



COMPAÑÍA PESQUERA CAMANCHACA S.A. AND
SUBSIDIARIES

Quarterly Earnings Report on the Consolidated Financial Statements

For the periods ended June 30, 2017 and 2016.

QUARTERLY EARNINGS REPORT

This document contains the Quarterly Earnings Report for the Consolidated Financial Statements of Compañía Pesquera Camanchaca S.A. as of June 30, 2017, compared to December 31, 2016, for the consolidated statement of financial position and to June 30, 2016, for the statements of cash flows and income.

Business Areas

The Company is engaged in the following three lines of business:

1. **Industrial Fishing:** Our industrial fishing operations are carried out in Chile's northern and south-central zones. Our catches are intended for human consumption (fish oils high in omega 3, canned and frozen jack mackerel and langostino lobster) and for fishmeal and fish oil (anchovy and sardine).
2. **Salmon Farming:** This business is carried out through operations in southern Chile, specifically the 8th, 10th and 11th regions. These operations cover genetics and egg production; a freshwater hatchery; 74 sea water grow-out sites in 14 neighborhoods; two primary processing plants in the 10th Region and a value-added processing and freezing plant in the 8th Region.
3. **Other Seafood:** The Company farms mussels in Chiloé and abalones in the 3rd Region, both for human consumption.

Summary

The Company recorded a profit of US\$ 6.9 million for the first half of 2017, which compares favorably with the profit of US\$ 1.4 million for the same period in 2016. EBITDA evolved even more favorably, rising from US\$ 4.3 million to US\$ 35.5 million, which is 8% higher than the figure for the full year in 2016, and US\$ 31.2 million greater than the same period in 2016. This trend in results from one year to the next reflects substantially different contexts between the two periods, namely normal oceanographic conditions in 2017 versus the peak of the most severe El Niño in 65 years in 2016, and recovering prices and benign sanitary conditions in 2017 for the salmon farming division. The most significant changes affecting these results were:

- a) Higher salmon prices, up 51%.
- b) Reduced harvest costs, down 17%.
- c) Lower sales volumes of company-farmed salmon (-49%), as a result of two factors: i) the one-time decision to reduce smolt stocking at two farm sites in 2015, as opportunely reported, which resulted in reduced harvests in the first half of 2017, and ii) a drop in salmon harvests of 12 thousand tons in the fourth quarter of 2016 due to the HAB, which led to reduced inventory at the start of 2017.
- d) Now that El Niño has retreated, the northern industrial fishing operations reported 65 thousand tons in additional catches, a four-fold increase over the first half of 2016 and a record high for the last six years. These catch levels have enabled the Company to produce fishmeal and fish oil at low cost.

This positive result is explained by the profit of US\$ 7.1 million recorded by the salmon farming division, explained by higher prices of salmon effectively sold and reduced production costs. This division's result was partially offset by a negative net fair value adjustment of its biomass of US\$ 10.6 million, down US\$ 31.5 million from the same period in 2016. The shift in net FV can be explained by a combination of two factors: margins that are expected to be obtained on fish to be harvested in the next two or three months and reversals of estimated margins recognized in prior periods for fish sold during this half of the year. The salmon farming division posted a gross margin before the fair value adjustment as of June 30, 2017, of US\$ 32.7 million, which compares favorably with the US\$ 3.1 million from the prior year.

Total consolidated revenue fell 3.8% to US\$ 230 million, with a 13.6% drop in revenue from the salmon farming division, a 24.1% increase from the industrial fishing division and a 4.5% increase from the other seafood division. The drop in the salmon farming division occurred in a context of reduced sales volumes of company-farmed salmon (-49.4%), offset by better prices (+50.5%). Once El Niño conditions had returned to normal, the industrial fishing division's revenue streams were favorably affected by second quarter sales of fishmeal and fish oil held in inventory as of the end of the first quarter, as previously reported.

This trend in revenue enabled the salmon farming and industrial fishing divisions to generate US\$ 27.8 million and US\$ 7.3 million, respectively, in EBITDA, leading to a consolidated EBITDA before the FV adjustment of US\$ 35.5 million.

The industrial fishing division recorded a profit of US\$ 0.4 million, which compares favorably to the loss of US\$ 2.6 million for the same period in 2016. This profit was generated with more favorable catch levels than the first half of 2016. The following factors contributed to these results:

- a) A delayed start for jack mackerel catches with respect to the prior year (-11.8%), generating fixed costs in the first quarter that could not be absorbed by production and had to be expensed directly by the southern fishing operations.
- b) In sardine fisheries, which also began to resume normal catch levels, artisan catches recovered to 40 thousand tons as of June 2017 in contrast to 21 thousand for the same period in 2016 when artisan fishing conditions in the 8th Region were negatively impacted by El Niño. Industrial sardine fishing has been postponed in favor of jack mackerel. In fact, to date only 2 thousand tons have been caught as compared to 15 thousand for the same period in 2016. However, similar levels could still be attained during the second half of the year.
- c) In the southern fishing operation's consolidated financial statements as of June 2017, US\$ 4.9 million in costs not absorbed by production were directly expensed as compared to US\$ 5.2 million for the same period in 2016.
- d) For the first half of the year, the northern fishing operations reported the highest catch levels in the last six years for that period, reaching 83 thousand tons, which resulted in greater sales and fewer costs that had to be directly expensed (US\$ 4.8 million for the first half of 2017 versus US\$ 9 million for the same period in 2016).

Lastly, consolidated inventory contains unrealized margins—at June 2017 prices—of US\$ 23 million, which is slightly more than the US\$ 21.7 million as of June 2016.

Key Business Drivers

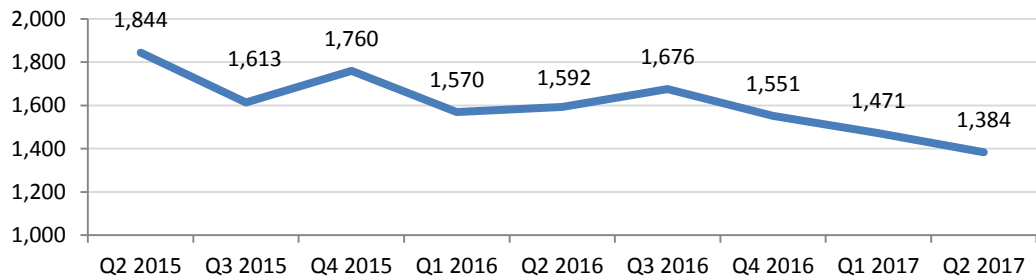
Camanchaca's results are closely related to five key drivers:

- i. The price of fishmeal, which is strongly correlated with Peru's catches;
- ii. The price of Atlantic salmon, which is very sensitive to Norwegian and Chilean supply conditions, and the exchange rates of its main trading partners;
- iii. The level of industrial fishing catches, which impacts production scale and, therefore, unit costs;
- iv. Sanitary conditions for Atlantic salmon, which affect unit costs.
- v. Fuel prices, which impact industrial fishing costs as well as raw material processing costs;

Recent Trends in Key Drivers:

- i. **Fishmeal prices** peaked during the first quarter of 2015, when the beginning of a severe El Niño was detected along the southern Pacific coasts. This phenomenon affected ocean surface temperatures and, consequently, habitats of small pelagic species, and led to scarce catches in Chile and Peru. Prices began to return to normal as El Niño retreated in 2016. The second Peruvian fishing season in 2016 ended in January 2017, catching 98% of the allocated quota of 2 million tons, which drove prices down in late 2016 and the first half of 2017. In addition, for the first Peruvian fishing season of 2017, which opened April 26, 2017, a catch quota of 2.8 million tons was issued. This quota is near historically high levels, which has driven prices to US\$ 1,384 per ton during the second quarter, down 13.1% over the same quarter in 2016. This season, which ended July 31, 2017, with actual catches at 85% of the quota, left prices around US\$ 1,460 per ton for super prime fishmeal, which is above second quarter figures and at a level considered customary for normal fishing years like 2017. In summary, we expect to see normal catch volumes and fishmeal prices this year.

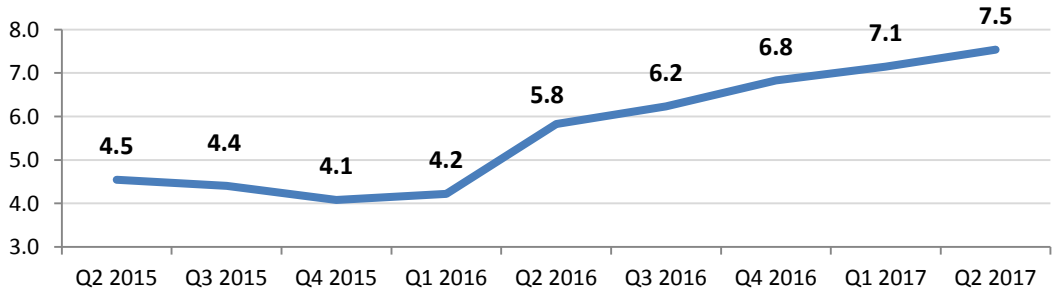
Fishmeal Price (US\$ / ton)



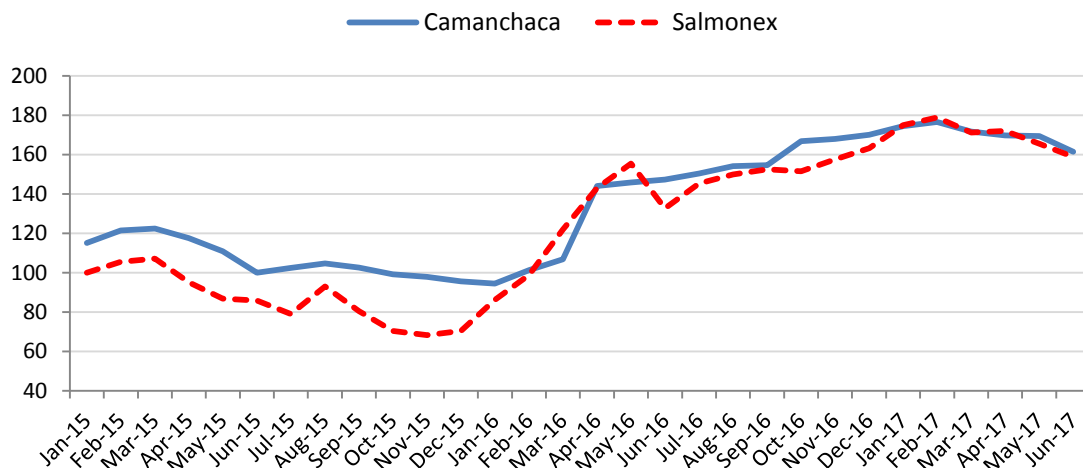
ii. **Atlantic salmon prices** rose during the second quarter to US\$ 7.5 per kilo WFE, which is 29.3% higher than the same period in 2016. Prices began to slowly improve in early 2016 when it became clear that global supply was expected to fall during the year. However, they climbed again after the HAB in the first quarter of the year, which reduced Chilean salmon supply by close to 20% between the second half of 2016 and the first half of 2017. We believe that these prices for the first half of 2017 may turn out to be the highest seen all year. Although prices should remain high in 2017, they should begin to fall as post-HAB harvests return to normal and growth estimates for global supply (around 5% for 2017) are substantiated.

In relative terms, the rapid increase in the market price from March to June 2016 and once again in the middle of the first quarter of 2017 generated a natural lag in the effective raw material yield obtained by Camanchaca, compared to the daily spot price in the United States (Urner Barry) or the SalmonEx index, as a result of contracts signed by the Company that average 60-90 days.

Atlantic Salmon Price (US\$ / kg WFE)



**Raw Material Yield (US\$ / kg WFE) Camanchaca vs Market
Salmonex January 2015 = Base 100**



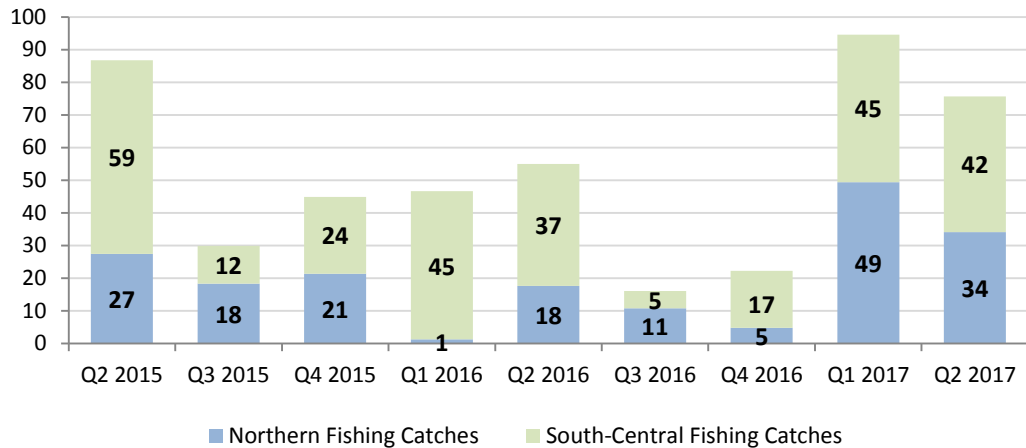
The Raw Material Yield is the final product price less distribution and specific secondary processing costs. It is a measurement of price before selecting the final destination for harvested fish and provides a homogeneous aggregate indicator for the Company's diverse products. The market Index or "Salmonex" is based on the price of fresh fillet trim D exported by Chilean firms, net of processing and distribution costs for Camanchaca's fresh trim D. It provides a comparable index to Camanchaca's Raw Material Yield.

iii. **Pelagic fishing catches.** Anchovy fisheries in northern Chile saw a strong recovery in catches during the first half of 2017, as El Niño retreated and sea conditions normalized. Catches reached 70 thousand tons in contrast to 17 thousand tons for the same period in 2016. In addition to the anchovy catches, 13 thousand tons of jack mackerel and mackerel were caught as bycatch as of June 2017 (versus two thousand tons in the same period in 2016), bringing catch totals to 83 thousand tons in this zone. This is the highest figure for the first half of the year seen in the last six years.

Jack mackerel catches in the south-central zone totaled 40 thousand tons, down 11.8% from 46 thousand for the same period in 2016. These levels are closer to historical trends. While these catches represent 84% of the annual available quota for this zone, the entire quota has already been caught as of the date of publication of this report. For the first time ever, catch levels have been expanded by purchasing quotas on international markets. This was possible since jack mackerel is a transoceanic species with global quotas that are transferable among the different participating countries. This will permit the division to catch more than 50 thousand tons per year. In terms of destination markets for this raw material, in the second quarter conditions returned to normal in traditional markets for Chilean frozen jack mackerel, mainly Africa. As a result, the Company has redirected the production of jack mackerel to whole frozen product with 13 thousand tons as of June 2017 in contrast to less than 4 thousand tons during the same period in 2016. Since frozen product provides greater margins than canned product, production of the latter has fallen from 1.3 million boxes as of June 2016 to 0.8 million as of June 2017.

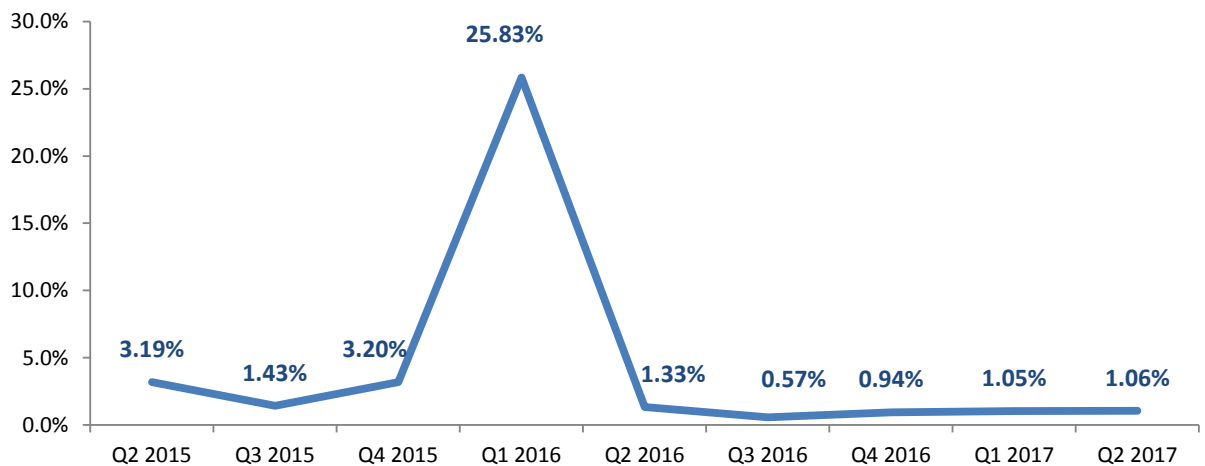
In the south-central zone, conditions for artisan sardine catches were better than the beginning of 2016, with industrial and artisan catches exceeding 46 thousand tons as of June 2017 in contrast to 37 thousand tons for the same period in 2016. The improved sardine and anchovy catches in the first half of 2017 have led to low-cost inventories of fishmeal and fish oil (close to US\$ 1,100 per ton of fishmeal and a little over US\$ 800 per ton of fish oil).

Catches (Thousands of Tons)

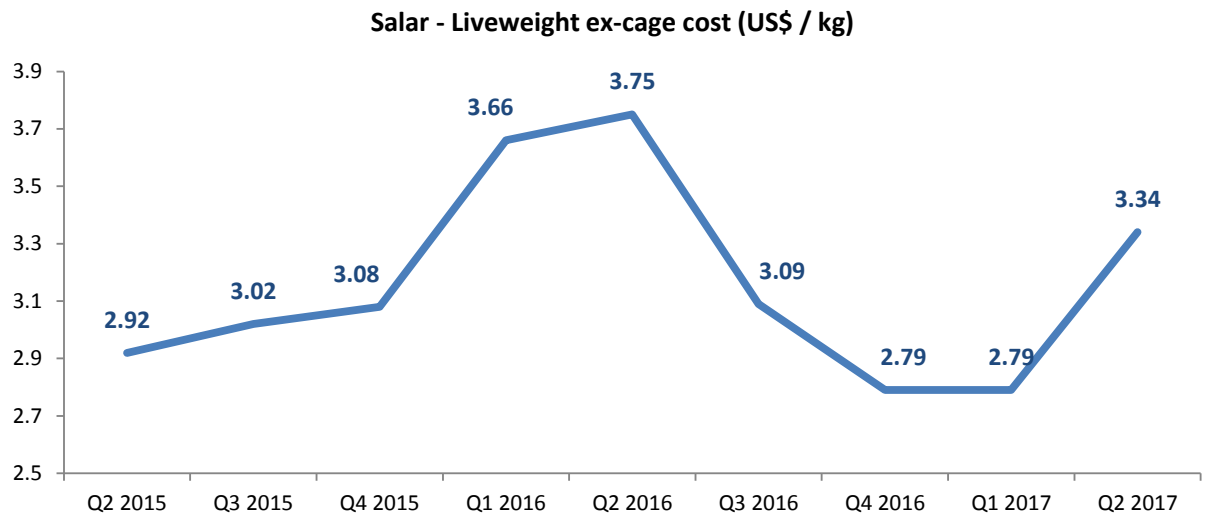


iv. **Salmon sanitary conditions** reported peak mortality rates in the first quarter of 2016 mainly as a result of the harmful algae bloom (HAB). This situation started to normalize in the second half of that year and, as of the second quarter of 2017, mortality reached 1.06% (including open and closed farm sites). Ex-cage costs of live fish harvested were US\$ 3.34 per kilo in the second quarter of 2017, marking a reduction of 41 cents over the US\$ 3.75 per kilo for the same period in 2016 but an increase of 42 cents over the second quarter of 2015. This occurred mainly because harvests came from farm sites with smolts produced at higher costs at hatcheries leased from third parties after our Petrohué hatchery was destroyed by the Calbuco volcano in April 2015. The lower quality of these hatcheries also contributed to greater harvest costs. This situation should return to normal during the second half of 2017 as our rebuilt Petrohué hatchery begins operating and we begin to stock smolt from that hatchery. This 41-cent reduction in cost with respect to the prior quarter affected the approximately 5 thousand tons of whole fish equivalent sold, with a favorable impact of around US\$ 2 million in the second quarter of 2017. The product costs for the first half of 2016 do not include the catastrophic mortality due to the HAB, which was accounted for separately in profit or loss for this period as a one-time, extraordinary loss within "Other gains (losses)".

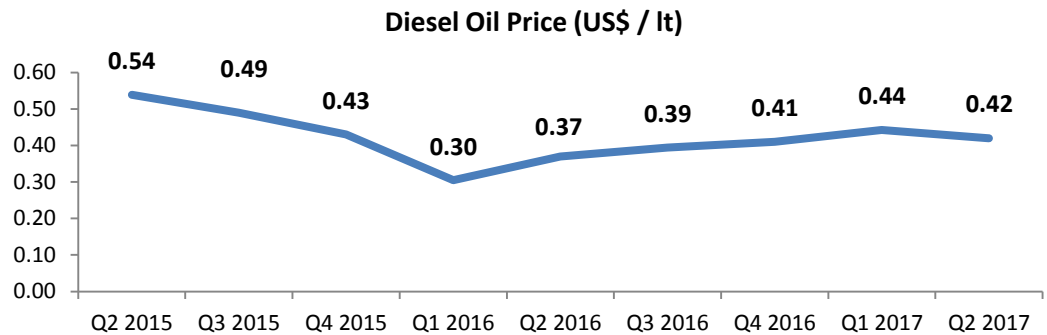
Atlantic Salmon Mortality (%)



*Total quarterly mortality including both closed and open sites. The closed sites affected by the HAB are included.



- v. The **price of diesel** purchased by Camanchaca has been falling significantly since 2014, bottoming out in the first quarter of 2016 at 30 cents per liter. In the second quarter of 2017, the price climbed to 42 cents per liter, which was 13.5% greater than the same quarter in 2016. As of June 30, 2017, the resulting rise in costs is close to US\$ 1 million, mainly in the industrial fishing division, where fuel is an important input used to catch and process raw materials. In contrast to 2016, when catch levels were down as a result of El Niño, a comparison with the first half of 2015 reflects savings of approximately US\$ 1.5 million.



Highlights and Financial Results for Camanchaca S.A.

- In the industrial fishing division, during the first half of 2017, catches in aggregate rose 67.6% thanks to the northern fishing operations, where catches rose from 19 thousand to 83 thousand tons. However, the effect was smaller for the southern industrial fishing operations, with an increase of 9 thousand tons in sardine catches and a decrease of 5 million tons in jack mackerel catches. The increase in anchovy and sardine catches resulted in a sharp increase in the production of fishmeal (+77.9%) and fish oil (+79.6%) and, consequently, greater sales shipped during the period (+55.2% in fishmeal and +69.2% in fish oil). Therefore, divisional revenue was US\$ 68.9 million for the first half of 2017, a rise of 24.1% compared to the same period in 2016. EBITDA was US\$ 7.3 million compared to US\$ 6.1 million in 2016, representing an increase of US\$ 1.2 million. Results improved from a loss of US\$ 2.6 million to profit of US\$ 0.4 million as of June 2017.

Additional Information:

- i. In line with the greater catches in the northern zone, fishmeal production increased from 4,413 to 18,722 tons. Fish oil production rose from 134 to 1,427 tons, while yield improved from 0.7% to 1.7%. These improvements can be explained by the normalization of ocean temperatures, which had the double effect of increased catches and greater fish oil yields.
- ii. Sardine catches increased 25.4% to 46,623 tons. Fishmeal production in the south, which combines sardine with jack mackerel not used in other products, fell 4.9% as a result of the drop in sardine yield (from 20.9% to 19.5%) and the decision to allocate less jack mackerel to this product in favor of products for human consumption. Fish oil production rose 45.4% mainly as a result of improved yield (from 5.5% to 7.8%).
- iii. Consolidated fishmeal sales increased 55.2% to 26,192 tons while fish oil sales rose 69.2% to 5,376 tons. As of June, the increased catches of small pelagic fish left fishmeal inventories of close to 6 thousand tons at a cost of around one thousand dollars per ton and fish oil inventory of around one thousand tons at a cost of around US\$ 830 per ton.
- iv. Fishmeal prices dropped 11.7% to US\$ 1,399 per ton in the first half of 2017, while fish oil prices fell 25.8% to US\$ 1,328 per ton. The drop in fish oil prices is due to the fact that Peruvian production during the year did not classify for human consumption and, therefore, had to be used for aquaculture, thus increasing supply for aquaculture and, therefore, driving prices down, which had an impact on margins of close to US\$ 2.5 million.
- v. In jack mackerel fisheries in the south-central zone, fishing conditions led to catches of 40,198 tons, including just over 2,700 thousand tons of bycatch (mackerel). These volumes are 11.8% less than catches in the first half of 2016. As of the date of publication of this report, Camanchaca has caught its full annual quota and continues to fish after purchasing additional jack mackerel quotas on the international market. In line with improvements in relative price conditions from frozen to canned fish, the production of frozen product totaled 12,663 tons in comparison to 3,687 tons in 2016. The effect of reduced catches and more frozen product led to a reduction of 41.9% in the production of canned product to 761 thousand boxes. However, 607 thousand boxes were sold during the first half of the year, which is 40.1% more than the same period in 2016, at an average price of US\$ 21.6 per box (-12.2%). This drop in prices reflects the industry's increased production early in the year and high inventory levels carried over from the prior year. Camanchaca's inventory of canned product totaled 582 thousand boxes as of June 30, 2017, at a cost of close to US\$ 12 per box.
- vi. In the langostino lobster business, which accounts for just over 5% of the Company's annual revenue and more than 15% of the industrial fishing division's annual revenue, production began in March. It produced 408 tons and sold 235 tons, marking an increase of 14.5% in production but a fall of 34.4% in sales. This is due to a higher basis of comparison in 2016 with high inventory at the beginning of the year and low inventory at the end. The langostino lobster season showed favorable trends in catch levels, production costs and sales figures.
- vii. The results of the Company's fishing operations for the first half of 2017 were:
 - The northern industrial fishing operations posted a profit of US\$ 2.1 million, compared to a loss of US\$ 6.7 million for the same period last year. This improvement can be explained by increased production and sales as a result of normalizing oceanographic conditions and the resulting decrease in expenses recorded directly in profit or loss, which fell US\$ 4.5 million this year because of greater fishing activity.
 - The southern industrial fishing operations
 - are run by our subsidiary Camanchaca Pesca Sur, which recorded a loss of US\$ 0.9 million, compared to a profit of US\$ 7.4 million for the first half of 2016. These results are attributable to reduced jack mackerel catches as of June and reduced prices for fishmeal, fish oil and canned fish. Third quarter results are expected to improve because of increased sardine catches, jack mackerel quotas purchased on the international market and sales of the increased production of frozen jack mackerel.
 - Our 70% interest in this subsidiary gave us a loss of US\$ 0.6 million. This was combined with a loss of US\$ 1.1 million from other fishing businesses in the south not included in Camanchaca Pesca Sur related primarily to finance costs, leaving a divisional loss of US\$ 1.7 million, compared to a profit of US\$ 4.1 million for the same period in 2016.

- In the **salmon farming** division, as of June 2017 sales volumes of company-farmed product totaled 10,313 tons WFE, a drop of 49.4% over the same period in 2016, which was affected by smolt transfer decisions in 2015 that led to reduced catches in 2017, and the effect of the HAB, which left the division with reduced inventory in early 2017 versus early 2016. Sales of third-party salmon products by our foreign offices totaled US\$ 53.0 million, which is 1.2% higher than the same period in 2016. The Company posted total revenue of US\$ 147 million, down 13.6% from the first half of 2016. A profit of US\$ 7.1 million was achieved, compared to a profit of US\$ 4.4 million in June 2016. This favorable difference of US\$ 2.6 million is explained by improved prices, reduced sales as mentioned and a negative net fair value adjustment in 2017 of US\$ 10.6 million, down US\$ 31.5 million from June 2016 (prices reflected a downward trend in June 2017 as opposed to an upward trend in June 2016).

Additional Information:

- During the first half of the year, there was a drop of 49.4% in sales volumes of company-farmed product with just over 10 thousand tons WFE, explained mainly by the 35.8% drop in harvests. Sales for the first quarter of 2016 were helped by shipments of inventory left as of December 2015 since the Company expected to be able to sell those products in 2016 at higher prices, which proved to be correct.
 - The strategy of maximizing returns on underused assets by providing services to third parties generated net operating income of US\$ 1.8 million for the first half of 2017, down 10.8% from the same period in 2016. This drop is explained by decreased sales of byproducts as a result of reduced harvests and decreased processing services, which were affected by reduced harvests by the industry as a whole in the northern part of the 10th region.
 - As of June, Camanchaca had 9 concessions under lease mainly in the Reloncaví Estuary used as trout grow-out sites. Camanchaca has a one-third interest in the trout business to which it contributes the concessions. This shared business generated a profit as of June for Camanchaca of US\$ 6.2 million. As of the publication of these financial statements, the Company is negotiating a long-term agreement to renew this arrangement.
 - The net fair value adjustment of the salmon biomass as of June 2017 was a loss of US\$ 10.6 million, as compared to a gain of US\$ 20.9 million in the same period in 2016. This difference reflects the fact that certain margins had already been recognized in prior years from unsold products and were reversed in this period when these products were effectively sold. This figure was also affected by the updating of the biomass balance, which, given the drop in salmon prices between late January and late July 2017, impacts the comparison of the biomass subject to FV adjustments. These effects particular to the FV criteria for biomass under IFRS are the exact opposite of what occurred in the first half of 2016.
 - EBITDA before the FV adjustment of the salmon biomass, which only reflects profit from fish harvested and actually sold, was US\$ 27.8 million, which compares favorably with the negative US\$ 2.1 million from June 2016. This improvement is the result of improved salmon prices (increase of US\$ 2.5 per kilo WFE, or +50.5%) and reduced harvest costs.
 - EBIT for the salmon farming division was US\$ 22.2 million. Excluding the aforementioned trout business, the salmon farming division posted a profit of US\$ 6.2 million and EBIT per kilo WFE for the first half of 2017 of US\$ 1.55, which is well above the negative US\$ 0.41 in June 2016.
- In the **other seafood** business, revenue increased 4.5% to US\$ 14.6 million for the first half of 2017. This division posted a loss of US\$ 0.5 million, identical to the loss recorded for the same period in 2016.
- Additional Information:

- The subsidiary **Camanchaca Cultivos Sur (mussels)** produced 50.1% more than the same period in 2016, totaling 6,434 tons. Production in 2016 was affected by abnormal oceanographic conditions as a result of the severe El Niño phenomenon, with scarce food in the sea and the resulting decrease in growth and yield for mussels, in addition to the red tide incidents and related road blockages in Chiloé in May. Revenue of US\$ 12.6 million (+8.7%) is explained by increased sales (+16.0%) and improved prices (+3.7%). Results, which are very sensitive to production scale, generated a positive EBITDA of US\$ 1.4 million (almost twice the figure for June 2016) and a final result of US\$ 616 thousand (in contrast to US\$ 78 thousand for the first half of 2016). Twenty-three thousand tons of raw material were processed in the plant, of which

20 thousand were harvested by the company and the rest purchased from third parties. Production reached a record high of 6,434 tons of product, helping reduce average costs by 7.5%, equivalent to US\$ 0.13 per kilo of finished product. The circumstances that closed our main market for this product (Russia) were resolved on June 16, 2017, thus restoring sales to this market as of the date of this report.

- ii. In the **abalone** business, mortality has increased with a negative impact of US\$ 0.3 million as a result of higher ocean temperatures, which has also reduced growth, thus impacting raw material costs and yields (7.5 units per kilo vs 6.8 in 2016). This is in addition to the decision made in 2015 to reduce the scale of this business from 240 to 160 tons per year, which has increased costs from US\$ 20.7 per kilo in 2016 to US\$ 24.5 per kilo in 2017. Prices, in turn, were up 22.8%, totaling US\$ 22.2 per kilo with a 35.4% drop in sales to 84 tons, consistent with the reduction in business scale. As a result, this area ended the period with a loss as of June of US\$ 1.2 million and EBITDA of negative US\$ 1 million, which represents in both cases a decrease of close to US\$ 550 thousand as compared to the same period in 2016.
- On a consolidated level, in comparison to the same period in 2016, administrative expenses as a percentage of revenue increased from 5.0% to 6.5%, while distribution costs rose from 4.8% to 5.1%. Administrative and distribution expenses in aggregate fell from 9.8% to 11.6% of revenue. The increase in administrative expenses is explained by increased variable compensation related to results from 2016 versus 2015 (+66%); the effect of changes in the exchange rate (2017 average is CLP\$ 660 per USD and 2016 is CLP\$ 690 per USD with an impact of US\$ 360 thousand); severance packages mainly in the salmon farming division in 2017 (impact of US\$ 500 thousand); and implementation of the SAP management system, which is already operational at the parent company and should be fully implemented organization-wide during the second half of the year. Distribution costs were impacted by increased refrigerated inventory of mussels as a result of the temporarily closure of our main market for “mussel meat” and higher commissions and labeling expenses as a result of increased sales of canned product.
 - Other gains and losses included a net loss of US\$ 5.8 million for the first half of 2016, associated with the combined effect of two incidents covered by insurance. The Company estimated a loss net of deductibles of US\$ 7.8 million related to the HAB outbreak as of June 2016. Simultaneously there was a gain of US\$ 1.6 million for the remaining balance of insurance compensation from the eruption of the Calbuco volcano. There were no extraordinary events during the first half of this year.
 - Prices for all of Camanchaca's products as a whole increased 12.5% for the first half of 2017 with respect to 2016, with a positive effect on revenue and margins of approximately US\$ 17 million related mainly to the salmon farming business, offset by reductions in the industrial fishing business (fishmeal, fish oil and canned fish).
 - The Company's inventory of finished products valued at cost as of June 30, 2017, totaled US\$ 50 million with surpluses over budgeted figures mainly in mussels due to the closure of the Russian market in the first half of the year that impacted sales of mussel meat. These inventory surpluses contain a margin of around US\$ 5.5 million if sold at June 2017 prices. The same margin as of June 2016 was close to US\$ 4 million.
 - The Company closed the first half of 2017 with US\$ 150 million in liquid assets, consisting of cash and cash equivalents, inventory and salmon biomass soon to be harvested. This figure represents 25% of total assets and 107% of the Company's target debt levels in its debt restructuring agreement (i.e. US\$ 140 million, based on the “revolving” portion of the structured loan) signed in 2013, which must be met by 2019.
 - In May 2017, the Company made approximately US\$ 10.6 million in payments on principal owed to its creditor banks in line with its debt payment schedule. Its estimated bank debt as of June is around US\$ 173 million. A new principal payment of US\$ 9 million is scheduled for November 2017.

- As of June 30, 2017, 98.3% of accounts payable to suppliers have been paid on time. This figure increases to 98.8% if accounts payable less than 30 days past due are included.

1. STATEMENT OF INCOME (CONSOLIDATED AND BY SEGMENT).

For the period ended June 30 (ThUS\$):

STATEMENT OF INCOME	YTD Q2 2017				YTD Q2 2016			
	FISHING	SALMON	OTHER SEAFOOD	TOTAL	FISHING	SALMON	OTHER SEAFOOD	TOTAL
Revenue	68,865	146,551	14,597	230,013	55,500	169,628	13,971	239,098
Cost of sales	(56,082)	(113,851)	(10,776)	(180,709)	(46,556)	(166,522)	(11,315)	(224,393)
Gross margin before fair value adjustments	12,783	32,699	3,822	49,304	8,944	3,105	2,656	14,705
Fair value adjustment to biological assets		14,544		14,544		20,616		20,616
Fair value adjustment to harvest and sales		(25,144)		(25,144)		328		328
Gross margin	12,783	22,099	3,822	38,704	8,944	24,049	2,656	35,649
OTHER INCOME AND EXPENSES								
Administrative expenses	(6,832)	(6,287)	(1,926)	(15,045)	(5,167)	(5,044)	(1,748)	(11,960)
Distribution costs	(5,254)	(4,182)	(2,203)	(11,639)	(4,293)	(5,712)	(1,381)	(11,386)
Finance costs	(923)	(1,814)	(279)	(3,015)	(1,029)	(1,750)	(270)	(3,049)
Share of profit (loss) of associates	0	1,030	0	1,030	0	666	0	666
Exchange differences	133	(635)	369	(132)	935	(676)	(28)	231
Other income (losses)	(47)	(128)	33	(143)	50	(5,857)	8	(5,799)
Finance income	0	37	0	37	0	25	0	25
Other income and expenses, net	(12,923)	(11,979)	(4,006)	(28,907)	(9,504)	(18,348)	(3,419)	(31,271)
Profit (loss) before taxes	(140)	10,120	(184)	9,797	(560)	5,701	(763)	4,378
Income taxes	262	(3,063)	(354)	(3,155)	236	(1,253)	229	(788)
Profit (loss) from continuing operations	122	7,058	(538)	6,641	(324)	4,448	(534)	3,591
Profit (loss) from discontinued operations	0	0	0	0	0	0	0	0
Profit (loss) for the period	122	7,058	(538)	6,641	(324)	4,448	(534)	3,591
Non-controlling interest	267	0	0	267	(2,235)	0	0	(2,235)
Profit (loss) for the period attributable to owners of the parent	388	7,058	(538)	6,908	(2,558)	4,448	(534)	1,356
EBITDA	7,314	27,783	396	35,492	6,109	(2,076)	295	4,327
EBITDA after fair value adjustments	7,314	17,182	396	24,892	6,109	18,868	295	25,271

Second Quarter (ThUS\$):

STATEMENT OF INCOME	Q2 2017				Q2 2016			
	FISHING	SALMON	OTHER SEAFOOD	TOTAL	FISHING	SALMON	OTHER SEAFOOD	TOTAL
Revenue	50,394	64,035	6,074	120,503	34,770	86,784	6,651	128,205
Cost of sales	(36,275)	(53,523)	(4,526)	(94,325)	(26,035)	(80,579)	(5,025)	(111,639)
Gross margin before fair value adjustments	14,119	10,511	1,548	26,178	8,734	6,204	1,627	16,565
Fair value adjustment to biological assets		4,375		4,375		10,988		10,988
Fair value adjustment to harvest and sales		(8,706)		(8,706)		(4,581)		(4,581)
Gross margin	14,119	6,181	1,548	21,848	8,734	12,610	1,627	22,972
OTHER INCOME AND EXPENSES								
Administrative expenses	(2,836)	(2,662)	(794)	(6,292)	(2,361)	(2,613)	(841)	(5,815)
Distribution costs	(3,344)	(1,655)	(1,110)	(6,109)	(2,412)	(2,417)	(725)	(5,555)
Finance costs	(465)	(913)	(140)	(1,518)	(532)	(1,129)	(135)	(1,795)
Share of profit (loss) of associates	0	546	0	546	0	141	0	141
Exchange differences	(92)	(46)	34	(104)	127	(792)	(1)	(667)
Other income (losses)	87	(219)	(2)	(135)	98	(1,921)	8	(1,815)
Finance income	0	25	0	25	0	19	0	19
Other income and expenses, net	(6,650)	(4,923)	(2,013)	(13,587)	(5,080)	(8,712)	(1,694)	(15,486)
Profit (loss) before taxes	7,469	1,257	(465)	8,261	3,654	3,898	(67)	7,485
Income taxes	(1,710)	(912)	(347)	(2,968)	(955)	(855)	59	(1,751)
Profit (loss) from continuing operations	5,759	345	(812)	5,293	2,699	3,043	(8)	5,734
Profit (loss) from discontinued operations	0	0	0	0	0	0	0	0
Profit (loss) for the period	5,759	345	(812)	5,293	2,699	3,043	(8)	5,734
Non-controlling interest	(789)	0	0	(789)	(1,648)	0	0	(1,648)
Profit (loss) for the period attributable to owners of the parent	4,970	345	(812)	4,504	1,051	3,043	(8)	4,086
EBITDA	11,214	9,006	(11)	20,208	7,263	3,953	451	11,667
EBITDA after fair value adjustments	11,214	4,675	(11)	15,877	7,263	10,359	451	18,073

EBITDA: gross margin before fair value adjustments + depreciation - administrative expenses - distribution costs
EBITDA after fair value adjustments: EBITDA + fair value adjustments to biological assets - fair value adjustments to harvest and sales

Sales Volumes

		Fishing Catches				Fishing Catches			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Northern Zone		83,486	18,827	64,659	343.4%	34,092	17,611	16,481	93.6%
Own	tons	79,684	18,191	61,493	338.0%	32,383	17,025	15,358	90.2%
Third Party	tons	3,803	636	3,167	497.9%	1,709	586	1,123	191.6%
South-Central Zone		86,821	82,781	4,040	4.9%	41,608	37,401	4,207	11.2%
Own	tons	42,779	61,343	-18,564	-30.3%	28,295	30,076	-1,781	-5.9%
Third Party	tons	44,042	21,438	22,604	105.4%	13,313	7,325	5,988	81.7%
Total	tons	170,307	101,608	68,699	67.6%	75,700	55,012	20,688	37.6%

		Production				Production			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Fishmeal	tons	31,105	17,485	13,620	77.9%	12,965	10,030	2,935	29.3%
Fish Oil	tons	6,406	3,567	2,840	79.6%	2,460	1,571	889	56.6%
Canned Fish	boxes	760,984	1,309,943	-548,959	-41.9%	547,951	566,820	-18,869	-3.3%
Langostino Lobster	kg.	407,986	356,267	51,719	14.5%	321,441	332,794	-11,353	-3.4%
Frozen Jack Mackerel	tons	12,663	3,687	8,976	243.4%	11,130	3,687	7,443	201.9%

		Sales				Sales			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Fishmeal	tons	26,192	16,880	9,312	55.2%	21,671	11,504	10,167	88.4%
Fish Oil	tons	5,376	3,177	2,200	69.2%	4,954	2,354	2,599	110.4%
Canned Fish	boxes	607,204	433,521	173,683	40.1%	257,586	282,520	-24,934	-8.8%
Langostino Lobster	kg.	235,418	348,083	-112,665	-32.4%	177,549	184,723	-7,175	-3.9%
Frozen Jack Mackerel	tons	5,305	1,613	3,692	228.9%	4,768	807	3,962	491.1%

		Salmon Harvest				Salmon Harvest			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Atlantic Salmon	tons WFE	10,146	15,814	-5,668	-35.8%	5,336	6,723	-1,387	-20.6%

		Production				Production			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Atlantic Salmon	tons WFE	10,096	15,565	-5,469	-35.1%	5,751	6,529	-779	-11.9%

		Sales				Sales			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Atlantic Salmon	tons WFE	10,313	20,370	-10,057	-49.4%	4,548	8,107	-3,559	-43.9%

		Other Seafood Production				Other Seafood Production			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Abalone	tons	92	92	1	0.9%	60	32	28	86.7%
Mussels	tons	6,434	4,288	2,147	50.1%	2,868	2,120	748	35.3%

		Sales				Sales			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Abalone	tons	84	130	-46	-35.4%	42	81	-39	-48.2%
Canned Abalone	boxes	19	686	-667	-97.2%	0	420	-420	-100.0%
Mussels	tons	4,198	3,620	578	16.0%	1,922	1,644	278	16.9%

Average Sales Prices

		Average Sales Price of Products				Average Sales Price of Products			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Fishmeal	US\$ x ton	1,399	1,585	-186	-11.7%	1,384	1,592	-208	-13.1%
Fish Oil	US\$ x ton	1,328	1,790	-463	-25.8%	1,298	1,786	-488	-27.3%
Canned Fish	US\$ x box	21.6	24.6	-3.0	-12.2%	22.5	24.4	-1.9	-7.8%
Langostino Lobster	US\$ x kg	23.5	23.3	0.2	1.1%	23.3	22.7	0.6	2.7%
Frozen Jack Mackerel	US\$ x ton	900	839	60.5	7.2%	888	1,021	-132.9	-13.0%
Atlantic Salmon	US\$ x kg	7.3	4.9	2.5	50.5%	7.5	5.8	1.7	29.3%
Abalone	US\$ x kg	22.2	18.1	4.1	22.8%	20.9	17.5	3.4	19.6%
Canned Abalone	US\$ x box	414.3	383.4	30.9	8.1%	-	378.7	-	-
Mussels	US\$ x kg	2.7	2.6	0.10	3.7%	2.7	2.6	0.15	5.8%

Change in Revenue due to Price Effect*

		Change in Revenue due to Price Effect				Change in Revenue due to Price Effect			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Fishmeal	ThUS\$	36,640	41,517	-4,878	-11.7%	29,989	34,506	-4,517	-13.1%
Fish Oil	ThUS\$	7,137	9,625	-2,487	-25.8%	6,429	8,849	-2,420	-27.3%
Canned Fish	ThUS\$	13,134	14,952	-1,818	-12.2%	5,803	6,297	-494	-7.8%
Langostino Lobster	ThUS\$	5,536	5,478	58	1.1%	4,134	4,024	109	2.7%
Frozen Jack Mackerel	ThUS\$	4,772	4,451	321	7.2%	4,236	4,870	-634	-13.0%
Atlantic Salmon	ThUS\$	75,470	50,132	25,338	50.5%	34,283	26,504	7,779	29.3%
Abalone	ThUS\$	1,860	1,515	345	22.8%	878	734	144	19.6%
Canned Abalone	ThUS\$	8	7	1	8.1%	0	-	-	-
Mussels	ThUS\$	11,379	10,977	402	3.7%	5,252	4,966	286	5.8%
Total	ThUS\$	155,936	138,655	17,281	12.5%	91,002	90,749	253	0.3%

* With constant volume 2017

Change in Fuel Expenses due to Price Effect*

		Change in Fuel Expenditures due to Price Effect				Change in Fuel Expenditures due to Price Effect			
		YTD Q2 2017	YTD Q2 2016	Change	Change %	Q2 2017	Q2 2016	Change	Change %
Diesel Oil	ThUS\$	3,468	2,781	687	24.7%	1,553	1,355	198	14.6%
Bunker Oil	ThUS\$	1,988	1,583	405	25.6%	958	775	183	23.6%
Total	ThUS\$	5,456	4,364	1,092	25.0%	2,511	2,130	381	17.9%

* With constant volume 2017

2. STATEMENT OF FINANCIAL POSITION

	Jun 2017 ThUS\$	Dec 2016 ThUS\$	Difference ThUS\$	Change
ASSETS				
Current assets	238,989	224,496	14,493	6.5%
Property, plant and equipment	222,965	226,460	-3,495	-1.5%
Other non-current assets	131,843	124,214	7,629	6.1%
Total Assets	593,797	575,170	18,627	3.2%
LIABILITIES				
Current liabilities	92,673	73,263	19,410	26.5%
Non-current liabilities	169,745	177,088	-7,343	-4.1%
Total Liabilities	262,418	250,351	12,067	4.8%
Net equity attributable to owners of the parent				
	274,964	268,137	6,827	2.5%
Non-controlling interest	56,415	56,682	-267	-0.5%
Total Equity	331,379	324,819	6,560	2.0%
Total Liabilities and Equity	593,797	575,170	18,627	3.2%

3. FINANCIAL ANALYSIS

A. Consolidated Analysis:

This section compares the Company's key financial indicators based on its consolidated financial statements for the periods ended June 30, 2017 compared to December 31, 2016.

	Period	
	Jun 2017	Dec 2016
Liquidity Indicators		
1) Current Liquidity	2.58	3.06
2) Acid Ratio	1.07	1.47
3) Working Capital (US\$ million)	146.3	151.2
Debt Indicators		
4) Net Debt Ratio	0.76	0.71
5) Current Liabilities / Total Liabilities	0.35	0.29
6) Non-Current Liabilities / Total Liabilities	0.65	0.71
Profitability Indicators		
	(6 months)	(12 months)
7) Return on Equity	2.08%	4.20%
8) Return on Assets	8.30%	9.34%

Notes:

- 1) Current Liquidity: Current Assets / Current Liabilities
- 2) Acid Ratio: Current Assets Net of Inventory and Biological Assets / Current Liabilities
- 3) Working Capital: Current Assets - Current Liabilities
- 4) Net Debt Ratio: Total Liabilities + Available Cash / Total Equity
- 7) Return on Equity: Profit (Loss) Attributable to Owners of the Parent / Total Equity.
- 8) Return on Assets: Gross Margin Before Fair Value Adjustment / Total Assets.

B. Cumulative Indicators for Salmon Business:

	Period	
	Jun-17	Jun-16
a) Atlantic Salmon Harvests / Site	3,637	2,834
b) Atlantic Salmon Farming Density (kg/m ³)	6.3	8.0
c) Atlantic Salmon Group Survival Rate (sea water)	95.3%	82.9%
d) EBIT Salmon Business (MUS\$)	22.2	-7.7
e) EBIT / kg WFE Atlantic Salmon Business	1.55	-0.41

Notes:

- a Harvests for the period, expressed in ex-cage tons / number of sites used, expressed in ex-cage tons per site.
- b Average farming density, expressed in kilos per cubic meter (for sites harvested during the corresponding period).
- c Survival rate, expressed as groups of harvested fish from the smolt transfer. A harvest group is fish of a similar origin and strain.
- d Gross margin before fair value adjustment - administrative expenses - distribution costs salmon business
- e (Gross margin before fair value adjustment - administrative expenses - distribution costs – result from one-third interest in trout business) / kg WFE sold of company-farmed salmon

Fair Value for the Period Ended June 30 (ThUS\$):

	Fair Value Adjustment to Biological Assets		Fair Value Adjustment to Harvest and Sales	
	YTD Q1 2017	YTD Q1 2016	YTD Q1 2017	YTD Q1 2016
Atlantic Salmon	14,544	20,616	(25,144)	328
TOTAL	14,544	20,616	(25,144)	328

The net effect of the fair value adjustment of the salmon biomass is reflected in two accounts:

- i) “Fair Value Adjustment to Biological Assets” records the estimated gain or loss as of the period end from valuing the biomass of live and harvested fish that will be sold in future periods. It can be positive or negative based on variations in the biomass included in the valuation and its market price. A gain of US\$ 14.5 million was recorded for the fair value adjustment of the live and harvested biomass as of June 30, 2017, compared to a gain of US\$ 20.6 million as of the same date in 2016.
- ii) “Fair Value Adjustment to Harvest and Sales” records the realized gain or loss on the live biomass, and the biomass harvested in current and prior periods, that was sold in the current period. This account reverses the estimated gain or loss for the current and prior periods and the actual result of the transaction is recorded in revenue and cost of sales. The net effect of the biomass sold as of June 2017 was a loss of US\$ 25.1 million, which reversed a positive margin estimated in prior periods, in contrast to a gain of US\$ 0.3 million in June 2016, which arose from reversing the negative margin expected for prior periods.

The net effect of the fair value adjustment of the salmon biomass for the period ended June 30, 2017, is a negative US\$ 10.6 million, as opposed to the positive US\$ 20.9 million recorded for the same period in 2016.

Salmon Farming Revenue:

June 2017

Product or Species	U.S. ThUS\$	Europe + EuroAsia ThUS\$	Asia ex Japan ThUS\$	Japan ThUS\$	LATAM ex Chile ThUS\$	National Market ThUS\$	Others ThUS\$	TOTAL ThUS\$
Atlantic Salmon	29,720	9,939	6,735	5,682	20,727	2,076	590	75,470
Trout	0	0	0	0	0	0	0	0
OTHERS	49,973	0	0	3,673	0	17,435	0	71,081
TOTAL	79,693	9,939	6,735	9,355	20,727	19,510	590	146,551

June 2016

Product or Species	U.S. ThUS\$	Europe + EuroAsia ThUS\$	Asia ex Japan ThUS\$	Japan ThUS\$	LATAM ex Chile ThUS\$	National Market ThUS\$	Others ThUS\$	TOTAL ThUS\$
Atlantic Salmon	44,203	19,097	8,846	5,860	19,392	1,601	22	99,020
Trout	0	0	0	0	0	0	0	0
OTHERS	57,391	0	0	3,605	0	9,611	0	70,607
TOTAL	101,594	19,097	8,846	9,465	19,392	11,212	22	169,628

The Company's commercial policy seeks to diversify its products and target markets. To accomplish this, Camanchaca has offices and representatives in the U.S., Japan and Mexico. Through its subsidiary Salmones Camanchaca, the Company has owned a stake in "New World Currents" since November 2013, which is a joint venture with three other Chilean producers to satisfy the demand for salmon in the Chinese market. In this market, there has been an important increase in air shipments of whole fresh fish with resulting increases in distribution expenses. In short, Camanchaca focuses its strategies to target the most attractive markets with the best raw material yield based on a short- and medium-term analysis. The Company defines its value-added products as those containing some degree of secondary processing. These products account for 79.4% and 88.2% of sales as of June 2017 and June 2016, respectively. The remainder are sales of fresh whole salmon that have only undergone primary processing (bleeding and gutting). Fresh Atlantic salmon fillets are sold preferably in the U.S.; frozen Atlantic salmon fillets and portions in Europe; fresh or frozen whole Atlantic salmon in Asia (excluding Japan); frozen Atlantic salmon fillets in Japan; whole fresh Atlantic salmon in Brazil and frozen Atlantic salmon fillets in the rest of Latin America.

The U.S. market as a percentage of total sales decreased from 59.9% as of June 2016 to 54.4% as of June 2017. Europe and Eurasia decreased from 11.3% to 6.8%. Asia excluding Japan fell from 5.2% to 4.6% and Japan increased from 5.6% to 6.4%. Latin America excluding Chile grew from 11.4% to 14.1%. The account "others" includes services and sales to third parties, and intercompany salmon sales to our offices in the U.S. and Japan.