943	1,664	143
Others	638	402	410
	13,986	14,277	8,805

Other payables are due within 12 months and are not interest bearing and are mainly denominated in new Peruvian soles.

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Movement of provisions:			
Opening balance	944	2,158	3,124
Additions (Note 29)	600	-	-
Deductions	-	(1,214)	(966)
Balance at the end of the year	1,544	944	2,158

23 BANK LOANS

This item includes:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Loans -			
Banco Interbank (Peru)	-	3,500	12,400
Banco Scotiabank (Peru)	8,500	13,500	4,330
Banco Santander (Peru)	-	-	3,100
Latin America Export Found (United States)	-	-	2,137
Banco de Comercio (Peru)	-	-	450
Banco Continental BBVA (Peru)	10,000	5,000	-
Multibank, Inc (Panama)	4,145	3000	-
	22,645	25,000	22,417

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of bank loans for the years ended 31 December:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Initial balance	25,000	22,417	14,200
Bank loans proceeds	92,455	49,780	84,634
Bank loans payments	(94,810)	(47,197)	(76,417)
Final balance	22,645	25,000	22,417

Loans represent promissory notes with maturities up to 180 days, which were obtained for working capital. These loans bear fixed annual interest rates that are between 3.05 per cent and 3.95 per cent (between 3.70 per cent and 4.25 per cent in 1 January 2012).

24 REVENUE

Revenue represents the sale of fresh, preserved and frozen agricultural products.

For the years ended 31 December, comprise the following:

	2013	2012
	USD	USD
Asparagus	60,259	65,710
Avocadoes	43,574	29,969
Peppers	16,789	14,643
Mangoes	18,494	14,738
Grapes	21,051	18,889
Artichokes	12,739	10,019
Blueberries	8,749	-
Other	8,043	5,993
Total	189,698	159,961

25 COST OF SALES

At 31 December this item comprises:

	2013	2012
	USD	USD
Cost of inventories recognized as an expense	86,989	80,863
Personnel expenses (Note 28)	39,444	39,078
Depreciation (Note 6)	7,464	5,978
Custom duties refund (Note 14)	(7,121)	(6,243)
	126,776	119,676

The Company is beneficiary of a simplified procedure for custom duties refunding (Drawback), at a rate of 5.0% of FOB value of exports.

The cost of inventories recognized as expenses include amortization of software by USD8 (USD7 for 2012) (Note 9).

26 SELLING EXPENSES

Selling expenses for the years ended December 31 comprise the following:

	2013	2012
	USD	USD
Freight	11,480	11,584
Customs duties	6,628	4,368
Personnel expenses (Note 28)	1,250	1,144
Selling commissions	674	946
Consulting services	364	393
Travel and business expenses	885	546
Insurance	390	291
Depreciation (Note 6)	-	5
Other expenses	938	854
	22,609	20,131

27 ADMINISTRATIVE EXPENSES

Administrative expenses for the years ended December 31 are comprised of the following:

	2013	2012
	USD	USD
Personnel expenses (Note 28)	8,861	8,489
Professional fees	2,266	2,027
Transport and telecommunications	747	606
Travel and business expenses	699	930
Depreciation (Note 6)	681	710
Software and hardware expenses (Note 9)	463	410
Materials and supplies	850	734
Maintenance and others	1,041	837
Operating lease costs	1,237	978
Insurance	105	67
Other expenses	1,140	975
	18,090	16,763

28 PERSONNEL EXPENSES

Personnel expenses for the years ended December 31 are comprised of the following:

	2013	2012
	USD	USD
Salaries and wages	40,826	39,880
Vacations	2,264	2,256
Other employees benefits	6,180	5,911
Other expenses	285	664
	49,555	48,711

Personnel expenses are allocated as follows:

	2013 USD	2012 USD
Cost of sales (Note 25)	39,444	39,078
Selling expenses (Note 26)	1,250	1,144
Administrative expenses (Note 27)	8,861	8,489
	49,555	48,711

29 OTHER INCOME AND EXPENSES

Other income and expenses for the years ended December 31 are comprised of the following:

	2013 USD	2012 USD
Other income		
Recoveries of provision for impairment of trade accounts receivable	1	39
Gain on sale of property, plant and equipment (Note 31)	249	397
Services to related companies	1,211	-
Indemnity of insurance	126	78
Services to third parties	441	283
Other	481	76
	2,509	873
Other expenses		
Obsolescence of inventories (Note 13)	(1,218)	(1,010)
Contingencies	(600)	-
Donations and samples	(235)	(225)
Write-off of plots of peppers	(500)	-
Default interest and fines	(304)	(103)
Other	(97)	(509)
	(2,954)	(1,847)

30 FINANCIAL INCOME AND COST

Financial income and cost for the years ended December 31 are comprised of the following:

	2013 USD	2012 USD
Income		
Income -		
Interest	36	364
Profitability of investment funds	-	1,187
Other finance income	217	258
	253	1,809
Expenses		
Interest on bank loans (Notes 20 and 23)	(14,437)	(14,599)
Interest on finance leases	(3,162)	(1,919)
Tax on financial transactions	(658)	(759)
Interest on accounts payable to suppliers	(161)	(29)
Loss in investment funds	(623)	-
Other finance costs	-	(66)
	(19,041)	(17,372)

31 CASH GENERATED FROM OPERATIONS

	Note	2013 USD	2012 USD
Reconciliation of profit for the year to net cash from (used in) operating activities:			
Profit before income tax		42,043	23,477
Depreciation	6	8,154	5,124
Amortization	9	471	417
Transference to biological assets	10	5,296	4,915
Impairment of accounts receivable	15 and 14	-	-
Obsolescence of inventories	13 and 29	1,218	1,010
Fair value of biological assets	10	(42,083)	(46,269)
Gain (loss) on sale of property, plant and equipment	29	(249)	(397)
(Loss) Gain of investments in associates	7	(305)	(66)
Deferred income tax	18	9,004	6,712
Net exchange difference		(933)	(271)
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:			
Trade accounts receivable	15	(14,002)	(4,615)
Other accounts receivable	14 and 34	(5,689)	(9,306)
Income tax credit		2,618	(1,547)
Inventories	13	(5,763)	(6,312)
Prepaid expenses		(39)	308
Trade accounts payable	21	6,481	12,888
Other accounts payable	22	(200)	(1,163)
Net cash generated from (used in) operating activities		6,022	(15,095)

32 INCOME TAX

a) According to the Peruvian tax legislation in force the income tax is determined on a separate basis. Management has determined the taxable income under the general income tax regime, which requires adding to and deducting from the result derived from the accounting records maintained in Nuevo Sol is those items considered as taxable and non-taxable, respectively.

As established under Law No. 27360 dated 30 October 2000, that amends the Income Tax Law of individuals and legal persons engaged in the growing of crops and / or cattle as well as in industrial agriculture, the applicable income tax rate is 15%. This income tax regulation is applicable until 31 December 2021.

The standard rate of Peru income tax for 2013 and 2012 it ranges between 30% and 10%.

	2013 USD	2012 USD
Deferred income tax	9,004	6,712

b) For the years 2013 and 2012 the income tax credited to income differs from the theoretical amount that would arise using the tax rate applicable to profit before workers' profit sharing and income tax as follows:

	2013 USD	2012 USD
Profit before income tax	42,043	23,477
At statutory income tax rate 15%	6,306	3,522
Expenses not deductible for tax purposes	920	1,360
Revenue not subject to tax	(796)	(186)
Tax loss expiration	4,386	-
Other	(1,812)	2,016
Income tax expense	9,004	6,712

c) The Tax Authority may review and, if required, amend the income tax or the tax loss carry forward determined by the Company and its subsidiaries in the last four years, as from January 1 of the following year in which the tax return of the corresponding income tax was filed (years open to examination). Since discrepancies may arise over the proper interpretation of the tax law applicable to the Company and its subsidiaries, it is not possible to anticipate at this date whether additional tax liabilities will arise as a result of eventual examinations. Additional tax, fines and interest, if any, will be recognized in results of the period in which the disagreement with the Peruvian tax authorities is resolved. Management considers that no significant liabilities will arise as a result of any eventual tax examinations.

The following table shows the income tax and value added tax returns subject to review by the Tax Authority corresponding to the Company and its subsidiaries.

Years open to tax review **Company**	**Income Tax**	**Value Added Tax**
Camposol S.A.	2009 - 2013	2010 - 2013
Preco Precio Económico S.A.C.	2009 - 2013	2010 - 2013
Sociedad Agrícola Las Dunas S.R.L.	2009 - 2013	2009 - 2013
Prodex S.A.C.	2009 - 2013	2009 - 2013
Balfass S.A.	2009 - 2013	2009 - 2013
Vegetales del Norte S.A.C.	2009 - 2013	2009 - 2013
Muelles y Servicios Paita S.A.C.	2009 - 2013	2009 - 2013
Nor Agro Perú S.A.	2009 - 2013	2012 - 2013
Marinasol S.A.	2009 - 2013	2009 - 2013
Marinazul S.A.	2009 - 2013	2009 - 2013
Camposol Europa S.L.	2009 - 2013	2009 - 2013
Campoinca S.A.	2009 - 2013	2009 - 2013
Camposol Fresh B.V.	2009 - 2013	2009 - 2013
Domingo Rodas S.A.	2009 - 2013	2009 - 2013
Camarones S.A.C.	2009 - 2013	2009 - 2013
Persea, Inc.	2012 - 2013	2012 - 2013
Camposol Fresh U.S.A., Inc	2012 - 2013	2012 - 2013
Camposol Specialties, Inc	2012 - 2013	2012 – 2013

33 CONTINGENT LIABILITIES

As of, December 31, 2013, the Company has several contingencies labor-related and others claims amounting to USD1,544 (USD944 in 2012 and USD2,158 in 2011), which is included in the balance shown as provisions in other accounts payable (Note 22).

As of 31 December 2013, the Company has labor-related and other claims contingencies amounting to USD600. No provision has been made since legal advice indicates that it is not probable that a significant liability will arise. No contingencies arose in 2012 and 2011.

34 TRANSACTION WITH SHAREHOLDERS AND OTHER RELATED PARTIES

Transactions

a) The main transactions carried between the Company and its shareholders and related companies are as follows:

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Associates			
Empacadora de Frutos Tropicales S.A.C. -			
Sales of finished products	-	-	1
Purchase of services	1,881	1,633	1,985
Ultimate Parent			
Camposol Holding PLC -			
Loans granted	1,241	2,340	580
Subsidiaries			
Marinasol S.A. -			
Purchase of finished products	-	-	1
Purchase of property, plant and equipment	-	40	350
Loans received	70	379	456
Campoinca S.A. -			
Sales of services	38	32	79
Loans granted	342	303	-
Marinazul S.A. -			
Sale of inventories	-	-	414
Sales of services	352	346	164
Loans granted	9,579	8,696	10,130
Other related companies			
Camposol Europa S.L. -			
Sales of finished products	7,633	3,583	4,520
Camposol Fresh B.V. -			
Sales of finished products	26,315	21,780	14,281
Loans granted	7,364	2,087	-
Camposol Fresh USA -			
Sales of finished products	3,049	507	-
Loans granted	6,428	527	-
Muelles y Servicios Paita S.A.C. -			
Loans granted	257	255	-
Entities related to Directors			
Apoyo Consultoría S.A.C. -			
Purchase of services	24	7	9
Gestión del Pacífico S.A.C. -			
Sales of services	27	1	-
Purchase of services	1,545	1,226	686
Purchase of property, plant and equipment	311	187	-
Corporación Pesquera Inca S.A. -			
Purchase of raw material (fish)	-	1	-
Purchase of services	-	-	19

b) As a consequence of the aforementioned transactions and others operations, the following accounts receivable from and payable to its shareholders and related companies are:

	As of 31 December,		As of 1 January
	2013	**2012**	**2012**
	USD	**USD**	**USD**
Trade accounts receivable (Note 15):			
Camposol Europa S.L.	6,923	3,842	6,742
Camposol Fresh B.V.	7,275	4,240	2,335
Camposol Fresh USA	1,160	99	-
	15,358	8,181	9,077
Others account receivable:			
Marinazul S.A.	2,782	786	1,212
Camposol Holding PLC	2,343	2,560	393
Campoinca S.A.	779	420	184
Muelles y Servicios Paita S.A.C.	890	640	382
Sociedad Agrícola las Dunas S.A.	-	-	2
Nor Agro Perú S.A.C	421	350	-
Camposol Fresh USA	3,189	527	-
Camposol Fresh B.V.	2,758	1,300	-
Others	101	11	4
	13,263	6,594	2,177
Trade accounts payable (Note 21):			
Empacadora de Frutos Tropicales S.A.C	143	308	235
Gestión del Pacífico S.A.C.	17	102	90
Apoyo Consultoría S.A.C.	3	3	2
Marinazul S.A.	180	35	48
Muelles y Servicios Paita S.A.C.	2,206	2,408	-
Nor Agro Perú S.A.C.	187	188	187
Camposol Europa S.L.	24	37	37
Marinasol S.A.	45	49	40
	2,805	3,130	639
Other accounts payable:			
Marinasol S.A.	997	852	456
Marinazul S.A.	2,055		
Others	10	25	42
	3,062	877	498

Compensation of key management personnel of the Company

Key Management personnel include the members of management and the board who receive remuneration.

	As of 31 December,		As of 1 January
	2013	2012	2012
	USD	USD	USD
Remuneration	2,012	2,302	1,724

35 COMMITMENTS AND GUARANTEES

a) Commitments and guarantees in respect of the bonds are set out in Note 20.

b) On October, 2008, the Company signed an agreement with Peru Land & Farming LLC (PL&F) by means of which the Company gives first option to purchase avocadoes production from a designated area of 800 Ha to be sold in the United States of America. When the US market opens for Peruvian avocado, PL&F will have the right to purchase 100% of the production from that land area. The option will gradually decrease over ten years, after which it will maintain a lifetime option for 30% of the production in the designated area. The transactions will be settled at market price. At the reporting date, no changes in the agreement with PL&F have occurred.

36 EVENTS AFTER THE REPORTING PERIOD

No material events occurred after the end of the financial year.

37 FIRST TIME ADOPTION OF IFRS

The Company has prepared separate financial statements which comply with IFRS applicable for periods ending on or after 31 December 2013, together with the comparative period data for the year ended 31 December 2012, as describe in the accounting policies. In preparing these separate financial statements, the Company‘s opening separate statement of financial position was prepared as at 1 January 2012, the Company’s date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its GAAP separate statement of financial position as at 1 January 2012 and its previously published GAAP separate financial statements as at and for the year ended 31 December 2012.

Mandatory exceptions

The estimates applied in preparing the financial statements under IFRS as of January 1, 2012 are consistent with those applied as of the date of the financial statements under Peruvian GAAP. Other mandatory exceptions established under IFRS 1 have not been applied because they are not relevant to the Company’s operations. They are related to:

- De-recognition of financial assets and liabilities, and
- Non-controlling interest
- Hedging accounting

37.1 Exemptions applied -

IFRS 1 “First-Time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the retrospective application of certain IFRS.

The Company has applied the following exemptions:
a) Costs of property, plant and equipment, were carried in the separate statement of financial position prepared in accordance with GAAP on the basis of valuations performed before 1 January 2012. The Company has elected to measure its fixed assets as either the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRSs [IFRS 1.D16]

37.2 Reconciliation between Peruvian GAAP and IFRS -

37.2.1 Reconciliation of equity at 1 January 2012

		Peruvian GAAP	IFRS adjustments	IFRS
		USD	USD	USD
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	(i)	68,787	27,285	96,072
Investments in subsidiaries and associates		9,219	-	9,219
Financial assets available for sale		-	-	-
Intangible assets		3,155	-	3,155
Non-current portion of biological assets		193,015	-	193,015
Total non-current assets		274,176	27,285	301,461
CURRENT ASSETS				
Prepaid expenses		617	-	617
Current portion of biological assets		13,046	-	13,046
Inventories		37,137	-	37,137
Other accounts receivable		4,472	-	4,472
Income tax credit		4,406	-	4,406
Accounts receivable from related parties		2,177	-	2,177
Trade accounts receivable		34,509	-	34,509
Cash and cash equivalents		5,797	-	5,797
		102,161	-	102,161
Total assets		376,337	27,285	403,622
EQUITY AND LIABILITIES				
EQUITY				
Share capital		159,717	-	159,717
Legal reserve		5,115	-	5,115
Other reserves		(26,580)	-	(26,580)
Retained earnings	(i), (ii) and (iii)	92,068	20,897	112,965
Total equity		230,320	20,897	251,217
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term debt		51,043	-	51,043
Deferred income tax	(iii)	17,208	6,388	23,596
		68,251	6,388	74,639
CURRENT LIABILITIES				
Current portion of long-term debt		8,334	-	8,334
Trade accounts payable		37,712	-	37,712
Other accounts payable		8,805	-	8,805
Bank loans		22,417	-	22,417
Accounts payable to related parties		498	-	498
		77,766	-	77,766
Total liabilities		146,017	6,388	152,405
Total liabilities and equity		376,337	27,285	403,622

37.2.2 Reconciliation of equity at 31 December 2012

		Peruvian GAAP	Other adjustments	Adjusted Peruvian GAAP	IFRS adjustments	IFRS
		USD	USD	USD	USD	USD
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	(i)	82,934	-	82,934	25,719	108,653
Investments in subsidiaries and associates		12,933	-	12,933	-	12,933
Financial assets available for sale		8,676	-	8,676	-	8,676
Intangible assets		2,967	-	2,967	-	2,967
Non-current portion of biological assets	(ii)	229,134	13,402	242,536	-	242,536
Accounts receivable from related parties		1,422	-	1,422	-	1,422
Total non-current assets		338,066	13,402	351,468	25,719	377,187
CURRENT ASSETS						
Prepaid expenses		309	-	309	-	309
Current portion of biological assets		11,358	-	11,358	-	11,358
Inventories		44,031	-	44,031	-	44,031
Other accounts receivable		7,934	-	7,934	-	7,934
Income tax credit		5,953	-	5,953	-	5,953
Accounts receivable from related parties		6,594	-	6,594	-	6,594
Trade accounts receivable		39,152	-	39,152	-	39,152
Cash and cash equivalents		26,510	-	26,510	-	26,510
		141,841	-	141,841	-	141,841
Total assets		479,907	13,402	493,309	25,719	519,028
EQUITY AND LIABILITIES						
EQUITY						
Share capital		159,717	-	159,717	-	159,717
Legal reserve		5,115	-	5,115	-	5,115
Other reserves		(27,682)	-	(27,682)	-	(27,682)
Retained earnings	(i), (ii) and (iii)	100,788	9,376	110,164	19,566	129,730
Total equity		237,938	9,376	247,314	19,566	266,880
LIABILITIES						
NON-CURRENT LIABILITIES						
Long-term debt		129,453	-	129,453)	-	129,453
Deferred income tax	(iii)	19,934	4,026	23,960)	6,153	30,113
		149,387	4,026	153,413)	6,153	159,566
CURRENT LIABILITIES						
Current portion of long-term debt		1,828	-	1,828	-	1,828
Trade accounts payable		50,600	-	50,600	-	50,600
Other accounts payable		14,277	-	14,277	-	14,277
Bank loans		25,000	-	25,000	-	25,000
Accounts payable to related parties		877	-	877	-	877
		92,582	-	92,582	-	92,582
Total Liabilities		241,969	4,026	245,786	6,153	252,148
Total liabilities and equity		479,907	13,402	493,309	25,719	519,028

37.2.3 Summary of the reconciliation of equity at 31 December 2012 and 1 January 2012

	December 31, 2012	January 1, 2012
	USD000	USD000
Equity under Peruvian GAAP	237,938	230,320
Other adjustments:		
a) Biological assets (ii)	13,402	-
b) Deferred income tax (ii)	(4,026)	-
Adjusted equity under Peruvian GAAP:	247,314	230,320
c) Property, plant and equipment (i)	25,719	27,285
d) Deferred income tax (iii)	(6,153)	(6,388)
IFRS Adjustments:	19,566	20,897
Equity under IFRS	266,880	251,217

37.2.4 Reconciliation of the statement of comprehensive income for the year ended 31 December 2012

	Peruvian GAAP	Other adjustments	Adjusted Peruvian GAAP	IFRS adjustments	IFRS
	USD	USD	USD	USD	USD
Revenue	159,961	-	159,961	-	159,961
Cost of sales	(118,107)	-	(118,107)	(1,569)	(119,676)
Gross profit	41,854	-	41,854	(1,569)	40,285
Gain arising from change in fair value of biological assets	25,643	13,402	39,045	-	39,044
Profit after adjustments for biological assets	67,497	13,402	80,899	(1,569)	79,329
Selling expenses	(20,131)	-	(20,131)	-	(20,131)
Administrative expenses	(16,763)	-	(16,763)	-	(16,763)
Other income	873	-	873	-	873
Other expenses	(1,847)	-	(1,847)	-	(1,847)
Operating profit	29,629	13,402	43,031	(1,569)	41,461
Gain (loss) attributable to subsidiary and associates	66	-	66	-	66
Financial income	1,809	-	1,809	-	1,809
Financial cost	(17,372)	-	(17,372)	-	(17,372)
Net foreign exchange transactions losses	(2,487)	-	(2,487)	-	(2,487)
Profit before income tax	11,645	13,402	25,047	(1,569)	23,477
Income tax	(2,921)	(4,026)	(6,947)	235	(6,712)
Profit for the year	8,724	9,376	18,100	(1,334)	16,765
Other comprehensive income	(1,102)	-	(1,102)	-	(1,102)
Total comprehensive income for the year	7,622	9,376	18,100	(1,334)	15,663

37.2.5 Reconciliation of the cash flow statement

The transition to IFRS has not had a significant impact on the statement of cash flows.

37.2.6 Notes to the reconciliation of equity at 1 January 2012 and 31 December 2012 and the statement of comprehensive income for the year ended to 31 December 2012

The following is a description of the main IFRS adjustments:

i) Property, plant and equipment –

As part of the first-time adoption of IFRS, the Company chose to apply the exemption permitted by IFRS 1, paragraphs D16 (see note 37.1), by means of which it assumed as to measure its fixed assets as either the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRSs. The Company also conducted a review of the cost and the componentization of its major assets, reviewing residual values, useful lives and depreciation methods.

As a result, an adjustment increasing the Property, plant and equipment account at January 1, 2012 by approximately USD27,285 which was credited to Retained earnings in equity.

ii) Biological assets -

The only deductions permitted under IAS 41 are costs to sell. During the fair value evaluation of the Company's biological assets in 2013, it was noted that certain industrial processing margins costs were wrongly deducted from the fair value in 2012 and as a result the fair value as at 31 December 2012 was understated by USD13,402. This understatement also had a direct impact on deferred income tax assets of USD1,398 and deferred tax liabilities of USD5,424. These errors did not have a material impact on the opening balance sheet as at 1 January 2012.

iii) Deferred income tax -

It was recognized a liability for deferred income taxes on the basis of the effects encountered in the conversion to IFRS financial statements amounting to USD6,388 to 1 January 2012 and USD6,153 to 31 December 2012.

iv) Net equity -

The adjustments affecting equity due to the first time adoption of IFRS considered the following: i) capital and legal reserve have not been adjusted since their balances under Peruvian GAAP and IFRS result from the application of the legal framework for Corporations, and ii) all adjustments due to the first time adoption of IFRS were affected to retained earnings as at 1 January 2012.

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