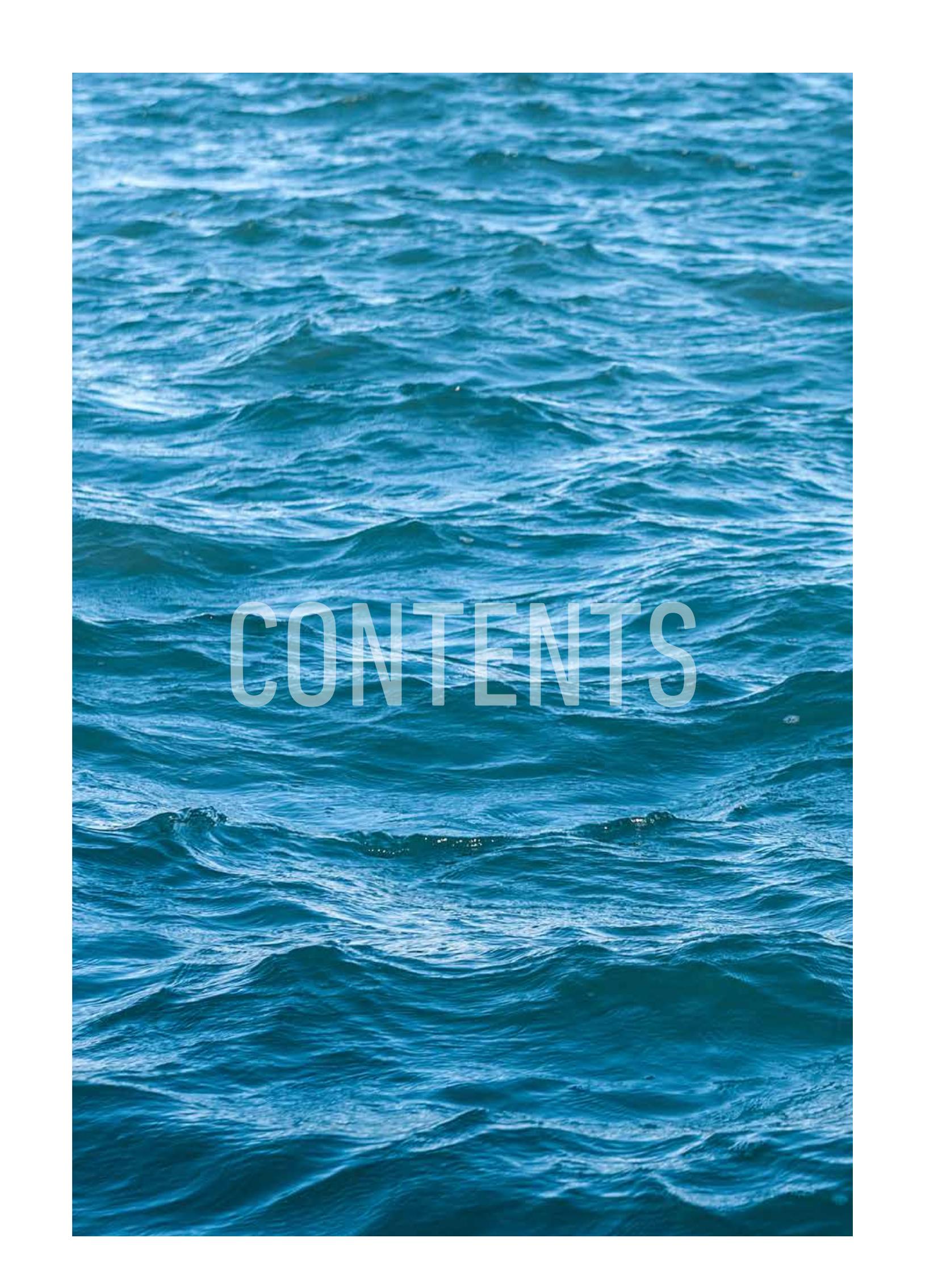




2016

2016





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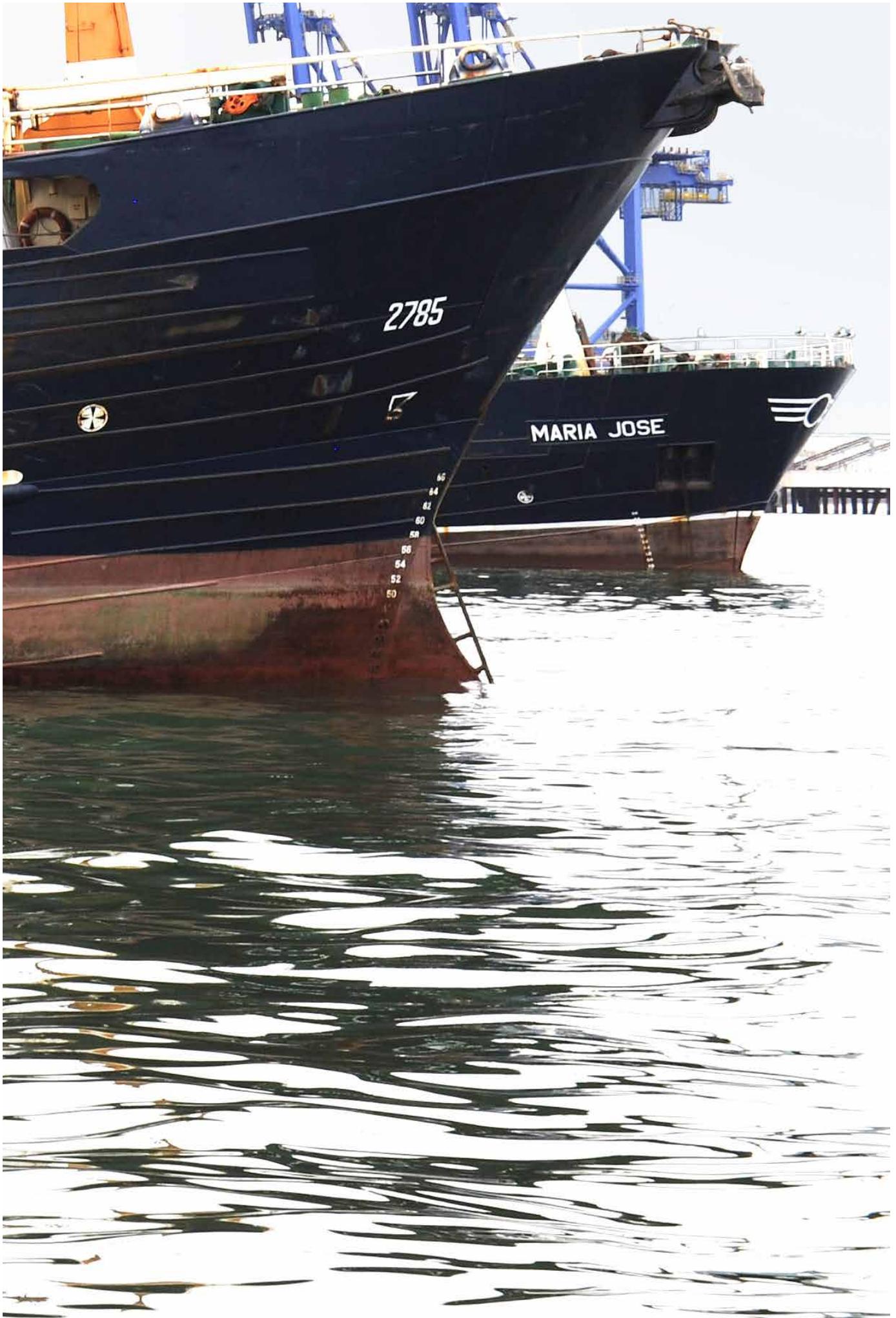


CHAPTER 1



A WORD FROM OUR CHAIRMAN





A WORD FROM OUR CHAIRMAN



Jorge Fernández Valdés
Chairman

Dear Shareholders,

This past year was full of many major challenges for our Company, and its talents were put to the test, resulting in a successful end to the year.

The El Niño phenomenon impacted the American South Pacific in 2015 and became even more intense during the first half of 2016. It will be recorded as the harshest of its kind in the past 65 years, with a significant rise in ocean surface temperatures, affecting the biomass and phytoplankton that serve as food for other sea life.

Last summer, part of our salmon production was exposed to the harmful algae bloom (HAB) that seriously affected three salmon grow-out sites in the Reloncaví Sound, with a mortality of 2.8 million fish and a cost of around US\$ 25 million, reducing our harvests for the year by nearly 15 thousand tons. Camanchaca placed special emphasis on the correct disposal of mortalities, relocating its fishing fleet from the Bío Bío Region to transport mortalities to reduction plants to be processed into fishmeal and fish oil for sale, thereby recovering part of the losses.

But El Niño had the greatest impact on northern fisheries, where anchovy catches dropped to their lowest level in almost 20 years, due to the absence of appropriately sized fish. Catches have decreased by around 75% since 2014, the year preceding this phenomenon, resulting in an estimated loss in comparison to a normal year, such as 2014, of around US\$ 20 million.

Such phenomena tend to run their cycle and then disappear. In line with this, despite the severity of the 2015-2016 El Niño, the first few months of 2017 have shown a return to normal oceanographic conditions and, consequently, normal fishing and aquaculture.

The strong impact of the HAB on Chilean salmon harvests in 2016 and part of 2017 was exacerbated by unfavorable sanitary conditions in Norway, which also led to a reduction, albeit slight, in its salmon production. The combined drop in global supply resulting from these two events was 7%, which resulted in a 27% price increase throughout the year, positive news that offset the effects of El Niño. This had a positive impact on the results of the salmon division, which registered an EBITDA of US\$ 38.8 million and profit of US\$ 30.8 million, despite the impact of fish mortality from harmful algae blooms, which after recoveries resulted in a loss of US\$ 11.2 million. This result enabled us to revert losses in other areas, moving from a consolidated loss of US\$ 9 million to a profit of US\$ 14 million, with EBITDA growing at 52%.

But the improved margins of the salmon farming division cannot be fully explained by the price increases. The sanitary conditions of our salmon, and consequently their farming costs, resulted in ex-cage costs of US\$ 2.79 per kilo for the fourth quarter of 2016, down 29 cents from the same quarter in 2015. Over the course of the year, costs totaled US\$ 3.31 per kilo, up 30 cents from 2015, but 10 cents less than in 2014, a more suitable comparison given the Atlantic salmon's two-year cycle and the timetables of the particular neighborhoods.

In this scenario of lower salmon production in Camanchaca, our US office performed very well in 2016. Camanchaca Inc. sold over US\$ 100 million in third-party products, providing a constant supply of salmon to our customers and minimizing the impacts of the reduced harvest.

Despite our decision to discontinue trout farming in 2014 due to sanitary conditions, in our search to find a use for our assets, Camanchaca has a one-third interest in a trout business and in 2016 contributed its concessions for farming this species in the Reloncaví Estuary, earning profits of US\$ 3.3 million for Camanchaca. The positive performance and results from this business led us to the decision to continue in 2017, increasing the expected harvest for the period by approximately 20%.

In other important, positive news, the Petrohué hatchery reopened in 2016, after having been destroyed by the Calbuco volcano in April 2015. It was rebuilt in record time, with maximum efficiency and environmental benefits, which should improve results and make them more sustainable over time.

As mentioned above, 2016 was a complex year for the industrial fishing business due to an unprecedented El Niño, which explains the US\$ 16.3 million in losses in this division.

The northern fishing division, the most affected area, reduced its scale from 16 to 12 vessels to compensate for the absence of fish. In this division, our efforts were concentrated on reaching an agreement with

the Port of Iquique (EPI). Last August, we signed a new contract to use the port area until April 2019, which gives us the time we need to relocate without interrupting operations. Last October, we submitted an Environmental Impact Statement (DIA) to the Environmental Impact Assessment System for a new plant on our property, north of the industrial neighborhood, which will include significant improvements in environmental standards and efficiency.

Jack mackerel fishing in the southern fishing division had a positive year, thanks to improved fishing conditions, with catches of 50 thousand tons in the south, 6 thousand more than in 2015 and in less time. These achievements helped reduce the costs of our products for human consumption by over 20%, through the implementation of efficiencies of scale and operational improvements. We caught the full industrial sardine quota, which was 27% greater than in 2015. However, this was not enough to offset the unfavorable conditions for artisan catches in the Bío Bío Region, affected by El Niño, leading to a drop of 39% in artisan raw material purchased.

The importance that we place on operational sustainability was reflected through the diverse certifications we obtained on environmental, social and quality aspects in 2016. In fact, the subsidiary Pesca Sur (southern fishing division) obtained certification from the Marine Stewardship Council's (MSC) Sustainable Fishing Program for langostino lobsters, certifying that our langostino lobster fishing practices are sustainable, do not affect the species and consider the chain of custody for the product.

The salmon farming division received its fourth star from the BAP certification program by certifying its full value chain—hatchery, grow-out, feed and processing—all in adherence with program standards, which measure and assess environmental and social responsibility, animal welfare, food safety and traceability.

The Company also obtained BAP certification for its mussel farming operations, including all farm sites and the processing plant, guaranteeing its customers that the products are farmed and processed using the best global aquaculture practices.

To maintain our high control standards, Camanchaca is the only company in the sector that has had a duly certified Crime Prevention model for the past two years.

Our successful management in the second half of 2016 and conservative handling of financial resources has enabled us not only to make debt payments as agreed, but also to prepay Camanchaca Pesca Sur's debt in full, clearing this subsidiary of all bank debt. With these payments, financial liabilities as of December 31, 2016, were US\$ 186 million, US\$ 27 million less than the previous year. We are confident that we will continue down this road and reach our goal of a debt to EBITDA ratio of between 2 and 2.5 under normal external conditions.

Externally, we see the implementation of the new salmon industry regulation in a positive light. This provides stability to Chilean production, enabling it

to grow hand-in-hand with proven sanitary improvements, preventing over-enthusiasm from leading to sanitary crises. In this new context, considering the Company's direct and indirect concessions, our opportunities for Atlantic salmon smolt transfer and harvest are projected to reach harvest levels close to 50 thousand tons by 2020. We are working to reach this scale and fully leverage our assets.

We are confident that the Fisheries Law will be valued for its focus on biomass and sector sustainability, and recognized for the lengthy legislative work behind it, which considered multiple industry stakeholders, as well as international legislation, to breathe life into the current institutions. Let us not forget that the new law has meant sacrifices for industrial fishing companies such as Camanchaca, which had to transfer pelagic quotas to the artisan sector and apply for renewable licenses, instead of our traditional indefinite fishing permits issued under the previous law.

We invite our employees to continue to work together in an ongoing quest to create shared value, and our shareholders to trust us to manage the Company's valuable assets, combined with an entrepreneurial spirit, open to business opportunities, with respect for the people and the environment around us. I thank each and every one of you for placing your trust in our management and endeavors.

Sincerely,



Jorge Fernández Valdés
CHAIRMAN



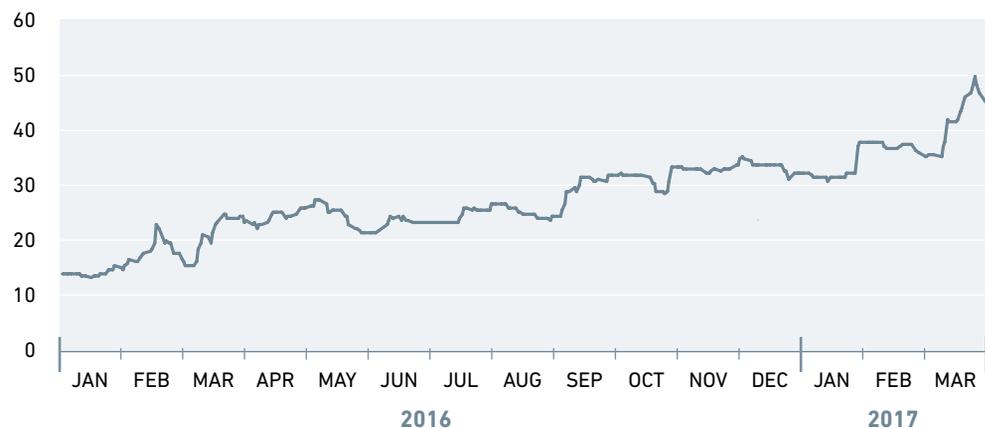
CHAPTER 2

FINANCIAL PERFORMANCE

SUMMARY OF FINANCIAL POSITION

MAIN FINANCIAL RATIOS	2016	2015
Liquidity Ratios		
Current Liquidity	3.06	2.67
Acid Test Ratio	1.47	1.03
Working Capital (ThUS\$)	151,233	157,689
Debt Ratios		
Net Debt Ratio	0.71	0.92
Short-term Debt / Total Debt	0.29	0.32
Long-term Debt / Total Debt	0.71	0.68
Profitability Ratios		
Return on Equity (ROE)	4.20%	-2.90%
Return on Assets (ROA)	9.34%	7.27%

EVOLUTION OF STOCK PRICE (CHILEAN PESOS)



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME	2016 ThUS\$	2015 ThUS\$
Revenue	488,190	439,225
Cost of sales	-434,475	-395,293
GROSS PROFIT BEFORE FAIR VALUE ADJUSTMENT	53,715	43,932
Gain (loss) on fair value of biological assets	63,623	-20,745
Cost of harvested and sold biological assets	-38,694	14,511
GROSS PROFIT	78,644	37,698
Other gains (losses)	-61,222	-48,507
PROFIT (LOSS) BEFORE TAXES	17,422	-10,809
PROFIT (LOSS) FOR THE YEAR	13,634	-8,989
EBITDA BEFORE FAIR VALUE ADJUSTMENT	32,823	21,608

The Company recorded a profit of US\$ 13.6 million for 2016, which compares favorably to the loss of US\$ 9 million for the prior year. This positive result was obtained in spite of two external events that negatively affected the Company in 2016: a harsh El Niño phenomenon, which brought about a rise in ocean temperatures that particularly impacted our northern fishing operations, and a harmful algae bloom (HAB) that seriously affected three salmon grow-out sites in the Los Lagos Region with mortalities of 2.8 million fish at an average weight of 2.4 kilos.

The positive result is explained by US\$ 30.8 million in profits from the salmon farming division, in contrast with a loss of US\$ 6.8 million in 2015. The industrial fishing business posted a loss of US\$ 16.3 million, compared to a profit of US\$ 1.4 million in 2015. The difference can be explained by 64 thousand tons less in pelagic catches due to oceanographic conditions associated with El Niño.

Revenue increased by 11.1%, reaching US\$ 488 million, with declines from the industrial fishing (-26%) and other seafood (-8.4%) businesses, but with a sharp increase in the salmon farming business (34.2%), due to improved prices and increased third-party salmon sales by the Camanchaca sales office in the USA, which accounted for 23% of consolidated sales

versus 12% in 2015.

EBITDA before fair value adjustment (FV) reached US\$ 32.8 million, up US\$ 11.2 million from year-end 2015. The 51.9% increase in EBITDA can be explained by a US\$ 9.8 million increase in gross profit resulting from an increase of US\$ 31.3 million in the gross profit for the salmon farming business, offset by US\$ 22.3 million less in gross profit from the industrial fishing business.

Administrative expenses as a percentage of revenue remained steady at 5.1%, while distribution costs fell from 6.1% to 4.5%. The absolute increase in administrative expenses is exclusively attributable to the process started by the Company in early 2016 to migrate its technology platform to SAP.

Other gains and losses included a net loss of US\$ 9.8 million in 2016, associated with the combined effect of two incidents covered by insurance. The Company has estimated a loss, net of deductibles, of US\$ 11.2 million related to the HAB outbreak as of December 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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	2016 ThUS\$	2015 ThUS\$
Current assets	224,496	252,053
Property, plant and equipment	226,460	235,457
Other non-current assets	124,214	117,188
Total assets	575,170	604,698
Current liabilities	73,263	94,364
Non-current liabilities	177,088	199,900
Total liabilities	250,351	294,264
Net equity of parent company	268,137	253,942
Non-controlling interest	56,682	56,492
Total equity	324,819	310,434
Total liabilities and equity	575,170	604,698

Assets decreased by US\$ 29.5 million between December 2015 and December 2016, reaching US\$ 575 million, primarily due to:

A decrease of US\$ 19.6 million in inventory as a result of lower fishmeal and fish oil production and higher salmon stock as of year-end 2015 in comparison to 2016.

A reduction of US\$ 14.8 million in current and non-current biological assets, reflecting a substitution of biomass for cash, as the decision to scale down smolt transfers in 2015 and the HAB losses begin to be reflected.

An increase of US\$ 10.9 million in cash and cash equivalents due to i) better salmon business returns

associated with higher prices and lower costs, ii) more conservative cash management due to the decrease in catches in the northern zone and the effects of the HAB on the salmon farming division, iii) a decrease in the use of working capital associated with lower biological assets due to smolt transfer scale down in 2015 and losses from HAB.

Liabilities decreased US\$ 43.9 million, primarily explained by a US\$ 20.9 million reduction in payables and a US\$ 26.8 million reduction in financial liabilities due to the payment of debt installments scheduled between May and November 2016 and the prepayment in full of US\$ 4.7 million by the subsidiary Camanchaca Pesca Sur S.A.

The **Company's equity** increased by 4.6%, from US\$ 310 million as of December 31, 2015, to US\$ 325 million as of December 31, 2016, mainly due to profit for the year.

RESULTS OF SALMON FARMING DIVISION

INCOME STATEMENT - SALMON FARMING DIVISION	2016	2015
HARVESTED RAW MATERIAL (tons WFE)		
Atlantic salmon	32,644	43,330
SALES VOLUMES (tons WFE)		
Atlantic salmon	38,494	42,195
Trout	0	199
	ThUS\$	ThUS\$
Revenue	352,752	262,824
Cost of sales	-304,379	-245,724
GROSS PROFIT BEFORE FAIR VALUE ADJUSTMENT	48,373	17,100
Gain (loss) on fair value of biological assets	63,623	-20,745
Cost of harvested and sold biological assets	-38,694	14,511
GROSS PROFIT	73,302	10,866
Other gains (losses)	-33,131	-19,926
PROFIT (LOSS) BEFORE TAXES	40,171	-9,060
PROFIT (LOSS) FOR THE YEAR	30,833	-6,769
EBITDA BEFORE FAIR VALUE ADJUSTMENT	38,812	6,684

In the **salmon farming** business, total revenue increased by 34.2%, reaching a profit of US\$ 30.8 million, compared to a loss of US\$ 6.8 million in 2015. This favorable difference of US\$ 37.6 million is explained by improved prices and a net fair value (FV) effect of US\$ 24.9 million this year.

In 2016, sales of company-farmed products totaled 38 thousand tons WFE, down 8.8% from 2015. However, sales of third-party products by our foreign offices totaled US\$ 112.4 million, which is more than twice the 2015 figure. The Company posted total revenue of US\$ 353 million, up 34% from 2015.

The strategy of maximizing returns on underused assets by providing services to third parties generated net operating income of US\$ 4.2 million for 2016, down 39.7% from 2015. This is explained by decreased activity when the hatchery closed last year because of the eruption of the Calbuco volcano. As of December, Camanchaca had 9 concessions under lease specifically for trout that were, therefore, operational. Furthermore,

the salmon farming division has a one-third interest in a trout business to which it contributes concessions. This business generated a profit of US\$ 3.3 million for the Company.

The fair value adjustment as of December 31, 2016, amounted to a gain of US\$ 24.9 million, which compares favorably to the loss of US\$ 6.2 million in 2015. This improvement is explained by the US\$ 1.2 per kilo rise in salmon prices.

EBITDA before the fair value adjustment of the salmon biomass was US\$ 38.8 million, which compares favorably with US\$ 6.7 million in 2015, also explained by an increase in salmon prices and cost reductions mainly in the farming process.

Reconstruction at the Petrohué hatchery began in October 2015. The phases scheduled to be completed this year were completed in June 2016 with an investment of approximately US\$ 10 million. Approximately US\$ 15 million in insurance compensation has been received.

RESULTS OF INDUSTRIAL FISHING DIVISION

INCOME STATEMENT - INDUSTRIAL FISHING DIVISION	2016	2015
COMPANY AND THIRD-PARTY CATCHES (TONS)		
Northern Chile	34,451	86,638
South-Central Chile	105,377	116,976
SALES VOLUMES		
Fishmeal (tons)	29,059	38,620
Fish oil (tons)	4,601	5,729
Canned fish (boxes)	995,533	1,003,286
Frozen jack mackerel (tons)	4,918	8,075
Langostino lobster (tons)	650	821
	ThUS\$	ThUS\$
Revenue	107,375	145,774
Cost of sales	-107,801	-123,917
GROSS PROFIT (LOSS)	-426	21,857
Other gains (losses)	-21,160	-19,710
PROFIT (LOSS) BEFORE TAXES	-21,586	2,148
PROFIT (LOSS) FOR THE YEAR	-16,324	1,416
EBITDA	-6,915	15,720

Revenue from the **industrial fishing** division was US\$ 107 million, a fall of 26.3% compared to 2015. EBITDA was a negative US\$ 6.9 million compared to a positive US\$ 15.7 million in 2015, representing a decrease of US\$ 22.6 million explained entirely by reduced anchovy catches in the north. The results went from a profit of US\$ 1.4 million to a loss of US\$ 16.3 million in 2016, but with a special positive effect in 2015 of US\$ 5 million from insurance compensation received for Iquique plant assets damaged by the earthquake (claim recorded in 2014).

In line with the poor catches in the northern zone, the Company produced less anchovy fishmeal, down 62.4% from 2015, and had marginal fish oil production affected by yields falling to almost zero (0.4% in 2016 vs 1.1% in 2015) due to warmer seas.

Sardine catches fell by 24.4% and fishmeal and fish oil production fell by 14.6% and 28.1%, respectively. Similarly, the seas were also warmer in the south and fish oil yields fell to 5% from the 5.7% recorded in 2015.

Consolidated fishmeal sales fell 24.8% while fish oil sales dropped 19.7%. Fishmeal prices dropped 10% in 2016, while fish oil prices fell 6.7%.

In jack mackerel fisheries in the south-central zone, oceanographic conditions resulted in a rise of 14.1% in catches over 2015, with a big impact on the cost of canned jack mackerel products, which will be reflected in profits as these units are sold. Due to a combination of fish not suitable for freezing and weaknesses in its main market (Nigeria), production of frozen jack mackerel fell while production of canned products increased. Production increased 53.8% in 2016 versus 2015, while a similar volume (around one million boxes) was sold at lower prices (-7.1%), leaving a stock of 450 thousand boxes as of year end.

Lastly, langostino lobster production fell 21.6% due to reduced quotas issued last year. Sales prices reflected a slight increase of 0.6% in 2016.

RESULTS OF OTHER SEAFOOD DIVISION

INCOME STATEMENT - OTHER SEAFOOD DIVISION	2016	2015
HARVESTED RAW MATERIAL		
Abalone (thousands of units)	1,716	1,747
Scallops (thousands of units)	0	5,140
Mussels (tons)	25,657	27,891
SALES VOLUMES		
Abalone (tons)	242	173
Canned abalone (boxes)	686	1,797
Scallops (tons)	0	127
Mussels (tons)	7,723	8,877
	ThUS\$	ThUS\$
Revenue	28,064	30,627
Cost of sales	-22,295	-25,652
GROSS PROFIT	5,768	4,975
Other gains (losses)	-6,931	-8,872
PROFIT (LOSS) BEFORE TAXES	-1,162	-3,897
PROFIT (LOSS) FOR THE YEAR	-875	-3,636
EBITDA	926	-797

In the **other seafood** business, revenue fell in 2016. This division recorded a loss of US\$ 0.9 million, which is negative but still an improvement over the loss of US\$ 3.6 million in 2015.

The subsidiary Camanchaca Cultivos Sur (mussels) was also affected by abnormal oceanographic conditions, with a shortage of food in the ocean and subsequent low mussel growth and yields, which has increased costs and reduced harvests. Production fell 10.1% in 2016 and revenue fell 6.8%. Sales and prices fell 13.0% and 4.8%, respectively, affecting EBITDA and results, which decreased by US\$ 1.5 million and US\$ 0.8 million, respectively, with respect to the prior year. The mussel business was also affected by a production

stoppage of almost one month because of red tide and strikes and community protests in Chiloé in May 2016.

With the sale of the scallop business in December 2015, Camanchaca continued to focus on the abalone business in the north, where significant improvements have been made in farming and production in 2016, both in production costs and in caliber. Prices are up 19.5% from the previous year, and sales are up 40% thanks to the opening of new markets, primarily on the west coast of the US. This business area improved its results by US\$ 3.2 million this year and achieved a slightly positive EBITDA in the fourth quarter.



CHAPTER 3

THE
COMPANY





IDENTIFICATION

LEGAL NAME

Compañía Pesquera
Camanchaca S.A.

ADDRESS

Avenida El Golf N° 99, Piso 10,
Las Condes, Santiago, Metropolitan Region
Postal code 7550000

CHILEAN TAXPAYER ID

NUMBER

93.711.000-6

PHONE

(56 2) 2 363 57 00

TYPE OF ENTITY

Publicly held corporation

FAX

(56 2) 2 375 43 84

SECURITIES REGISTRY

No. 1060

CONTACT

E-MAIL

inversionistas@camanchaca.cl

WEBSITE

www.camanchaca.cl

OUR HISTORY

1960-1979

The Company commences operations in the Port of Iquique in 1963. Two years later, it begins catching and processing langostino lobsters in Tomé in the Bío Bío Region. Production is sold in the North American market.

1980-1989

- In 1980, the Company focuses on catching and processing seafood and other marine products. Important investments are made such as building the first indirect drying plant for fishmeal and fish oil in Talcahuano; acquiring a frozen food plant in Caldera; equipping the fleet with cutting-edge technology; and incorporating new ocean vessels with greater capacity.

- In 1987, aquaculture concessions are acquired with a production potential of 75,000 tons per year, thereby diversifying production through salmon farming. That same year, it acquires the Polcura hatchery in the Bío Bío Region to produce Pacific salmon smolts, the first species farmed by the Company.

1990-1999

In 1993, fishing operations begin in northern Chile with important investments, such as building a fishmeal plant in Iquique and acquiring various anchovy fishing vessels.

2000-2004

- In 2001, the Company makes a pioneering investment and launches the first recirculating hatchery for salmon in Chile, with a production capacity of 15 million smolts per year.

- That same year, in the Port of Caldera, land-based abalone farming joins the product mix, with production capacity of 400 tons per year.

- It also forms Camanchaca Inc., a retail office in Miami, Florida, focused on selling and distributing the Company's products.

- In 2003, the Company acquires Cultivos Marinos del Pacífico (currently Camanchaca Cultivos Sur), which allows it to enter the mussel farming business.

2005-2010

- In 2005, the Company opens a sales office in Tokyo, Japan.

- That same year, a modern mussel processing plant with production capacity of more than 20,000 tons per year, is inaugurated in Rauco, on the island of Chiloé.

- On December 1, 2010, the Company successfully places 31.5% of its shares on the Santiago Stock Exchange, raising a total of US\$ 205 million, and becoming a publicly held corporation.



2011-2015

- In 2011, the fishing operations in the south-central zone merge with Pesquera Bío Bío to form Camanchaca Pesca Sur, which doubles the size of the Company's operations in southern Chile, increasing its jack mackerel and sardine quotas in that zone by nearly 20%.

- In 2012, Camanchaca becomes the world's first salmon producer to earn three stars for the Global Aquaculture Alliance's (GAA) Best Aquaculture Practices (BAP) certification.

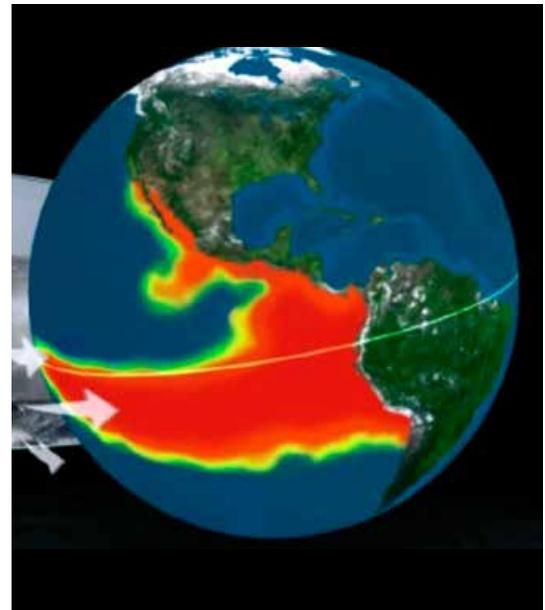
- In 2013, the Global Salmon Initiative (GSI) is launched. This organization brings together the world's leading salmon farmers, including Camanchaca. That same year, the Company forms a partnership known as New World Currents, together with three other Chilean companies. The initiative aims to import salmon to China efficiently, consistently and on a large scale.

- In 2015, the Company consolidates its strategy of promoting a healthy diet and bringing its products closer to neighboring communities, with 5 points of sale across Chile: Iquique, Santiago, Coronel, Tomé and Rauco.

2016 HIGHLIGHTS

INTENSE “EL NIÑO” PHENOMENON

During 2015-2016, this phenomenon was more intense than it has been in the past 65 years, directly affecting the Company's operations. In the northern fishing division, this provoked historically low catches (explaining the 60% drop in anchovy catches). In the southern fishing division, it led to a southern migration of sardines, directly affecting artisan fishermen in the Bío Bío Region. In the other seafood division, it had an impact on the raw material yield of mussels, and finally, in salmon farming, it was one of the factors that gave rise to the harmful algae bloom in February 2016. In the second half of the year, oceanographic conditions began to return to normal.

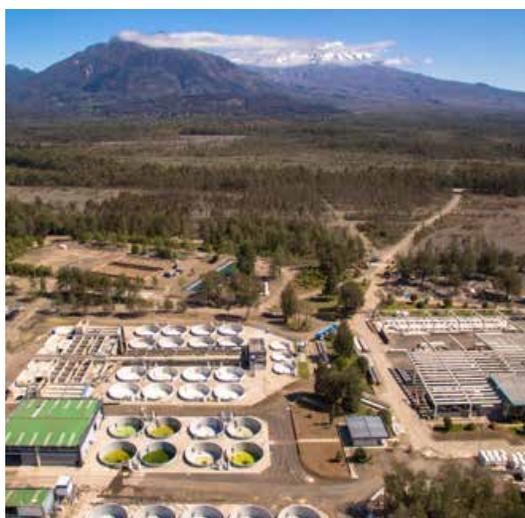


HARMFUL ALGAE BLOOM AND QUICK RESPONSE

In summer 2016, southern Chile suffered an unprecedented harmful algae bloom. This natural phenomenon provoked a sharp decline of around 17% in salmon farming production. Three Salmones Camanchaca sites were affected, forcing the Company to undertake a full operative to handle the fish mortality affected by the HAB (harmful algae bloom), adapt its production and sales strategy and activate its insurance policies for this type of risk. The Company's quick response became an example of how to properly manage a crisis of this magnitude, and in the end, no dead fish were thrown out to sea: Close to 80% of mortalities were turned into fishmeal or fish oil, mainly in the Camanchaca Pesca Sur plant in Talcahuano; and 20% were disposed of in authorized landfills.

REOPENING OF THE PETROHUÉ HATCHERY

In April 2015, the eruption of the Calbuco volcano caused major damage in the Los Lagos Region, specifically at the Petrohué hatchery owned by Salmones Camanchaca. The Company and its workers responded quickly, enabling reconstruction in record time, despite the complexity of the process. In early September 2016, the facilities reopened, with high safety standards and new technologies, which resulted not only in operational improvements, but also in environmental benefits and significant progress towards clean aquaculture.



BEST AQUACULTURE PRACTICES (BAP) FOR SALMON AND MUSSELS

Salmones Camanchaca received its fourth star from the BAP certification from the Global Aquaculture Alliance, thereby certifying its full value chain—Petrohué hatchery, grow-out sites, salmon feed suppliers and processing plants—all in voluntary adherence to program standards, which measure and assess environmental and social responsibility, animal welfare, food safety and traceability. Camanchaca Cultivos Sur also obtained this certification for all of its mussel farm sites and its processing plant located in the Los Lagos Region. This certification provides a guarantee to consumers, supermarkets and food service operators that the Company's products are obtained and processed in accordance with the industry's best aquaculture practices.

PLANT IN IQUIQUE

Camanchaca Pesca Norte filed plans for its new fish processing plant with the Environmental Impact Assessment System (SEIA), which would enable it to relocate current facilities in the Port of Iquique in 2019. The new project considers important improvements in environmental standards for industrial facilities and a steadfast commitment to make a sustainable and valuable contribution to the development of the Tarapacá Region.

"SUSTAINABILITY REPORTING & TRANSPARENCY" RANKING



Camanchaca ranked seventh globally—and first in the Americas—in Seafood Intelligence's "Sustainability Reporting & Transparency" ranking, which includes the 100 largest seafood companies.

ALLIANCE WITH ARAMARK FOR A HEALTHY DIET

In 2016, Camanchaca developed multiple initiatives to promote a healthy seafood-based diet. However, perhaps its most emblematic was the alliance with Aramark, global leader in food services. This alliance has led to outreach activities in all divisions involving seafood and its nutritional benefits. Last year's activities included cooking classes, live tastings and promo videos with recipes, to name a few.

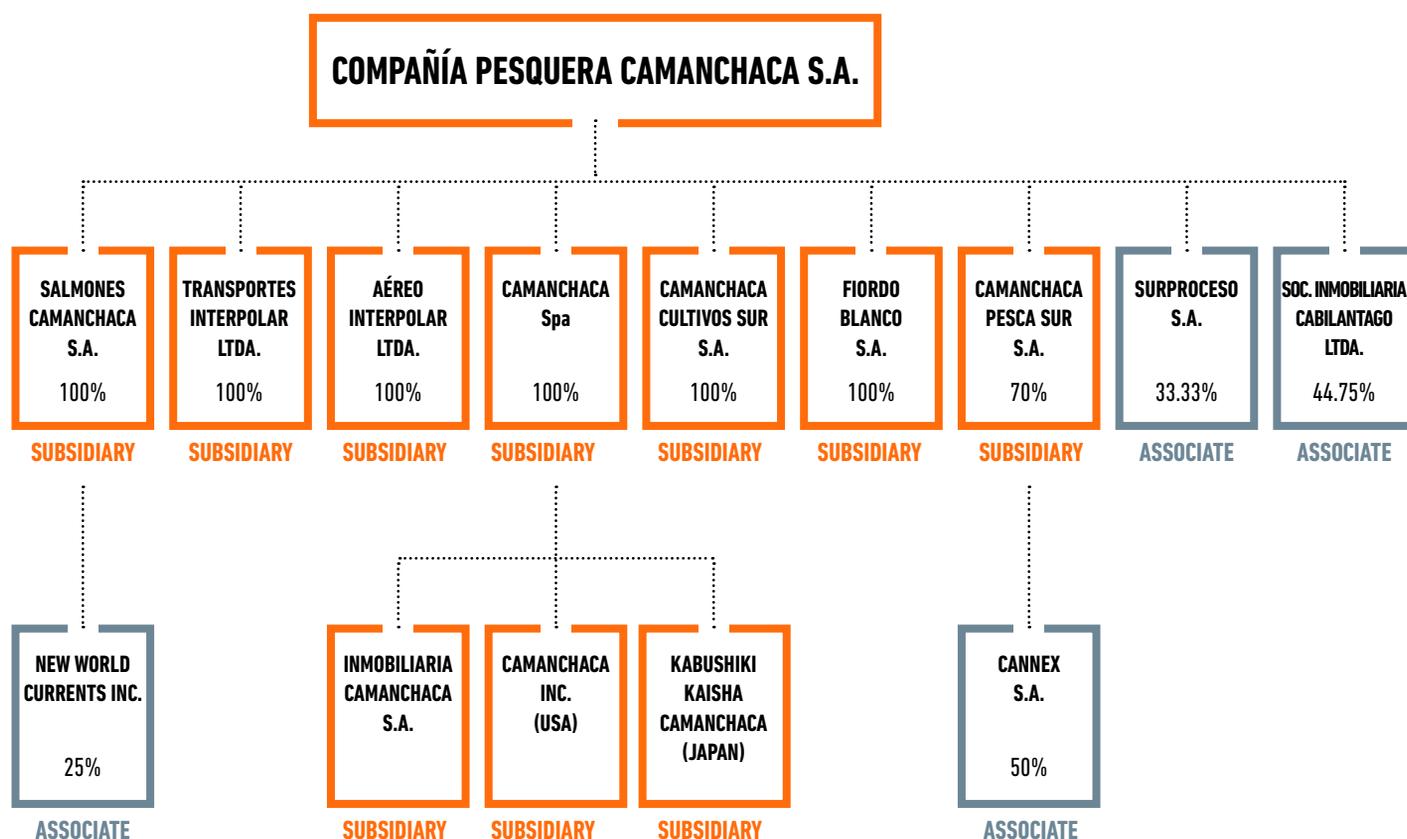
SOCIAL NETWORKING FOR FRIENDLY CAMANCHACA PROGRAM

In 2016, the "Friendly Camanchaca" program continued to consolidate its support in areas where the Company operates. The Company launched social networks for the program to better integrate communities and open a direct line of communication. For example the Facebook Fanpage—which had close to 4 thousand likes by February 2017—has been a successful platform for improving and broadening engagement with communities and increasing visibility for its multiple activities.

MAJOR SHAREHOLDERS

MAJORITY SHAREHOLDERS	SHARES	%
INVERSIONES HFG LTDA.	1,376,846,422	33.17%
INVERSIONES LOS FRESNOS LTDA.	813,616,503	19.60%
INVERSIONES HCL LTDA.	416,644,260	10.04%
CELFIN SMALL CAP CHILE FONDO DE INVERSION	327,369,549	7.89%
COMPASS SMALL CAP CHILE FONDO DE INVERSION	321,998,099	7.76%
INVERSIONES CIFCO LTDA.	170,000,000	4.10%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	132,149,797	3.18%
SIGLO XXI FONDO DE INVERSION	146,225,952	3.52%
CHILE FONDO DE INVERSION SMALL CAP	130,956,067	3.16%
FONDO DE INVERSION SANTANDER SMALL CAP	93,434,964	2.25%
BTG PACTUAL CHILE S.A. CORREDORES DE BOLSA	32,543,312	0.78%
MBI CORREDORES DE BOLSA S.A.	30,788,430	0.74%
SUBTOTAL	3,992,573,355	96.19%
OTHER SHAREHOLDERS	158,098,645	3.81%
SUBSCRIBED AND PAID-IN SHARES	4,150,672,000	100.00%

OWNERSHIP STRUCTURE



Note: Includes direct and indirect interests

AGREEMENTS AND CONTRACTS WITH SUBSIDIARIES OR ASSOCIATES

No agreements or contracts have been signed with subsidiaries or associates that have significantly impacted the parent company's operations and results.

It is also important to mention that the Company does not have any investments representing over 20% of the investee's total assets in entities that are not considered subsidiaries or associates.

SUBSIDIARIES

As of December 31, 2016 and 2015

CHILEAN TAXPAYER ID NUMBER	COMPANY NAME	OWNERSHIP INTEREST		
		DIRECT	INDIRECT	TOTAL
76.065.596-1	SALMONES CAMANCHACA S.A.	99.99	0.01	100.00
77.970.900-0	TRANSPORTES INTERPOLAR LTDA.	50.00	50.00	100.00
79.676.190-3	AÉREO INTERPOLAR LTDA.	99.00	1.00	100.00
76.125.633-5	CAMANCHACA SpA	100.00	0.00	100.00
96.633.150-K	CAMANCHACA CULTIVOS SUR S.A.	93.05	6.95	100.00
96.540.710-3	FIORDO BLANCO S.A.	99.99	0.01	100.00
76.143.821-2	CAMANCHACA PESCA SUR S.A.	70.00	0.00	70.00
96.786.700-4	INMOBILIARIA CAMANCHACA S.A.	3.06	96.94	100.00
0-E	CAMANCHACA INC.	0.05	99.95	100.00
0-E	KABUSHIKI KAISHA CAMANCHACA	0.50	99.50	100.00

SUBSIDIARIES

Percentage that the investment in each company represents of the Company's total individual assets as of December 31. The amount of the investment was determined based on the parent company's interest over the net assets used in consolidation.

CHILEAN TAXPAYER ID NUMBER	COMPANY NAME	INVESTMENT 2016	INVESTMENT 2015
76.065.596-1	SALMONES CAMANCHACA S.A.	4.88%	-3.19%
77.970.900-0	TRANSPORTES INTERPOLAR LTDA.	0.24%	0.16%
79.676.190-3	AÉREO INTERPOLAR LTDA.	0.28%	0.25%
76.125.633-5	CAMANCHACA SpA	7.22%	6.83%
96.633.150-K	CAMANCHACA CULTIVOS SUR S.A.	3.30%	3.17%
96.540.710-3	FIORDO BLANCO S.A.	10.73%	10.86%
76.143.821-2	CAMANCHACA PESCA SUR S.A.	54.44%	38.87%
96.786.700-4	INMOBILIARIA CAMANCHACA S.A.	1.47%	0.04%
0-E	CAMANCHACA INC.	1.83%	0.001%
0-E	KABUSHIKI KAISHA CAMANCHACA	0.87%	0.003%

CORPORATE NAME AND**TYPE OF ENTITY:**

SALMONES
CAMANCHACA S.A.

SUBSCRIBED AND**PAID-IN CAPITAL:**

US\$ 34,843,047

CORPORATE PURPOSE

Breeding, producing, marketing and farming salmon, trout and other species or organisms whose normal and most frequent environment is water, including research and development of salmonidae genetics, farming, processing, producing and marketing marine products.

GENERAL INFORMATION

The company was formed from a division of Camanchaca as a privately held corporation, and incorporated on June 26, 2009, before Santiago notary public Félix Jara Cadoton. It was registered with the Santiago Commerce Registry on page 33,897 No. 23,131 in 2009.

BUSINESS RELATIONS

No business relations with the parent company.

CHAIRMAN

Francisco Cifuentes

CHIEF EXECUTIVE OFFICER

Jorge Fernández García

BOARD OF DIRECTORS

Francisco Cifuentes, Ricardo García, Jorge Fernández Valdés, Jan Stengel and Luis Hernán Paul.

CORPORATE NAME AND**TYPE OF ENTITY:**

TRANSPORTES
INTERPOLAR LTDA.

SUBSCRIBED AND**PAID-IN CAPITAL:**

US\$ 2,708

CORPORATE PURPOSE

Distributing and marketing, developing all types of aquaculture activities; purchasing, selling, importing and transporting in any form all classes of assets related to its corporate objective, representing domestic and foreign companies; providing services and consulting on such matters and transporting all kinds of cargo in Company or third-party trucks.

GENERAL INFORMATION

The company was incorporated on July 31, 2003, before Santiago notary public Félix Jara Cadoton. It was registered with the Santiago Commerce Registry on page 23,151 No. 17,499 in 2003.

BUSINESS RELATIONS

No business relations with the parent company. This subsidiary provides logistics and ground transportation services to Salmones Camanchaca S.A. and Camanchaca Pesca Sur S.A., which are also subsidiaries of the parent company.

MANAGEMENT

The management and representation of the company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND**TYPE OF ENTITY:**

AÉREO INTERPOLAR
LTDA.

SUBSCRIBED AND**PAID-IN CAPITAL:**

US\$ 6,021

CORPORATE PURPOSE

1. - Transporting all kinds of cargo in Company or third-party trucks. 2. - Commercial aeronautics both for cargo and passenger services, and providing different types of air services including aerial fish prospecting and any other commercial activity carried out using aircraft, their rental, chartering and other aeronautical contracts, both with Company and third-party aircraft; and aircraft maintenance, all within Chilean territory.

GENERAL INFORMATION

The company was incorporated on September 9, 1986, before Santiago notary public Andrés Rubio Flores. It was registered with the Santiago Commerce Registry on page 18,301 No. 10,092 in 1986.

BUSINESS RELATIONS

This subsidiary provides aerial prospecting services for pelagic fishing operations in northern Chile.

MANAGEMENT

The management of the company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND**TYPE OF ENTITY:**

CAMANCHACA SPA.

SUBSCRIBED AND**PAID-IN CAPITAL:**

US\$ 28,201,943

CORPORATE PURPOSE

Making investments, in chattel or real estate, corporate stocks, rights in other companies, bonds, commercial paper and other securities.

GENERAL INFORMATION

The company was incorporated on August 9, 2010, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 44,163 No. 30,603 in 2010.

BUSINESS RELATIONS

No business relations with the parent company.

MANAGEMENT

The management and representation of the Company and the use of its corporate name are controlled by Compañía Pesquera Camanchaca S.A.

CORPORATE NAME AND TYPE OF ENTITY:
CAMANCHACA CULTIVOS SUR S.A.

SUBSCRIBED AND PAID-IN CAPITAL:
US\$ 19,774,019

CORPORATE PURPOSE

Research, development, production, industrialization and marketing of all types of marine products.

GENERAL INFORMATION

The company was incorporated on March 5, 1992, before Santiago notary public Aliro Veloso Muñoz. It was registered with the Santiago Commerce Registry on page 9371 No. 4,672 in 1992.

BUSINESS RELATIONS

No business relations with the parent company.

CHAIRMAN

Francisco Cifuentes

CHIEF EXECUTIVE OFFICER

Nicolás Guzmán

BOARD OF DIRECTORS

Francisco Cifuentes and Ricardo García.

CORPORATE NAME AND TYPE OF ENTITY:
FIORDO BLANCO S.A.

SUBSCRIBED AND PAID-IN CAPITAL:
US\$ 45,960,499

CORPORATE PURPOSE

Research, development, farming, processing, production and marketing of marine products.

GENERAL INFORMATION

The company was incorporated on September 20, 1988, before Valparaíso notary public Ricardo Maure Gallardo. It was registered with the Los Andes Commerce Registry on page 59 No. 47 in 1988.

BUSINESS RELATIONS

No business relations with the parent company. This subsidiary leases concessions and assets related to the salmon farming business to Salmones Camanchaca S.A., which is also a subsidiary of the parent company.

CHAIRMAN

Francisco Cifuentes

CHIEF EXECUTIVE OFFICER

Jorge Fernández García

BOARD OF DIRECTORS

Francisco Cifuentes and Ricardo García.

CORPORATE NAME AND TYPE OF ENTITY:
CAMANCHACA PESCA SUR S.A.

SUBSCRIBED AND PAID-IN CAPITAL:
US\$ 180,192,217

CORPORATE PURPOSE:

Fishing activity in general, including research-related fishing and, particularly, capturing, catching, collecting and harvesting hydro-biological resources; engaging in aquaculture of all species, including all living marine organisms and algae; conserving, freezing, and applying preservation techniques to hydro-biological species; creating products originating from any hydro-biological species through partial or complete processing of Company catches or third-party catches obtained during the extraction or harvesting phases; building, maintaining, repairing, operating, and leasing ships suitable for extractive fishing or processing, or other support vessels; and industrializing, creating, selling, distributing and exporting products originating from its activities.

GENERAL INFORMATION

The company was incorporated on March 17, 2011, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 15,721 No. 11,916 in 2011.

BUSINESS RELATIONS

No business relations with the parent company.

CHAIRMAN

Francisco Cifuentes Correa

CHIEF EXECUTIVE OFFICER

Gonzalo Fernández

BOARD OF DIRECTORS:

Francisco Cifuentes, Juan Ignacio Domínguez, Jan Stengel, Frank Stengel and Ricardo García.

**CORPORATE NAME AND
TYPE OF ENTITY:**
CAMANCHACA INC.

**SUBSCRIBED AND
PAID-IN CAPITAL:**
US\$ 4,002,000

CORPORATE PURPOSE

Distributing and selling salmon, mussels and langostino lobsters.

GENERAL INFORMATION:

The Company was incorporated on January 4, 2001, in Miami, Florida, USA.

BUSINESS RELATIONS

This subsidiary distributes and sells products from the parent company and its subsidiaries Salmones Camanchaca S.A., Camanchaca Pesca Sur S.A. and Camanchaca Cultivos Sur S.A. in the North American market.

CHAIRMAN

Ricardo García

CHIEF EXECUTIVE OFFICER

Bert Bachmann

BOARD OF DIRECTORS

Ricardo García, Jorge Fernández García, Daniel Bortnik and Igal Neiman.

**CORPORATE NAME AND
TYPE OF ENTITY:**
INMOBILIARIA
CAMANCHACA S.A.

**SUBSCRIBED AND
PAID-IN CAPITAL:**
US\$ 414,093

CORPORATE PURPOSE

Research, development, farming, processing, production and marketing of marine products.

GENERAL INFORMATION

The company was incorporated on September 20, 1988, before Valparaíso notary public Ricardo Maure Gallardo. It was registered with the Los Andes Commerce Registry on page 59 No. 47 in 1988.

BUSINESS RELATIONS

No business relations with the parent company. This subsidiary leases concessions and assets related to the salmon farming business to Salmones Camanchaca S.A., which is also a subsidiary of the parent company.

CHAIRMAN

Francisco Cifuentes

CHIEF EXECUTIVE OFFICER

Jorge Fernández García

BOARD OF DIRECTORS

Francisco Cifuentes and Ricardo García.

**CORPORATE NAME AND
TYPE OF ENTITY:**
KABUSHIKI KAISHA
CAMANCHACA

**SUBSCRIBED AND
PAID-IN CAPITAL:**
US\$ 123,320

CORPORATE PURPOSE

1.- Importing, exporting, domestic sales and processing of seafood, agricultural produce and food products. 2.- Importing, exporting and domestic sales of food processing and packaging machinery as well as their auxiliary equipment. 3.- Importing, exporting and domestic sale of alcoholic beverages. Any other commercial activities inherent in the preceding objectives.

GENERAL INFORMATION

Kabushiki Kaisha Camanchaca (Japanese for Camanchaca Limited) was incorporated in Japan, in accordance with Japanese legislation, on May 6, 2005.

BUSINESS RELATIONS

This subsidiary distributes and sells products from the parent company and its subsidiaries Salmones Camanchaca S.A., Camanchaca Pesca Sur S.A. and Camanchaca Cultivos Sur S.A. in the Japanese market.

CHAIRMAN

Minoru Shiraishi

CHIEF EXECUTIVE OFFICER

Minoru Shiraishi

BOARD OF DIRECTORS

Ricardo García, Jorge Fernández García, Igal Neiman, Daniel Bortnik, Gonzalo Fernández, Nicolás Guzmán, Juan Carlos Ferrer and Minoru Shiraishi.

ASSOCIATES

As of December 31, 2016 and 2015

CHILEAN TAXPAYER ID NUMBER	COMPANY NAME	OWNERSHIP INTEREST		
		DIRECT	INDIRECT	TOTAL
96.969.520-0	CANNEX S.A.	0.00	35.00	35.00
76.346.370-2	SURPROCESO S.A.	33.33	0.00	33.33
0-E	NEW WORLD CURRENTS INC.	0.00	25.00	25.00
79.845.260-6	SOC. INMOBILIARIA CABILANTAGO LTDA.	40.00	4.75	44.75

INVESTMENTS IN ASSOCIATES

Percentage that the investment in each company represents of the Company's total individual assets as of December 31. The amount of the investment was determined based on the parent company's interest over the net assets used in consolidation.

CHILEAN TAXPAYER ID NUMBER	COMPANY NAME	INVESTMENT	INVESTMENT
		2016	2015
96.969.520-0	CANNEX S.A.	0.00%	0.00%
76.346.370-2	SURPROCESO S.A.	4.08%	1.19%
79.845.260-6	SOC. INMOBILIARIA CABILANTAGO LTDA.	0.65 %	0.77%
0-E	NEW WORLD CURRENTS INC.	0.0003%	0.0003%

CORPORATE NAME AND TYPE OF ENTITY:
CANNEX S.A.

SUBSCRIBED AND PAID-IN CAPITAL:
CH\$ 451,232,083

CORPORATE PURPOSE
Marketing of canned fish, shellfish and food products.

GENERAL INFORMATION
The company was incorporated on October 31, 2001, before Santiago notary public Félix Jara Cadot. It was registered with the Santiago Commerce Registry on page 29,112 No. 23.753 in 2001.

BUSINESS RELATIONS
This associate distributes and sells canned jack mackerel produced by the subsidiary Camanchaca Pesca Sur S.A.

CHAIRMAN
Francisco Cifuentes

CHIEF EXECUTIVE OFFICER
Domingo Arteaga

BOARD OF DIRECTORS
Guillermo Cornejo, Domingo Arteaga, Francisco Cifuentes and Juan Carlos Ferrer.

CORPORATE NAME AND TYPE OF ENTITY:
SURPROCESO S.A.

SUBSCRIBED AND PAID-IN CAPITAL:
CH\$ 600,000,000

CORPORATE PURPOSE
Services related to aquaculture.

GENERAL INFORMATION
The company was incorporated on March 17, 2005, before Santiago notary public Arturo Carvajal Escobar. It was registered with the Santiago Commerce Registry on page 177 No. 139 in 2005 and with the Puerto Montt Commerce Registry on page 167 No. 139 in 2005.

BUSINESS RELATIONS
This associate provides slaughtering and gutting services to the subsidiary Salmones Camanchaca S.A.

CHAIRMAN
Ignacio Pérez

CHIEF EXECUTIVE OFFICER
Guillermo Vásquez

BOARD OF DIRECTORS
Ignacio Pérez, Adrián Fernández, Sergio Smith, Álvaro Contreras, Jorge Fernández García and Daniel Bortnik.

CORPORATE NAME AND TYPE OF ENTITY:
NEW WORLD CURRENTS INC.

SUBSCRIBED AND PAID-IN CAPITAL:
US\$ 10,000

CORPORATE PURPOSE
Establishing, processing, and carrying out the business of an investing company in any part of the world; buying, selling and negotiating all kinds of articles for consumption, capital stock, bonds and securities of all kinds; buying, selling, renting, leasing or otherwise acquiring or disposing of movable or immovable property; investing in any industrial or commercial business either as owner or shareholder; receiving and granting secured or unsecured loans; agreeing, celebrating, complying with and carrying out all kinds of contracts; opening and operating bank accounts of any kind in any part of the world, acting as guarantor or ensuring compliance with and enforcement of any and all contracts; engaging in any lawful business not forbidden to a corporation; and executing any of these preceding objectives as principal, agent or any other form of representation.

GENERAL INFORMATION
The company began operations on December 20, 2013.

BUSINESS RELATIONS
This associate sells salmon produced by the subsidiary Salmones Camanchaca S.A. in the Chinese market.

CHAIRMAN
Juan Carlos Ferrer

BOARD OF DIRECTORS
Standing Members: Juan Carlos Ferrer, Derek Khon, Daniel Montoya, Vicente Swinburn.

Alternates: Ricardo García, Ricardo Misraji, Gerardo Balbontín and Benjamín Holmes.

CORPORATE NAME AND TYPE OF ENTITY:
SOCIEDAD INMOBILIARIA CABILANTAGO LIMITADA

SUBSCRIBED AND PAID-IN CAPITAL:
CH\$ 5,000,000

CORPORATE PURPOSE
Obtaining income and profit in all types of real estate business and generally any business that directly or indirectly relates to the aforementioned.

GENERAL INFORMATION
The company was incorporated on September 5, 1988, before Concepción notary public Jorge Cristoph Stange. It was registered on page 148 No. 130 of the Talcahuano Commerce Registry for the year 1988.

BUSINESS RELATIONS
No business relations with the associate. Sociedad Inmobiliaria Cabilantago Limitada is owner of property on Rocuant Island, district of Talcahuano, which is partially

used by the subsidiary, Camanchaca Pesca Sur S.A. and Transportes Interpolar Ltda. for fishing and storage activities.

CHAIRMAN
Jan Stengel

CHIEF EXECUTIVE OFFICER
Carlos Manoli

BOARD OF DIRECTORS
Jan Stengel, Gonzalo Fernández, Marcel Moenne, Renato Maya and Cristián Pinochet.

BOARD MEMBERS AND EXECUTIVES WITH POSITIONS AT SUBSIDIARIES OR ASSOCIATES



NAME	SUBSIDIARY/ASSOCIATE	POSITION IN THE SUBSIDIARY/ASSOCIATE
Jorge Fernández Valdés	Inmobiliaria Camanchaca S.A.	Chairman
	Salmones Camanchaca S.A.	Board Member
Francisco Cifuentes	Salmones Camanchaca S.A.	Chairman
	Camanchaca Cultivos Sur S.A.	Chairman
	Fiordo Blanco S.A.	Chairman
	Camanchaca Pesca Sur S.A.	Chairman
	Inmobiliaria Camanchaca S.A.	Board Member
Jan Stengel	Salmones Camanchaca S.A.	Board Member
	Camanchaca Pesca Sur S.A.	Board Member
Luis Hernán Paul	Salmones Camanchaca S.A.	Board Member
Juan Ignacio Domínguez	Camanchaca Pesca Sur S.A.	Board Member
Ricardo García	Salmones Camanchaca S.A.	Board Member
	Camanchaca Cultivos Sur S.A.	Board Member
	Fiordo Blanco S.A.	Board Member
	Camanchaca Pesca Sur S.A.	Board Member
	Camanchaca Inc.	Chairman
	Inmobiliaria Camanchaca S.A.	Board Member
Jorge Fernández García	Kabushiki Kaisha Camanchaca	Board Member
	Salmones Camanchaca S.A.	Chief Executive Officer
	Camanchaca Inc.	Board Member
	Inmobiliaria Camanchaca S.A.	Chief Executive Officer
	Kabushiki Kaisha Camanchaca Surproceso S.A.	Board Member
Gonzalo Fernández	Camanchaca Pesca Sur S.A.	Chief Executive Officer
	Kabushiki Kaisha Camanchaca	Board Member
Nicolás Guzmán	Camanchaca Cultivos Sur S.A.	Chief Executive Officer
	Kabushiki Kaisha Camanchaca	Board Member
Juan Carlos Ferrer	Kabushiki Kaisha Camanchaca	Board Member
	Cannex S.A.	Board Member
	New World Currents Inc.	Chairman
Daniel Bortnik	Camanchaca Inc.	Board Member
	Kabushiki Kaisha Camanchaca	Board Member
	Surproceso S.A.	Board Member
Igal Neiman	Camanchaca Inc.	Board Member
	Kabushiki Kaisha Camanchaca	Board Member



CHAPTER 4

BOARD AND MANAGEMENT

BOARD OF DIRECTORS

- 1** **JORGE FERNÁNDEZ VALDÉS**
CHAIRMAN
CHILEAN NATIONAL ID: 3.189.057-8
FINANCIAL INVESTOR
DATE OF MOST RECENT RE-ELECTION
 04/28/2014
- 2** **FRANCISCO CIFUENTES**
VICE CHAIRMAN
CHILEAN NATIONAL ID: 4.333.851-K
LAWYER
 Pontificia Universidad Católica de Chile
DATE OF MOST RECENT RE-ELECTION
 04/28/2014
- 3** **JAN STENDEL**
DIRECTOR
CHILEAN NATIONAL ID: 6.260.446-8
MECHANICAL ENGINEER
 Universidad Técnica del Estado
DATE OF MOST RECENT RE-ELECTION
 04/28/2014
- 4** **JUAN IGNACIO DOMÍNGUEZ**
DIRECTOR
 Chilean National ID: 6.615.791-1
ECONOMIST AND BUSINESS ADMINISTRATOR
 Universidad de Chile
DATE OF MOST RECENT RE-ELECTION
 04/28/2014
- 5** **LUIS HERNÁN PAUL ***
DIRECTOR
CHILEAN NATIONAL ID: 7.289.965-2
CIVIL ENGINEER
 Pontificia Universidad Católica de Chile
MBA
 Massachusetts Institute of Technology
DATE OF MOST RECENT RE-ELECTION
 04/28/2014
- 6** **JOAQUÍN CORTEZ ***
INDEPENDENT DIRECTOR
CHILEAN NATIONAL ID: 6.493.230-6
ECONOMIST AND BUSINESS ADMINISTRATOR
 Pontificia Universidad Católica de Chile
MASTER OF ARTS IN ECONOMICS
 University of Chicago
DATE ELECTED
 04/28/2014
- 7** **PATRICK MEYNIAL ***
INDEPENDENT DIRECTOR
CHILEAN NATIONAL ID: 14.650.545-7
ENGINEER
 l'Ecole des Mines de Paris
MBA
 Kellogg Graduate School of
 Management-Northwestern University
DATE OF MOST RECENT RE-ELECTION
 04/28/2014

* Members of the Directors' Committee



KEY EXECUTIVES



RICARDO GARCÍA
CHIEF EXECUTIVE OFFICER

CHILEAN NATIONAL ID:
6.999.716-3

**ECONOMIST AND BUSINESS
ADMINISTRATOR**
Pontificia Universidad
Católica de Chile

MASTER'S IN ECONOMICS
Pontificia Universidad
Católica de Chile

MASTER'S IN ECONOMICS
University of California,
Los Angeles (UCLA)

DATE APPOINTED
04/11/2011



JORGE FERNÁNDEZ GARCÍA
SALMON DIVISION
DIRECTOR

CHILEAN NATIONAL ID:
6.377.734-K

**ECONOMIST AND BUSINESS
ADMINISTRATOR**
Universidad de Chile

DATE APPOINTED
10/01/1989



GONZALO FERNÁNDEZ
FISHING DIVISION
DIRECTOR

CHILEAN NATIONAL ID:
13.441.707-2

DATE APPOINTED
04/01/2004



DANIEL BORTNIK
CHIEF FINANCIAL OFFICER

CHILEAN NATIONAL ID:
8.036.514-4

ECONOMIST AND BUSINESS ADMINISTRATOR
Pontificia Universidad Católica de Chile

MBA
Pontificia Universidad Católica de Chile

DATE APPOINTED
08/01/2011



JUAN CARLOS FERRER
CORPORATE BUSINESS DIRECTOR

CHILEAN NATIONAL ID:
6.190.572-3

INDUSTRIAL ENGINEER
Pontificia Universidad Católica de Chile

DATE APPOINTED
01/23/2012



NICOLÁS GUZMÁN
OTHER SEAFOOD DIVISION DIRECTOR

CHILEAN NATIONAL ID:
6.377.761-7

CIVIL ENGINEER
Universidad de Chile

DATE APPOINTED
05/15/2003



IGAL NEIMAN
CORPORATE MARKETING, PLANNING AND IT DIRECTOR

CHILEAN NATIONAL ID:
9.669.507-1

ECONOMIST AND BUSINESS ADMINISTRATOR
Universidad de Chile

MBA
Stern School of Business - New York University

DATE APPOINTED
07/04/2011



RAFAEL LE-BERT
CORPORATE LEGAL AFFAIRS DIRECTOR

CHILEAN NATIONAL ID:
13.273.363-5

LAWYER
Universidad de Chile

MASTER OF LAWS
Université de Franche-Comté, Besançon, France

DATE APPOINTED
03/01/2013



PABLO HERNÁNDEZ
CORPORATE HUMAN RESOURCES DIRECTOR

CHILEAN NATIONAL ID:
10.350.784-7

PUBLIC ADMINISTRATOR
Universidad de Chile

MASTERS IN HUMAN RESOURCES MANAGEMENT
Universidad Adolfo Ibáñez

DATE APPOINTED
04/01/2013

PROFESSIONALS, TECHNICIANS AND LABORERS

PROFESSIONALS, TECHNICIANS AND LABORERS

PERSONNEL	AS OF DECEMBER 31, 2016				AS OF DECEMBER 31, 2015			
	LABORERS	TECHNICIANS	EXECUTIVES	TOTAL	LABORERS	TECHNICIANS	EXECUTIVES	TOTAL
Compañía Pesquera Camanchaca S.A.	348	190	13	551	375	188	21	584
Salmones Camanchaca S.A.	959	270	15	1,244	1,359	279	18	1,656
Transportes Interpolar Ltda.	25	11	0	36	33	9	0	42
Aéreo Interpolar Ltda.	0	7	0	7	0	7	0	7
Camanchaca Cultivos Sur S. A.	438	50	2	490	391	48	2	441
Camanchaca Pesca Sur S.A.	923	149	2	1,075	1,096	160	2	1,258
Camanchaca SpA.	0	17	6	23	0	17	6	23
<i>Camanchaca Inc</i>	0	13	5	18	0	13	5	18
<i>Camanchaca Japón</i>	0	4	1	5	0	4	1	5
CONSOLIDATED	2,693	694	38	3,425	3,254	708	49	4,011

DISTRIBUTION BY GENDER

	AS OF DECEMBER 31, 2016			AS OF DECEMBER 31, 2015		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Board Members	7	0	7	7	0	7
Key Executives	9	0	9	9	0	9
Company	2,307	1,118	3,425	2,750	1,261	4,011

SALARY GAP

TYPE OF POSITION, RESPONSIBILITY AND ROLE HELD	WOMEN/MEN SALARY RATIO	
	2016	2015
Executives	81%	81%
Technicians	90%	86%
Administrative	73%	71%
Operator	75%	77%

DISTRIBUTION BY NATIONALITY

NATIONALITY	AS OF DECEMBER 31, 2016				
	MEN		WOMEN		TOTAL
	CHILEAN	FOREIGN	CHILEAN	FOREIGN	
Board Members	5	2	0	0	7
Key Executives	9	0	0	0	9
Company	2,282	25	1,104	14	3,425

NATIONALITY	AS OF DECEMBER 31, 2015				
	MEN		WOMEN		TOTAL
	CHILEAN	FOREIGN	CHILEAN	FOREIGN	
Board Members	5	2	0	0	7
Key Executives	9	0	0	0	9
Company	2,721	29	1,247	14	4,011

DISTRIBUTION BY AGE GROUP (YEARS)

AGE	AS OF DECEMBER 31, 2016												
	MEN						WOMEN						TOTAL
	< 30	30-40	41-50	51-60	61-70	>70	< 30	30-40	41-50	51-60	61-70	>70	
Board Members	0	0	0	3	2	2	0	0	0	0	0	0	7
Key Executives	0	2	2	5	0	0	0	0	0	0	0	0	9
Company	513	561	544	538	139	12	290	312	303	178	34	1	3,425

AGE	AS OF DECEMBER 31, 2015												
	MEN						WOMEN						TOTAL
	< 30	30-40	41-50	51-60	61-70	>70	< 30	30-40	41-50	51-60	61-70	>70	
Board Members	0	0	1	3	1	2	0	0	0	0	0	0	7
Key Executives	0	2	4	3	0	0	0	0	0	0	0	0	9
Company	712	683	654	555	129	16	332	350	369	179	30	2	4,011

DISTRIBUTION BY YEARS OF SERVICE (YEARS)

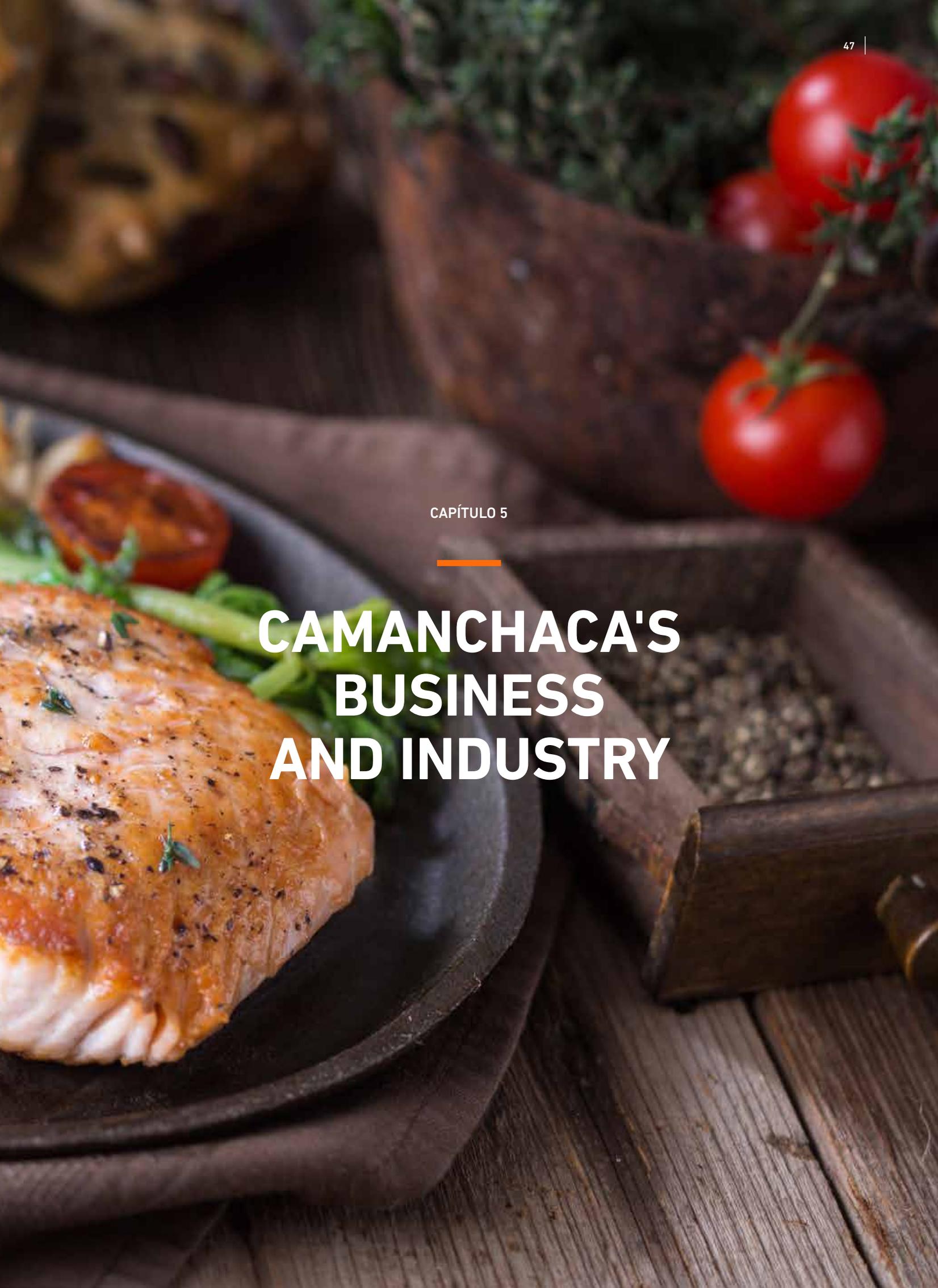
YEARS OF SERVICE	AS OF DECEMBER 31, 2016										
	MEN					WOMEN					TOTAL
	< 3	3-6	6<X<9	9-12	>12	< 3	3-6	6<X<9	9-12	>12	
Board Members	0	7	0	0	0	0	0	0	0	0	7
Key Executives	0	6	0	0	3	0	0	0	0	0	9
Company	1,275	450	166	153	263	855	197	24	20	22	3,425

YEARS OF SERVICE	AS OF DECEMBER 31, 2015										
	MEN					WOMEN					TOTAL
	< 3	3-6	6<X<9	9-12	>12	< 3	3-6	6<X<9	9-12	>12	
Board Members	1	6	0	0	0	0	0	0	0	0	7
Key Executives	0	6	0	1	2	0	0	0	0	0	9
Company	1,537	560	191	206	256	984	199	29	26	23	4,011



CAPÍTULO 5

CAMANCHACA'S BUSINESS AND INDUSTRY





SALMON

The Company is a major market player in the salmon farming business. The main characteristic of Salmenes Camanchaca lies in the complete integration of its value chain, including the genetic development of breeders and all facilities required to produce alevins, smolts and sea grow-out sites; primary and value-added processing plants; and even products sold through its own overseas sales channels in the US and Japan and representation agencies in China and Mexico.



The year 2016 started out as a very complex time for the salmon farming industry in Chile. In the summer, a natural phenomenon known as harmful algae bloom (HAB) affected the entire Los Lagos Region, forcing the industry to reduce its annual production by 20% and generating a mortality of more than 39 thousand tons of fish. Three Camanchaca sites were affected; however, thanks to the Company's quick response, 80% of the mortality was reduced to fishmeal and fish oil (processed mainly at the Camanchaca Pesca Sur plant in Talcahuano, Bío Bío Region) and 20% were disposed of in authorized landfills. This timely management of a crisis of this magnitude allowed Camanchaca to avoid throwing any dead fish out to sea.

The direct impact of the harmful algae bloom was a smaller projected harvest of 14,200 tons WFE for the fourth quarter of 2016, which represented about 30% of the annual harvest.

A few months later, the Los Lagos Region was hit by one of the most aggressive red tide episodes known in the history of Chile. This caused many social conflicts, mainly in Chiloé, where demonstrations affected the operations of companies and the transportation of products to other regions throughout the country and abroad. Salmon farming was also unfairly questioned, resulting in a reputational crisis for the industry. Alongside its empathy for the complex social reality of the region, the Company condemned the acts of violence that directly affected production and its workers.

A lower global supply of salmon led to a 30% increase in prices of the company's sales mix over 2015.

The main problems detected in the sites located in the Comau Estuary area were low oxygen levels, which led to lower production with reduced growth, poor conversion factors and higher mortality rates. This resulted in higher costs during the first semester of US\$ 3.70/kg ex cage.

The second half of 2016 was marked by better environmental conditions with the onset of winter, lower temperatures, higher rainfall and a mix of sites with good production, particularly the Islotes site (the largest, with harvests near 10,000 tons WFE) at a cost of US\$ 2.69/kg ex cage. Improvements in conversion factors resulting from the use of high energy diets, coupled with low mortalities, generated better production results

with costs of US\$ 2.94/kg live ex cage for the second half of the year, resulting in a consolidated annual cost of US\$ 3.31/kg ex cage in 2016.

The eruption of the Calbuco volcano in April 2015 caused major damage to the Petrohué hatchery. The site was covered by 600 kilos of ash and volcanic sand per square meter, resulting in structural problems, rupture of farm troughs and tanks, and the consequent loss of more than 50% of the fish population. However, the company's quick response allowed it to rebuild the facilities in record time. In early September 2016, the hatchery was reopened—with an investment of over US\$ 10 million—including high safety standards and new technologies, which resulted not only in operational improvements, but also in environmental benefits and significant progress towards clean aquaculture. Some of these investments include: better and more efficient water movement pumps and a power generation plant; updated operating software; significant improvements in process parameter monitoring and control; systems that allow segmentation of different epidemiological units; reinforced structures and roofing; among others. In addition, the new facilities are now prepared to withstand an event like April 2015. Resistance to the weight of ashes or snowfall has multiplied by 2.5 to 4 times, depending on the sector.

Salmones Camanchaca also stands out because of its ongoing concern for the wellbeing and development of its team of associates, providing support for training and skill improvement initiatives. It is likewise concerned for the communities and the environment in its area of influence. Through the "Friendly Camanchaca" program, the Company develops a series of initiatives, which are described later in the sustainability chapter.





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**IMPROVED SANITARY
CONDITIONS IN THE SECOND
HALF OF 2016 POSITIVELY
AFFECTED THE
COSTS AND QUALITY
OF OUR FINAL PRODUCT**

SANITARY - ENVIRONMENTAL CONDITIONS

The environmental and sanitary conditions at the beginning of 2016 were especially negative, mainly due to the El Niño phenomenon, which resulted in a weakening of fish with a higher incidence of SRS and sea lice, increasing both mortality and direct damage to the surviving fish in terms of a lower harvest weight.

To control both diseases, Salmones Camanchaca adopted the following measures: For SRS, it began to use live vaccine, which is applied in the freshwater stage to protect the fish during the first stage of its development at sea and consequently reduce the use of antibiotics. Lufenuron was used to reduce treatments against sea lice, thereby improving the quality of life of the salmon. The results of both of these innovations will be seen during the course of 2017, however we are confident they will be positive.

The conditions improved for fish in the second half of 2016. Coupled with a constant concern for improving the harvesting processes in the primary plant and processing in the secondary plant, this had a direct impact on the quality of the final product, improving the Premium quality ratios from 90% in 2015 to 95% in 2016.



MARKETS

The first quarter of 2016 was marked by low prices, continuing the 2015 trend, as a result of an abundant supply in almost all markets. After the harmful algae bloom and the subsequent harvest reduction expected for the second half of the year (close to 7% worldwide), markets reacted by increasing salmon prices. This was evident starting in the second quarter with a 30% rise to record prices. In addition, markets such as Russia and China grew stronger, with sharp increases in demand and attractive returns for whole, frozen and fresh products.

The US market maintained a moderate increase through contracts established before the price increases. By the fourth quarter, these improvements began to show.

As a result of these price increases, products with high added value no longer provided the best returns. On the contrary, whole products were the most attractive, in contrast to 2015 when prices were very low and portioned and filleted products performed well.

The year 2016 also saw an increase in spot sales, to the detriment of medium- and long-term contracts, as

well as migration from the North American market to more profitable ones such as Russia, China and Brazil.

In terms of sales channels, the Miami office had excellent results, with a threefold increase in the sale of products from other Chilean parties in the US, reaching US\$ 105 million. If we add Camanchaca's company-farmed sales of US\$ 100 million in this market, it totals US\$ 205 million, making it the largest distributor of Chilean-based salmon in the US.

Also notable is the 22% increase in sales in the Japanese office, which managed to capture price increases in markets such as Korea and Japan. The marketing project for Atlantic salmon in China also gained strength: "New World Currents," a company established in China in partnership with 3 other Chilean producers, achieved a 38% increase in fresh product sales compared to 2015.

GLOBAL SALMON INITIATIVE (GSI)

Since 2013, Camanchaca has formed part of GSI, an initiative that brings together the world's largest producers of farmed salmon and whose main priority is to leverage significant advances in the industry's long-term sustainability.

Member of:





SALMONES CAMANCHACA EARNED ITS FOURTH STAR IN THE BAP CERTIFICATION, WHICH GUARANTEES THAT THE PRODUCTS SOLD BY THE COMPANY ARE OBTAINED AND PROCESSED BASED ON BEST AQUACULTURE PRACTICES

BAP AND ASC SUSTAINABILITY STANDARDS:

BEST AQUACULTURE PRACTICES (BAP)

The Petrohué hatchery's new facilities allowed Salmones Camanchaca to obtain its fourth star as part of this certification program, which guarantees consumers, supermarkets and food service operators that the products sold by the company are obtained and processed in line with the industry's best aquaculture practices. With this fourth star, the company certified its full value chain—hatchery, grow-out sites, salmon feed suppliers and processing plants—all in voluntary adherence to program standards, which measure and assess environmental and social responsibility, animal welfare, food safety and traceability.

AQUACULTURE STEWARDSHIP COUNCIL (ASC)

The Company is committed to this standard, which certifies that its operations are environmentally sustainable and socially responsible.

FRESH WATER PRODUCTION CYCLE

· POLCURA HATCHERY (BÍO BÍO REGION)

This hatchery has been home to the Company's genetic improvement program for Atlantic salmon (salar) for 15 years. The site also produces breeders, which are received from the Río del Este hatchery at a very early stage (alevins with a yolk-sac) and then identified by genetic performance (families). They are allowed to grow for a period of three to four years, at which time

they reach an average weight of between 5 and 10 kg (depending on their age). They are then individually selected based on genetic quality and returned to the Río del Este hatchery for final reproduction to form part of new, improved generations.

· RÍO DEL ESTE HATCHERY (LOS LAGOS REGION)

The salmon produced in Polcura are transferred to this facility where light and temperature techniques are used to prepare them for spawning, making eggs available twelve months of the year. Thanks to this, Salmones Camanchaca does not depend on others or on the importation of eggs for its production.

· RÍO PETROHUÉ RECIRCULATING HATCHERY (LOS LAGOS REGION)

Eggs from Río del Este are transferred to this recirculating hatchery. In this closed structure, protected from the elements, important production variables like temperature, oxygen and light are controlled. This is an environmentally friendly hatchery with a water consumption 100 times less than open flow hatcheries, which means it has minimal impact on its surroundings, promoting the development of sustainable farming.



SEA GROW-OUT PRODUCTION CYCLE

SEA FARM SITES

Salmones Camanchaca has 75 concessions distributed among 14 neighborhoods in the Los Lagos and Aysén regions. These provide harvests throughout the year and ensure the Company's sustainable and balanced growth.

In 2016, 17 farm sites were used (13 in the Los Lagos Region and 4 in the Aysén Region). Of these, 9 were in the harvesting process (6 located in the Los Lagos Region and 3 in the Aysén Region), and in aggregate they delivered a harvest of 32,644 WFE, with an average weight of 5.06 kg WFE.

HARVEST AND PROCESSING

WELLBOATS

Salmones Camanchaca has its own closed-cycle wellboat, which lends autonomy and flexibility to the harvesting process and is a crucial business advantage.

To cover additional harvesting needs throughout the year, Camanchaca maintains an exclusive use contract on an open-cycle wellboat that it uses primarily to harvest sites in the Aysén Region and transport raw material to the Surproceso plant.

PROCESSING PLANTS

The Company has three processing plants:

- San José (Calbuco, Los Lagos Region): At these facilities, fish are processed from Camanchaca's sites located in the Los Lagos Region. The plant has a capacity of 80,000 fish per day, which also enables it to process fish from other producers and export whole and fresh salmon directly to Brazil, China and Argentina, among other markets.

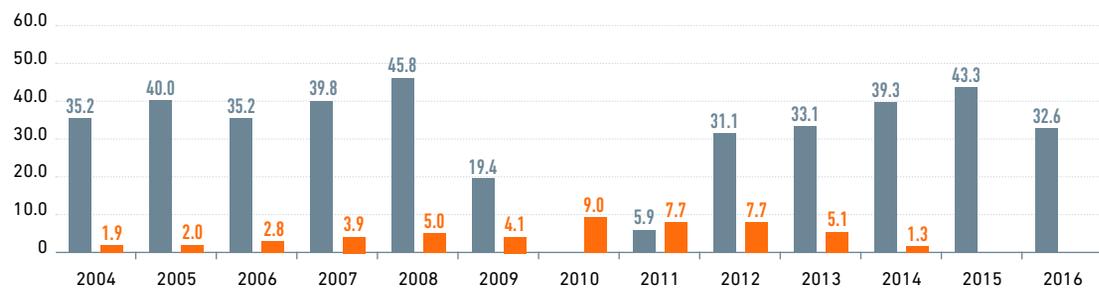
- Surproceso (Quellón, Los Lagos Region): Camanchaca has a one-third interest in this plant, which processes fish from grow-out sites in the Aysén Region. Its capacity is 115,000 fish per day.

- Value-Added Plant in Tomé (Bío Bío Region): This plant produces fillets, portioned fish and other value-added products. It has the capacity to process up to 250 tons of raw material each day into different product types such as fresh and frozen fillets, fresh and frozen portions, whole frozen, among others. Its main advantage is its location near the Company's numerous distribution centers, which enables it to export products to a variety of markets from ports in the Bío Bío Region. Additionally, its proximity to Santiago gives it the flexibility to ship fresh fish to the United States with an ability to react quickly to changes in demand.

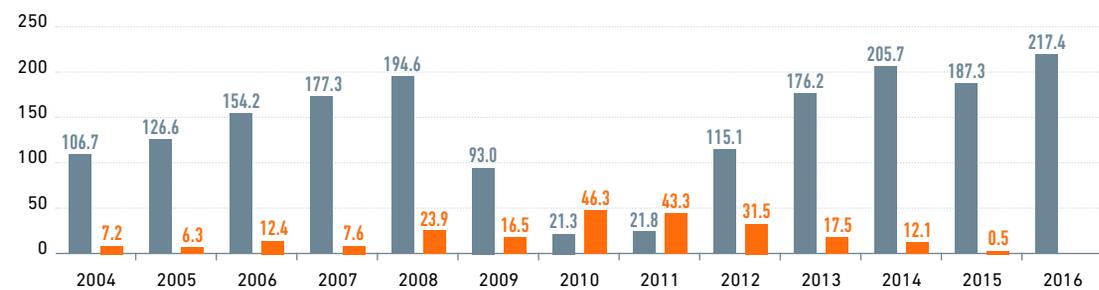


HARVESTS (thousands of tons WFE)

■ ATLANTIC SALMON ■ TROUT

**REVENUE** (MUS\$)*

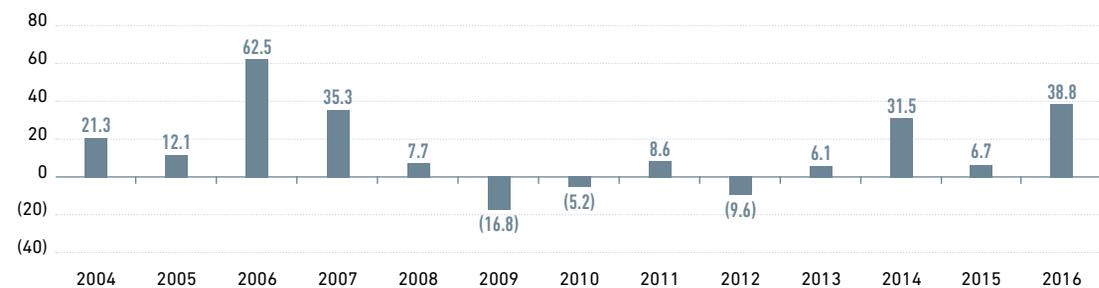
■ ATLANTIC SALMON ■ TROUT

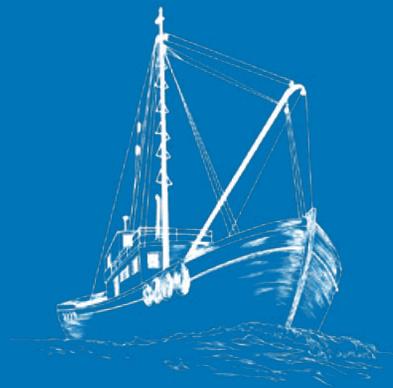


* Excludes other income from the salmon farming business.

EBITDA before Fair Value Adjustment (MUS\$)

■ SALMON





INDUSTRIAL FISHING

Camanchaca's industrial fishing business is located in the north and the south-central zone of Chile. The Company's northern fishing division, based in Iquique (Tarapacá Region) is focused on purse-seine anchovy and jack mackerel fishing for fishmeal and fish oil production. It is the second largest player in this geographical area, with 19.75% of the anchovy quotas and 17.49% of the jack mackerel quotas. The Company holds 19.33% of the quotas for jack mackerel and 18.2% for sardine and anchovy species in Chile's south-central zone (Bío Bío Region). It also has fishing permits to catch langostino lobsters in this area.



Chile is without a doubt a world power in the fishing industry. Thousands of kilometers of coastline make the country a major producer of marine protein. However, since 2000 the global fishing industry has felt the effects of reduced biomass of wild species. In order to ensure the sustainability of species and prevent overexploitation of marine resources, the main producing countries—including Chile—have set catch quotas, which have remained relatively stable over the past few years.

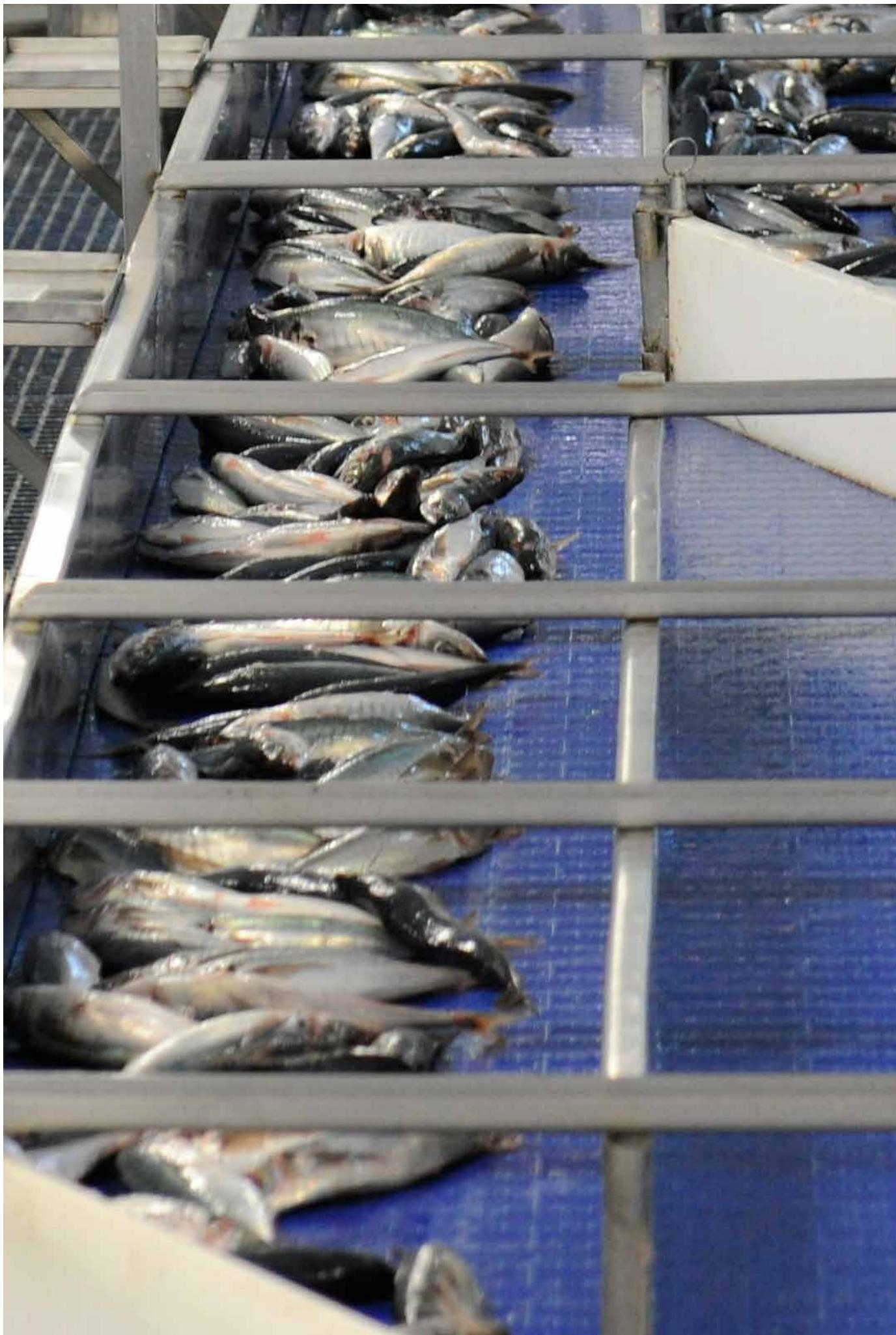
At the international level, the South Pacific Regional Fisheries Management Organization (SPRFMO) issued guidelines for preserving jack mackerel as a cross-zonal pelagic species. In Chile the General Fisheries and Aquaculture Law (LGPA in Spanish) focused on the sustainability of fisheries, the ecosystem approach and the precautionary principle of fishery resources. Along this line, Scientific Committees (CCT) and Management Committees (CM) were created as a mechanism to manage fisheries, which shows the importance that has been given to the establishment of participatory mechanisms and the care of fish resources.

There are critics of this legal body, and therefore in 2016 the government commissioned the US Food and Agriculture Organization (FAO) to conduct an analysis of the law, which identified there is room to improve legislation and complement it, both at the legislative technical level and in its effective implementation. The technical review, which was carried out by a multidisciplinary team of fishing specialists, economists and lawyers with national and international experience, took into account the main instruments and agreements in this area. One of the main strengths of the LGPA identified and published by this study is the importance it attaches to the "sustainable use" of fishery resources and, therefore, to the recognition of the need to organize fisheries in such a way as to ensure that future generations can also enjoy them.

In this context, Camanchaca continues to be a major player in the industrial fishing business, both in northern and southern Chile. From its base in Iquique, it covers the north; and from Coronel, it covers the country's south-central zone.

—
Pelagic fisheries
certified by:







NORTHERN FISHING DIVISION

The Company has a fleet of 15 fishing vessels based in Iquique equipped with cutting-edge technology for detection and catching, and also has air support for fish prospecting, communications and navigation. It has a modern fish-unloading system that preserves raw material quality, improving yield and finished-product quality while mitigating potential environmental impacts.

These facilities are located at the Port of Iquique, and include a plant with a daily processing capacity of 2,500 tons. In 2016, the Company signed a use agreement with the Empresa Portuaria de Iquique, which began to operate on October 11 of that year. This agreement allows Camanchaca to continue to use the area where its processing plant is currently located, thus giving

continuity to its fishing and industrial operations. However, such activities and fish unloading will cease definitively no later than December 31, 2018, at which point the Company will return the area where it is currently located no later than April 30, 2019.

Knowing the scope of this agreement, in mid-October 2016, the Company filed an Environmental Impact Statement (DIA) with the Environmental Impact Assessment System, which contained its plans to install and operate a new marine protein processing plant to replace the current one in the industrial zone of Iquique. There is no doubt that this initiative will allow Camanchaca to continue operating, create work for its employees, suppliers and contractors, and contribute to the development of the Tarapacá Region and its communities.

The Company's northern fishing operations have earned the following quality certifications: GMP ISO 9001, ISO 14001, IFFO RS, HACCP, RAC and OHSAS 18001. These certifications enable our products to be exported around the world by guaranteeing quality, environmental protection, and worker health and safety.



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IN MID-OCTOBER 2016,
THE COMPANY SUBMITTED PLANS FOR
ITS NEW MARINE PROTEIN PROCESSING
PLANT IN THE IQUIQUE INDUSTRIAL
ZONE TO THE ENVIRONMENTAL
IMPACT ASSESSMENT SYSTEM

The El Niño phenomenon led to a warming of the ocean surface, which strongly impacted both fishing and the division's performance in 2016. These conditions resulted in a large number of juvenile fish mixed with adult fish, which forced the industry to voluntarily suspend fishing activity or restrict it to very limited areas, thus protecting the resource. This made it impossible to catch the quotas granted for the year, affecting the division's performance and results.

This event has been one of the most intense in the last 50 years, comparable only to that of 1997-1998, which had equivalent effects on catches as those in 2016.

Currently, the information analyzed shows that global environmental conditions have been slowly recovering as El Niño retreats, with neutral conditions prevailing at present, and predictions of normal conditions for 2017 catches.

PRODUCTS

This area produces and sells two main products:

- Fishmeal: With its high protein content, high level of digestibility, and the presence of essential amino acids. Fishmeal is used as an ingredient in animal feed, primarily in aquaculture.
- Fish oil for human consumption: It is used principally for nutritional and pharmacological purposes due to its high omega 3 content (EPA, DHA and DPA). This product is sold primarily in Europe and North America.



SOUTHERN FISHING DIVISION

Among the main assets of this division is a fleet of 8 offshore purse-seine fishing vessels with a hold capacity totaling 10,000 m³, and 3 vessels for crustacean fishing with a hold capacity of 400 m³.

The division has two plants in Coronel: one for canning, with a production capacity of 25,000 boxes per day, and one for fishmeal and fish oil, with a raw material processing capacity of 2,200 tons per day.

In Talcahuano, the division has a fishmeal and fish oil plant with a processing capacity of 1,500 tons of raw material per day and a frozen jack mackerel plant that can process 300 tons per day. Its production processes are IFS (canning plant), ISO 9001, IFFO RS and HACCP certified.

In 2016, the recovery of the jack mackerel biomass led to the highest fishing effectiveness in the industry in the past decade, which came close to 130 tons of daily catches of this species. In addition, full compliance with the quota in the south-central zone plus transfers of foreign quota, resulted in the largest catch of the decade, exceeding 290 thousand tons.

The El Niño phenomenon caused a displacement of sardines towards the south, which resulted in low catches in the artisan sector of the Maule Region, partially mitigated by transfers that permitted catches in the La Araucanía and Los Lagos regions.

Langostino lobster catches occurred more quickly than in previous years, given the availability of the resource in relation to the current quota for 2016.

Frozen jack mackerel production remained at low levels, at around 65,000 tons due to low exports to Africa. This is due to a sharp fall in the product price in Africa. In contrast to this, canning increased by 36% over the previous year. Likewise, around 38% of jack mackerel catches were set aside for the production of fishmeal and fish oil.

In 2016, the first stage of the automation process in the canning plant was tested, which led to improvements in productivity from 3,900 to 5,100 boxes per shift. Likewise, US\$ 600 thousand in investments were made to bring plant productivity to 8,000 boxes per shift in 2017.

Another material event in early 2016 was the harmful algae bloom, resulting in an extraordinary level of mortalities that exceeded 30 thousand tons in the salmon industry. Camanchaca's timely intervention, with 3 vessels and a fishmeal plant in Talcahuano, allowed the Company to correctly dispose of all of its mortalities: in authorized landfills or by processing into fishmeal and fish oil for later sale.

The chain of custody for langostino lobsters obtained certification from the Marine Stewardship Council's (MSC) Sustainable Fishing Program, which accredits sustainable fishing practices for this resource that do not deplete the species. The Company is currently authorized to market the product certified under this standard, which will open doors to new markets and validate already existing ones.

This year, the Company has consolidated the BAP methodology for risk prevention throughout the organization, a project carried out jointly with the Chilean Safety Association (ACHS). This has led to the lowest accident rates in recent years and the highest industry standards in this area. Also in 2016, the Concepción Chamber of Commerce and Production named one of the employees from Camanchaca Pesca Norte as worker of the year in the Bío Bío Region.

Finally, in 2016, the subsidiary Camanchaca Pesca Sur paid off its entire outstanding bank debt.

PRODUCTS

The products marketed by this area are:

- Frozen jack mackerel: A product for direct human consumption that is in high demand given its high protein content.
- Canned fish: Made primarily from jack mackerel and mackerel, its high protein and omega 3 content and low cost make it a product in high demand for human consumption.
- Frozen langostino lobster: This product is highly valued worldwide, desired for its nutritional value

and rich flavor. Camanchaca has placed strong emphasis on the production of yellow and red langostino lobsters, a product unique to Chile.

- Fishmeal: With its high protein content, high level of digestibility, and the presence of essential amino acids. Fishmeal is used as an ingredient in animal feed, primarily in aquaculture.

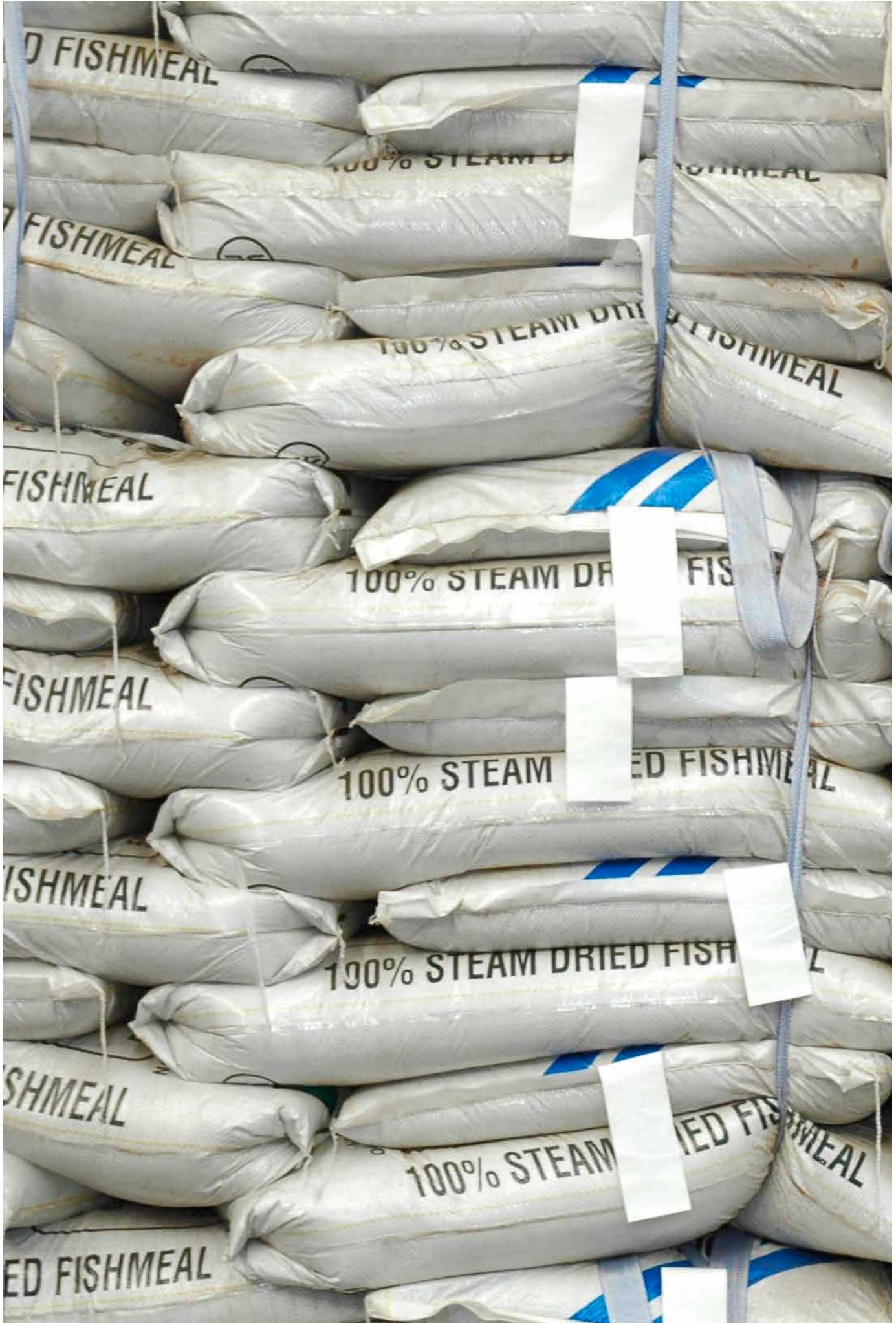
- Fish oil: With its high nutritional value and caloric content, fish oil is used as an ingredient in animal feed, primarily in aquaculture.



THE CHAIN OF CUSTODY FOR LANGOSTINO LOBSTER OBTAINED MSC CERTIFICATION, WHICH ACCREDITS SUSTAINABLE FISHING PRACTICES THAT DO NOT DEplete THE SPECIES, THEREBY OPENING NEW MARKETS AND VALIDATING ALREADY EXISTING ONES

Langostino lobster certified by Marine Stewardship Council





FISHING INDUSTRY MARKETS

As we mentioned earlier, the El Niño phenomenon continued to affect fisheries resources in 2016, as it did the previous season, with one of the strongest events of this nature since 1997-1998 according to historical records. On the other hand, the Chinese economy continued to slow in 2016, which led to a currency devaluation of approximately 4.5%. The economic problems in Camanchaca's main markets continued, generating major trade challenges.

In terms of fishmeal, catch expectations mainly from Peru influenced the market price and generated significant fluctuations throughout the year. This had an impact on demand and led to a certain degree of substitution of fishmeal in the respective animal and aquaculture diets. As of November 2016, Peruvian authorities announced a higher quota than expected, thus pushing prices down in expectation of better catches, which only came about towards the end of the year.

In 2016, 31% of fishmeal sales and 81% of fish oil sales were made in the Chilean market, where Camanchaca Pesca Sur has supply contracts with the largest manufacturers of salmon feed. In the first quarter of the year, the salmon industry was affected by the harmful algae bloom, which caused significant mortality and consequently a sharp decline in demand for both fishmeal and fish oil. Pre-outbreak volumes have yet to be recovered.

The remaining 69% of fishmeal sales and 19% of fish oil were exports, primarily to China, Japan, South Korea and the EU.

As a result of the El Niño phenomenon, fish oil yields, especially in the northern fishing division, have hit historical lows. The year 2016 was no exception, with a strong impact on the volume available for sale. The production obtained was sold mainly to the nutraceutical industry for its good Omega 3 fatty acid profile, which enabled the Company to obtain good prices for this product.

With regard to frozen jack mackerel, lingering low oil prices have kept Africa (particularly Nigeria, the main consumer of this product) out of the market due to the scarce availability of foreign currency, which has limited its imports. In this context, the Peruvian market continued to generate the greatest demand due to low jack mackerel catches from its coastline as a result of the El Niño phenomenon.

In this scenario, given the decrease in international demand for frozen jack mackerel, a larger proportion of this resource was used for canning, which, together with the high availability of canned jack mackerel from China, led to a significant downward trend in the price of this product. For example, in some of the main export markets for Chilean canned fish, such as Sri Lanka, prices fell by about 25% between November and December 2016. As a result of the above, the volumes exported during the year were lower than budgeted, which meant that the final canning stock was higher than originally estimated.

In relation to langostino lobster, 2016 was another good year in terms of customer portfolio diversification, with products redirected to Japan, thus expanding this market and decreasing dependence on some North American retail chains.

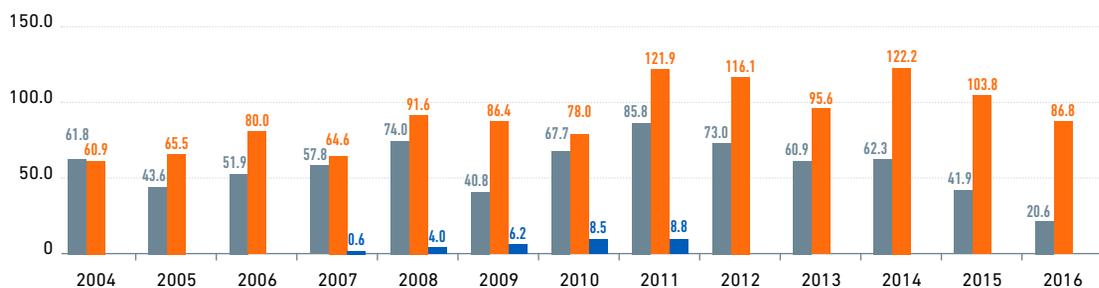


CATCHES (thousands of tons)

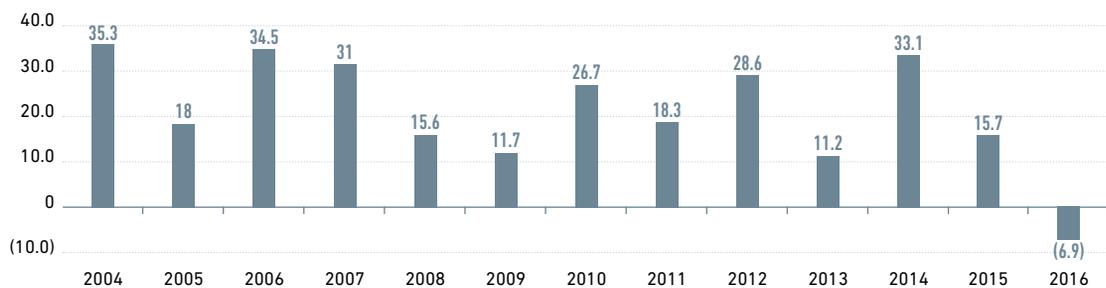
■ NORTHERN FISHING DIVISION ■ SOUTHERN FISHING DIVISION ■ CENTROMAR

**REVENUE** (MUS\$)

■ NORTHERN FISHING DIVISION ■ SOUTHERN FISHING DIVISION ■ CENTRO MAR

**EBITDA** (MUS\$)

■ INDUSTRIAL FISHING DIVISION





OTHER SEAFOOD

Camanchaca has two business lines in seafood farming—in addition to the salmon farming business—which are based in different geographical areas of Chile: It produces mussels in the south on the island of Chiloé in the Los Lagos Region and abalones in Caldera in the Atacama Region.





CAMANCHACA CULTIVOS SUR: MUSSELS

Camanchaca has more than 1,000 hectares of aquaculture concessions for mussel farming in Chiloé. They are divided into three large, fully operational farming areas: Caucahué, in the district of Quemchi; Chequián in the district of Quinchao; and Puyao in the district of Castro. In each area, the Company has its own facilities and direct access to beaches, which makes unloading and storage logistics more efficient.

The processing plant is located in Rauco in the Chonchi district. Measuring over 5,000 m², it is strategically located with respect to the farming sites, which guarantees raw material freshness. The plant contains state-of-the-art equipment with automated processes and high quality control and

food safety standards that provide access to the most demanding and sophisticated markets.

This division has continued to consolidate its industry position in recent years, boosting returns on assets, seeking cost efficiencies along the entire production chain, strengthening sales management, developing new markets and products, and focusing on business sustainability (especially human capital, the environment and community relations).

In 2016, the division was strongly affected by the El Niño phenomenon and the ocean conditions that resulted in a season of poor growth and low meat yield for mussels. The red tide, which also affected the Los Lagos Region, spread to all harvest areas with an intensity never seen before. In addition to the above, there was a protest that kept the roads and access to sites and plants blocked throughout the month of May, which also affected normal division operations. As a result of these conditions, we can conclude that 2016 was a year of low harvests compared to previous periods. However, major efforts were made to purchase raw material from third parties, which allowed the year to close out with around 25 thousand tons processed and a good level of whole product production.

The good news in 2016 was that the process plant and all farm sites were BAP certified (Best Aquaculture

—
**THE PROCESSING
 PLANT AND ALL
 FARM SITES OBTAINED
 BAP CERTIFICATION
 (BEST AQUACULTURE
 PRACTICES)**



Practices), and the Company is now working on its first renewal, demonstrating sustainable processes. This certification is complemented by the FOS (Friend of the Seas) seal, which ensures that mussels are produced in an environmentally and socially responsible manner. In addition, the plant has BRC v7 certification, highlighting an improvement from level A to AA.

PRODUCTION CYCLE

The mussel production cycle lasts between 14 and 20 months, beginning in the spring with the natural collection of larvae in the estuaries of the Los Lagos Region. After a couple months, the seeds are transported to grow-out sites where they undergo production processes aimed at achieving optimum harvest weight and size.

PRODUCTS

Camanchaca processes mussels as two products:

MUSSELS IN THE SHELL (COOKED, FROZEN, VACUUM-PACKED): These are sold in their natural state or with different sauces depending on the destination markets. This product has been increasingly marketed and introduced into new markets in recent years. It is supplied in different formats for food service and retail channels.

MUSSEL MEAT (COOKED, FROZEN): This product is widely known in different markets around the world, especially Europe. It is supplied in various formats for food service and retail channels.

MARKETS

During 2016, the division continued to focus its efforts on achieving greater penetration in retail channels in new and better markets, such as the US, France, England, Japan, Mexico and Russia. These efforts were reflected in the opening of new accounts in Japan, Russia, Mexico and the consolidation of existing accounts in the US and France, where almost 40% of production is retail.

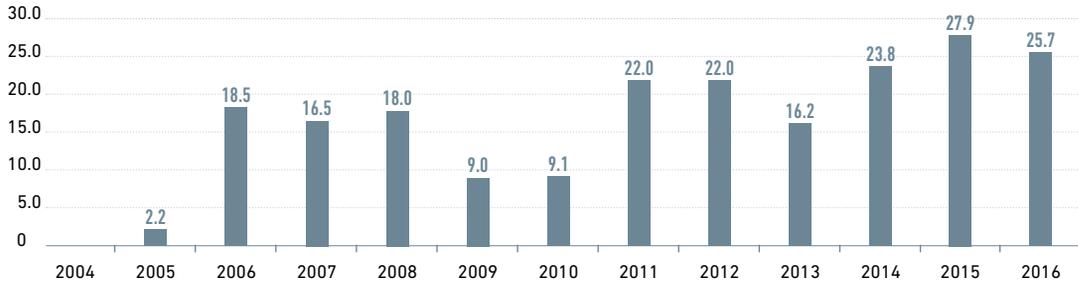
Currently, Camanchaca's mussels can be found in over 3 thousand locations in the US and 1 thousand locations in Japan.

In other positive news that will undoubtedly solidify our entry into the Chinese market, in 2016 we concluded the third phase of the "Patagonia Mussel" project (a collaborative effort by companies in the sector and Prochile), which sought to develop and promote this Asian market.

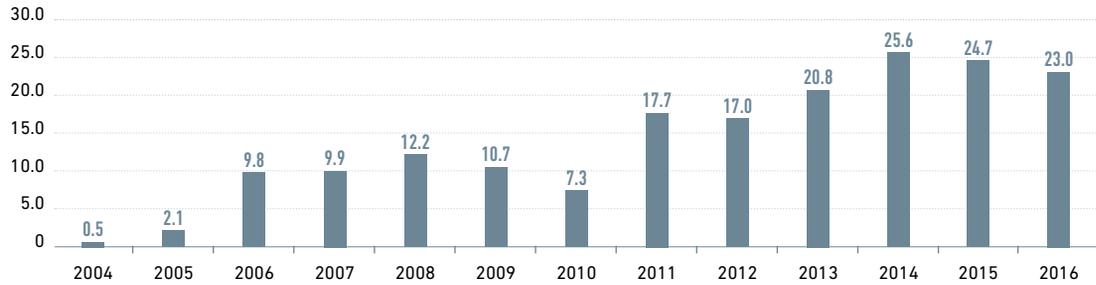


HARVEST (thousands of tons)

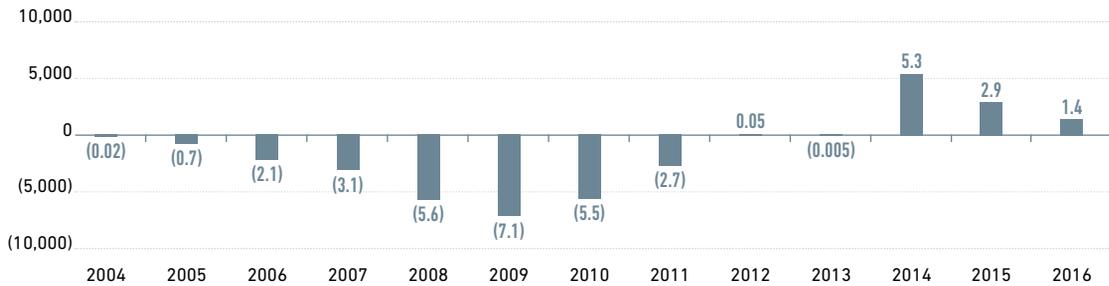
■ MUSSELS

**REVENUE** (MUS\$)

■ SOUTHERN OTHER SEAFOOD DIVISION

**EBITDA** (MUS\$)

■ SOUTHERN OTHER SEAFOOD DIVISION





CAMANCHACA CULTIVOS NORTE ABALONE

The Company's abalone farms are located in two sites: Caldereta and Tres Quebradas, both located in Bahía Inglesa, district of Caldera, Atacama Region. These are home to the hatchery, nursery and grow-out facilities, with more than 1,000 tanks on land.

During 2016, this product continued to strengthen and further efforts to cut costs, optimize yields throughout the value chain and improve production processes. This has resulted in a sustained improvement in sanitary conditions, in calibers harvested, in the length of the production cycle and finally in financial results.

Likewise, the division produced a level of raw material comparable to 2015. This scale of production

enabled the Company to optimize yields and better balance revenue and expenses, and better manage farm sites and its processing plant. The Company also favored a product strategy based almost entirely on Raw Frozen Whole Abalone (IQF), improving operational learning curves and customer knowledge.

Its operations include:

FARM SITES: In Caldereta and Tres Quebradas, with combined production capacity of 260 tons per year. In 2016, this was adjusted to around 266 tons/year.

FROZEN AND CANNED ABALONE PROCESSING PLANT: Located in Caldera, with a daily production capacity of 1,800 kg of frozen product and 2,500 kg of canned product. Thanks to sustained, well-planned efforts, the plant has revalidated its Quality Assurance Program (QAP) for 2016 for Raw Frozen Whole Abalone, Pre-cooked Frozen Abalone and Raw Depigmented Abalone Meat. It also raised its Chilean National Fisheries Service (SERNAPESCA) category from level II to I, which has allowed the Company to implement and maintain a hazard prevention and control system throughout the process, thus ensuring the quality of the products.



—

**THE ABALONE BUSINESS
CONTINUED TO STRENGTHEN
AND FURTHER EFFORTS TO
CUT COSTS THROUGHOUT
THE VALUE CHAIN AND
OPEN NEW MARKETS**

In recent years, this division has supplied its own macroalgae, the main food consumed by its abalone, through different suppliers authorized to collect and harvest them in nearby areas, consolidating it as a company that participates actively in the regional productive chain and leverages strategic alliances with local suppliers. Likewise, Camanchaca also has aquaculture concessions for growing its own macroalgae.

PRODUCTS

Camanchaca processes abalone into the following products:

RAW FROZEN WHOLE ABALONE: This is sold mainly in Japan in vacuum-packed and bulk packaging, primarily to food service channels.

PRE-COOKED WHOLE FROZEN ABALONE: This product is sold primarily in Japan.

RAW DEPIGMENTED ABALONE MEAT: Product sent to Japan and the US.

CANNED ABALONE: This product is shipped mainly to Asian and North American markets. During the year, production of canned abalone was outsourced to a plant located in the Coquimbo Region, leveraging its experience and assuring quality and distribution channels.

MARKETS

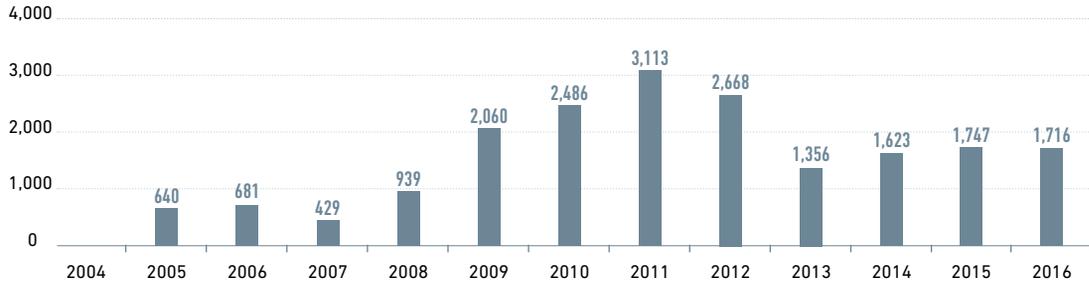
As discussed in prior annual reports, regulatory changes in Chinese austerity laws meant a significant drop in the consumption of luxury goods in China, which mainly affected abalone. This caused a drop in local demand, forcing Chinese producers to redirect their products to foreign markets such as Japan and South Korea, causing a 44% reduction in supply.

China's entry into the Japanese market in late 2013 caused a drop of over 50% in the prices of abalone from other sources, such as Chile (China and Taiwan are the main competitors in terms of prices). However, from late 2013 until now, prices in Japan have recovered, but are still lower than prior to the restrictions imposed by China. At Camanchaca, this recovery could be seen by late 2016 and is expected to continue in 2017 with the help of the diversification strategy implemented for this product since 2013, which has already cultivated stable customers in the US, Malaysia and Hong Kong.

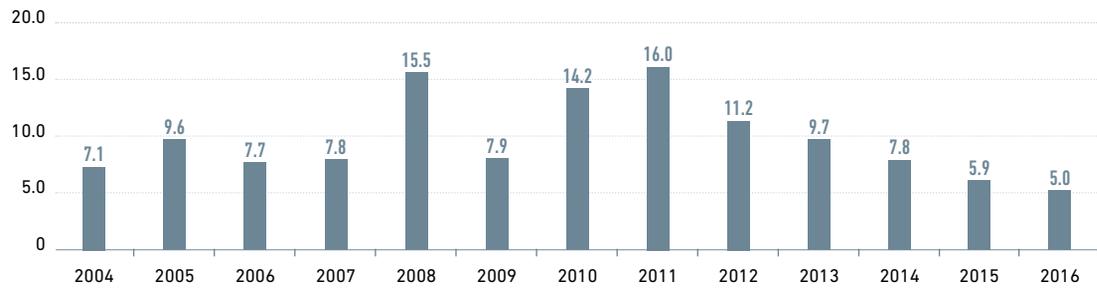


HARVEST (thousands of units)

■ ABALONE

**REVENUE** (MUS\$)

■ NORTHERN OTHER SEAFOOD DIVISION

**EBITDA** (MUS\$)

■ NORTHERN OTHER SEAFOOD DIVISION



DISTRIBUTION NETWORK

Camanchaca's sales team includes offices and representatives in different parts of the world, which allows the Company to serve and develop different markets more directly and effectively.

With representation agencies in Mexico, Central America and the Caribbean and sales offices in Santiago, Miami, Tokyo and China (through the "New World Currents" partnership), the Company has positioned itself on international markets as a reliable supplier of premium marine products. Throughout its history, Camanchaca has built long-term business relationships with important retail, food service and distribution customers around the world.

On international markets, Camanchaca sells frozen and high value-added products under the Camanchaca Gourmet and Pier 33 brands, which mainly target end consumers.

CUSTOMERS

No single customer is solely responsible for 10% or more of the Company's total consolidated revenue in 2016.

By division, no single customer is solely responsible for 10% or more of the Company's total consolidated revenue in either the salmon farming and other seafood divisions.

The industrial fishing division has one customer that represents more than 10% of the division's total revenue. This particular customer accounts for 11% of total revenue for this business.

MARKET SHARE

ATLANTIC SALMON: Based on data from the Chilean industry and Kontali, a total of 505 thousand tons WFE of Atlantic salmon were harvested in Chile in 2016, repre-

senting 23% of worldwide harvests of this species. Norway is the largest producing country with 54% of total global production. Camanchaca harvested 32.6 thousand tons WFE, representing 6.5% of Chilean harvests of Atlantic salmon and 1.5% of global harvests.

FISHMEAL: Based on data from IFFO, 225 thousand tons of fishmeal were produced in Chile in 2016, representing 5% of global production. Peru is the largest producing country with 14%. Camanchaca produced 24.2 thousand tons, representing 10.8% of Chilean fishmeal production.

FISH OIL: Based on data from IFFO, 81 thousand tons of fish oil were produced in Chile in 2016, representing 9% of global production. Peru is the largest producing country with 12%. Camanchaca produced 4 thousand tons, representing 4.9% of Chilean fish oil production.

JACK MACKEREL (HUMAN CONSUMPTION): Based on data from Datacomex—based on exports registered with customs—in 2016 Chilean exports of jack mackerel for human consumption were valued at US\$ 95.1 million (FOB). Camanchaca represented 24.5% of this total.

LANGOSTINO LOBSTER: According to Datacomex, in 2016 Chilean exports of langostino lobster were valued at US\$ 27.1 million (FOB). Camanchaca represented 49.4% of this total.

MUSSELS: Based on data from Datacomex, in 2016 Chilean exports of mussels were valued at US\$ 177.2 million (FOB). Camanchaca represented 11% of this total.

ABALONE: Based on data from Checkpoint, in 2016 Chilean exports of abalone were valued at US\$ 19 million (FOB). Camanchaca represented 22% of this total.



1 REPRESENTATION FOR CENTRAL AMERICA AND THE CARIBBEAN

Location:
Mexico City, Mexico
Coverage:
Mexico, Central America and the Caribbean
Population served:
200 million Seafood consumption:
10 kg per person
Portions sold each year
by Camanchaca:
26 million

2 NORTH AMERICAN OFFICE

Location:
Miami, USA
Coverage:
The United States and Canada
Population served:
350 million
Seafood consumption:
24 kg per person
Portions sold each year by
Camanchaca:
112 million

3 HEADQUARTERS

Location:
Santiago, Chile
Coverage:
Areas not covered by other offices
Population served:
930 million
Portions sold each year
by Camanchaca:
188 million

4 JAPANESE OFFICE

Location:
Tokyo, Japan
Coverage:
Japan and South Korea
Population served:
180 million
Seafood consumption:
58 kg per person
Portions sold each year by
Camanchaca:
13 million

5 CHINESE OFFICE (NEW WORLD CURRENTS)

Location:
Shenzhen, China
Coverage:
China
Population served:
1,400 million
Seafood consumption:
27 kg per person
Portions sold each year
by Camanchaca:
25 million

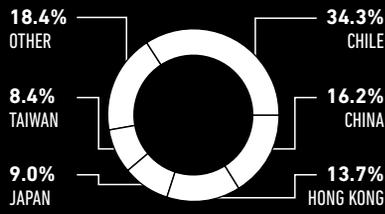
Number of Camanchaca
Customers with Annual Sales
Over US\$ 10,000

YEAR	NUMBER OF CUSTOMERS
2011	297
2012	401
2013	439
2014	423
2015	482
2016	537

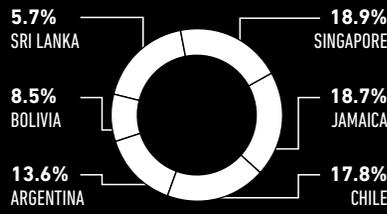
CAMANCHACA AROUND THE WORLD



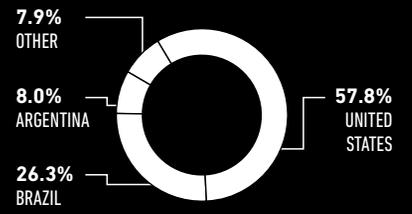
FISHMEAL



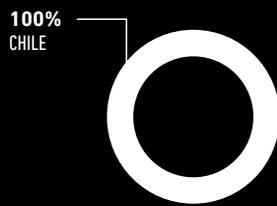
CANNED FISH



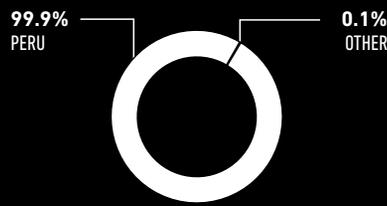
FRESH ATLANTIC SALMON



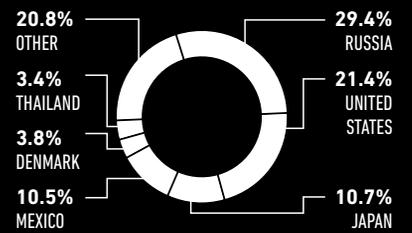
FISH OIL



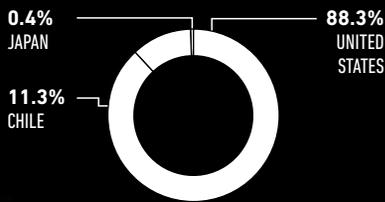
FROZEN JACK MACKEREL



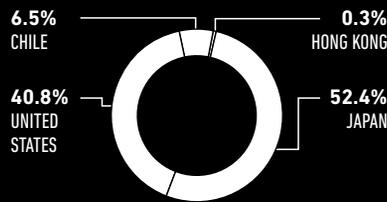
FROZEN ATLANTIC SALMON



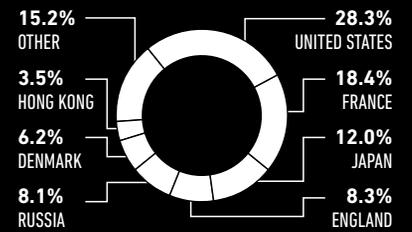
LANGOSTINO LOBSTER



ABALONE



MUSSELS





CHAPTER 6

SUSTAINABILITY



Sustainability is a key element of our business strategy at Camanchaca, which goes beyond regulatory compliance. In addition to excellent performance, our commitment to the communities where we do business and protecting the environment and our associates are essential to all our operations.

The Company's businesses have both positive and negative external effects in their areas of influence. Therefore, Camanchaca is constantly striving for the highest standards in terms of environmental protection and its relationship with its surroundings in order to minimize any potential impact.

As part of its sustainability efforts, for the past several years, the Company has been developing two programs designed to contribute to the environment and, above all, build good relations with its neighbors:



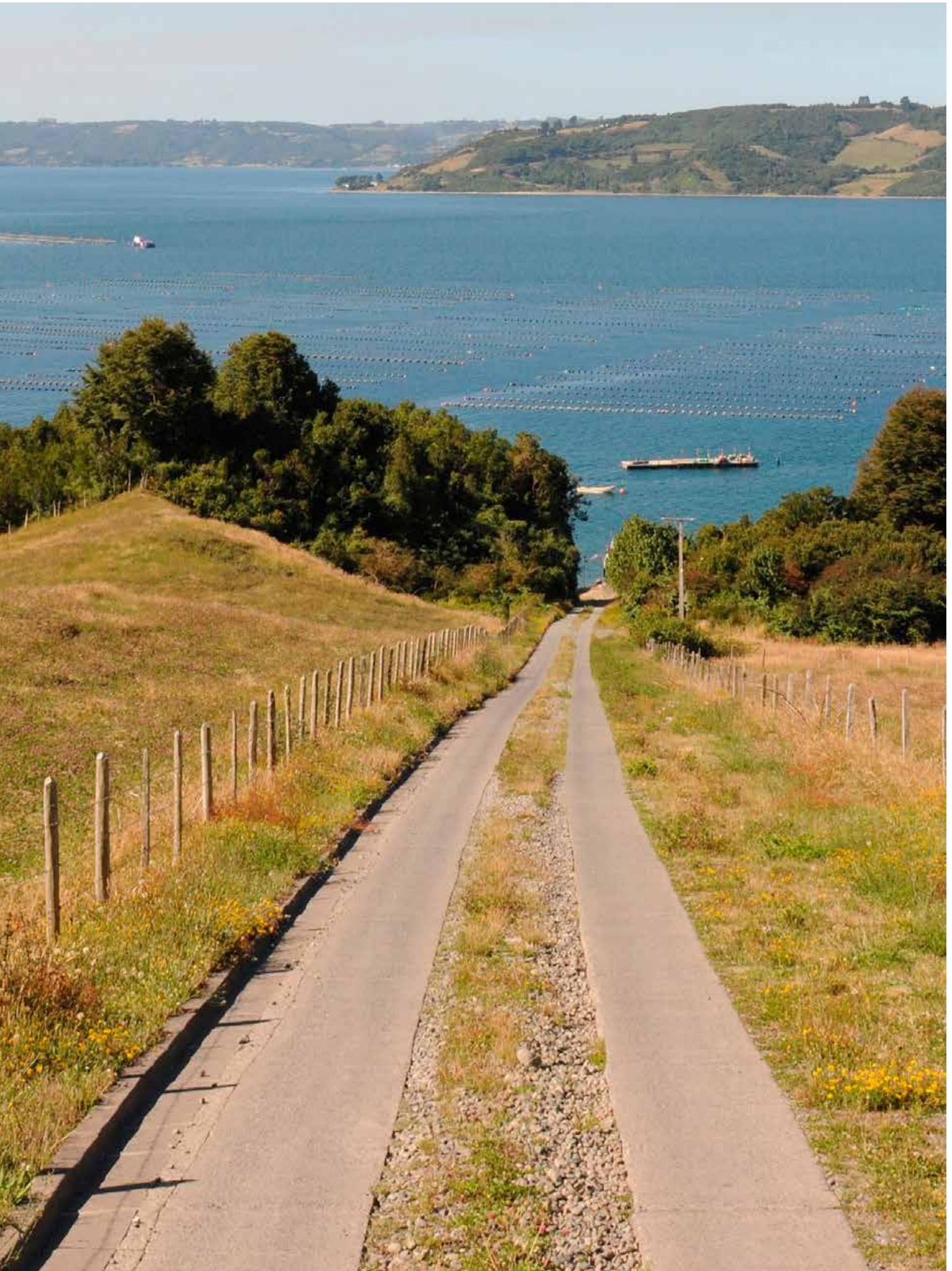
FRIENDLY CAMANCHACA

Aims to strengthen relations with the Company's stakeholders



EFFICIENT CAMANCHACA

Strives to make the Company cost competitive



FRIENDLY CAMANCHACA

—
**IN 2016 THIS INITIATIVE
REACHED OVER
100 THOUSAND PEOPLE**

The Company created the Friendly Camanchaca program in 2013. The initiative aims to cultivate constructive relationships with communities, employees, customers and suppliers built on trust, closeness, care for the environment and healthy eating and lifestyles.

Although the Company's operations have an impact on its surroundings and the communities where it operates, they also contribute to the development of the areas where it has a presence and, therefore, the relationship between the two must be mutually beneficial.

In this context, the Friendly Camanchaca program has gained strength and is already recognized in the Company's areas of influence. In 2016, the Company continued to work along these lines to generate a culture of active employee participation, with about 300 program activities, and also continued to strengthen company alliances with its various stakeholders. In 2016 alone, this initiative reached more than 100 thousand people, with more than 3,500 visits to our facilities; 2,200 participants in beach cleanup activities; 703 students who interned in one of our divisions; and 2,200 people who participated in different fairs.

To coordinate activities and generate real impact on the community, Friendly Camanchaca is based on three main elements:



1

PROXIMITY

**IN 2016, AROUND
703 STUDENTS
INTERINED IN ONE OF
CAMANCHACA'S DIVISIONS**

This element responds to the importance that Camanchaca places on developing neighboring communities, where a large number of its employees and their families live. The Company is interested in cultivating stable, long-term bonds of reciprocal collaboration with them, generating mutual benefits and creating shared value for everyone.

Some of the activities developed through this pillar are: visits from neighborhood associations, retirement homes, educational institutions and other organizations to learn more about what Camanchaca does; agreements with schools to develop programs in the areas of fishing and aquaculture; participation in job fairs to promote work in the sector; among others.

CONSOLIDATION OF THE ALLIANCE WITH LICEO INDUSTRIAL METODISTA IN CORONEL

(BÍO BÍO REGION)

Throughout the year, this alliance continued to offer courses and activities, allowing more than 60 students at this school to develop themselves professionally and learn more about the work carried out by Camanchaca Pesca Sur.



COLLABORATION AGREEMENT BETWEEN CAMANCHACA PESCA SUR AND LICEO COMERCIAL ANDRÉS LÓPEZ BELLO IN CORONEL

(BÍO BÍO REGION)

This relationship has allowed both the Company and the school to promote programs, projects and activities for the professional development of students. In 2016 alone, around 46 students of the Dual Administration program (administration and accounting) interned at Camanchaca facilities.



VISITS FROM DIVERSE ORGANIZATIONS TO CAMANCHACA PESCA NORTE

(TARAPACÁ REGION)

The Company continued to strengthen ties with the Iquique Unión Comunal Norte and its neighborhood associations, through visits to the plant for senior citizens, preschoolers and their parents, and other groups.



2

CARING FOR THE ENVIRONMENT

—
OVER 2 THOUSAND PEOPLE
PARTICIPATED IN
BEACH CLEANUP
ACTIVITIES

Camanchaca encourages its staff and surrounding communities to always care responsibly for the environment and biodiversity in order to protect them and ensure a better world for future generations. It strives to generate a change in habits so that respecting nature becomes a common practice.

INTERNATIONAL BEACH CLEANUP DAY

On a corporate level, the Company participated in beach cleanup activities through its divisions in Iquique (Tarapacá Region), Caldera (Atacama Region), Coronel (Bío Bío Region), Tomé (Bío Bío Region), Puerto Montt (Los Lagos Region), Rauco (Los Lagos Region) and Melinka (Aysén Region). In addition to collecting waste on beaches close to its operations, Camanchaca gave talks in schools that joined the initiative to understand the importance of protecting the oceans and preventing pollution.



RECYCLE AND GROW PROGRAM

(BÍO BÍO REGION)

Camanchaca Pesca Sur, together with authorities and social organizations, is promoting this initiative that seeks to foster, educate and install the concept of waste recycling in Coronel, a district where one of the Company's processing plants is located. The virtuous cycle of recycling starts at Camanchaca, which recycles the fishing nets that it no longer uses in its fleet. The company Bureo uses these nets to make products such as high quality glasses and skateboards, which it markets in Chile and abroad. Camanchaca Pesca Sur uses payments from the sale of these nets to train the *charqueadoras* (small scale dried fish producers) in Caleta Lo Rojas on recycling, as waste managers. As a result of these courses, 24 women in the district formed the first group of waste managers, called RECICOR.



CELEBRATION OF THE INTERNATIONAL RECYCLING DAY

(CORONEL REGION)

With the support of the Municipality of Coronel, an agreement was signed with the company Cristalerías Toro to provide the Recycling Center opened by Camanchaca Pesca Sur 2013 with especially equipped containers for recycling glass, adding a new, widely used material.



3

HEALTHY LIVING

IN 2016, MORE THAN 17 THOUSAND PEOPLE PARTICIPATED IN ACTIVITIES TO PROMOTE HEALTHY LIVING AND DIETS

In 2016, Fundación Chile, in collaboration with GFK Adimark published the study "Healthy Chile: Opportunities and Challenges in Innovation to Increase the Consumption of Sea Products, Volume 5," which provides sobering statistics: the per-capita consumption of fish and shellfish in our country is 13.2 kg per year, palling in comparison to the 42.4 kg consumed in Spain or the 22.2 kg in Peru. If we add the fact that Chile has the highest levels of childhood obesity in Latin America, we can infer that healthy living habits are not a priority among the population.

In light of this reality and the Company's role as a producer of healthy seafood, it has carried out several initiatives to promote healthy, seafood-based diets. In addition, many of these activities also seek to promote a healthy lifestyle that encourages sports, outdoor activities and spending time with others.

To promote products for human consumption, since 2013 the Company has been bringing its high quality export products with high nutritional value to the community at affordable prices. Since that date, it has opened 5 points of sale near its operations: Iquique (Tarapacá Region), La Florida (Metropolitan Region), Tomé (Bío Bío Region), Coronel (Bío Bío Region) and Rauco (Los Lagos Region), where it constantly engages in promotional and educational activities.

In 2016, Camanchaca consolidated its agreement signed with Aramark, a leader in institutional food service, to promote healthy and nutritional seafood-based diets in the communities where they operate, each through their respective businesses. This alliance was reflected in the Company's participation in several traditional cultural fairs, sporting events, and others.

“LIVE COOKING, FEEDING THE WORLD FROM THE SEA,” BELLAVISTA TOMÉ BEACH

(BÍO BÍO REGION)

This activity carried out by Salmenes Camanchaca and Camanchaca Pesca Sur, sought to encourage the consumption of sea products and promote a healthy diet by preparing dishes for participants to sample. The initiative was sponsored by the Municipality of Tomé, and marked the end of Tomecina Week, a traditional celebration held every year. In total, about 2,500 people attended the event, where chef Richard Arellano used various techniques to teach participants nutritious ways to prepare salmon and jack mackerel.



FIRST INTERSCHOOL SOCCER TOURNAMENT: “CAMANCHACA FOR HEALTHY LIVING”

(BÍO BÍO REGION)

Through this activity, 16 schools in the Tomé district competed for first place. The tournament was held at the Tomé Municipal Gym, where about 200 seventh- and eighth-grade students participated.



THIRD VERSION OF THE CAMANCHACA CULTIVOS SUR FAMILY FUN RUN

(LOS LAGOS REGION)

The purpose of this initiative was to promote healthy living in the community and among Company employees. The latest fun run attracted more than 170 participants—50 more than in 2015. The course extended from the Rauco processing plant to the Llicaldad junction and back to the plant.



COOKING WORKSHOPS FOR SENIOR CITIZENS

(TARAPACÁ REGION)

Camanchaca Pesca Norte, together with Inacap and the National Senior Citizen Service (Senama), held two cooking workshops to encourage the consumption of seafood rich in Omega 3, among other qualities.



EFFICIENT CAMANCHACA

For Camanchaca, an increasingly efficient production chain is a fundamental component of the business strategy. This gives it competitive advantages and makes it sustainable over the long term. In 2016, several initiatives were developed in this line:

SALMON FARMING DIVISION

In the farming area, the first semester presented quite a few complexities. Harvests in this period suffered high mortalities and low growth, due to a summer with high temperatures, microalgae bloom, low oxygen levels and cases of SRS virus, which also resulted in higher production costs.

However, thanks to team efforts, the implementation of diverse actions and favorable changes in the environment, the situation changed radically by late 2016, when the Company harvested almost 10,000 tons WFE at one of its best sites, Punta Islotes. This site boasted an excellent production yield with optimal sanitary and environmental conditions that were reflected in low mortalities and an excellent economic conversion factor. This site reported a record low cost of US\$ 2.69/kilo ex cage during the year, finalizing at US\$ 3.31/kilo ex cage for the year.

From an efficiency point of view, the implementation of oxygen platforms in most of our sites is worth mentioning. This decision resulted in a 90% reduction in mortality from low oxygen.

Significant improvements were also made to the division's procurement authorizing and processing, resulting in a 40% decrease in processing times, which directly benefits internal customers and suppliers.

Indicators from material and consumable warehouses are at optimal levels, with high turnover and only 0.2% of items showing no movement during the year.

In logistics, efforts focused on redefining and enhancing distribution processes for feed, consumables, fuels for farm sites, hatcheries and processing plants, as well as continually optimizing silage processes. This led to savings of about US\$ 300,000 in 2016.

The Tomé Processing Plant has been constantly striving for better standards in each of its processes, and has managed to reduce its main packaging consumption, thereby reducing packaging waste from 4.8% to 2.7% in 2016. Along the same lines, and in keeping with the decrease in previous years, the Company achieved a reduction in water consumption of 9.6%, or 30,400 m³ in 2016.

Also, as a result of efficient preventive management, the accident rate (accidents per 100 workers in the year) decreased by 73% compared to 2015, falling from 2.38 to 0.64. Likewise, the rate of days lost due to accidents and illnesses per 100 workers in the year decreased by 73%, reducing its value from 75 to 20.

The Company registered a 2.3% increase over 2015 in the productivity of its processing lines, reaching 15 items Eq.D/WH, without leaving aside the WFE performance indicator. An example of this is the performance of Fresh Trim D, which increased from 59% to 59.5%. Likewise, the plant continued its recovery work towards Premium, increasing from 1.2% to 3.8% (200%).

To optimize its operations, the plant offered outsourcing services during the last months of the year, obtaining revenue of US\$ 1.6 million.

Finally, the 2016 unit cost was US\$ 718/t WFE, US\$ 53 below target.



NORTHERN INDUSTRIAL FISHING OPERATIONS

In 2016, the Company made strategic investments to increase the productivity and efficiency of operations. In the Fleet Area, the Company implemented RSW in a new vessel and acquired two higher-performance boilers in the plant.

As a result of the RSW implementation in the Claudia Alejandra High Seas Vessel, the catch was 86% Super Prime quality, 24% above the total caught in 2015, where the catch was 62% Super Prime. This meant an effective increase of 3.7%.

In late November 2016, two new steam boilers began operating, which will generate the equivalent of 65% of the current energy demand of the fishmeal plant (app. 48,000 kilos-hour). This top-of-the-line equipment will allow fuel savings in the plant of 5%, in addition to a reduction in the level of combustion gas emissions. This equipment is an important part of the new investments to be made by the Company in Iquique and will be included in the new plant that will begin construction this year and begin operations in 2019.

In 2016, the Company reached several milestones for the fishmeal and fish oil plant located in the Port of Iquique (EPI). The first involves the signing of an agreement between the Company and EPI to extend operations in the current plant located inside the port area until the end of 2018, giving a reasonable time frame for building the new plant. The second event was the filing of plans for the new fishmeal and fish oil plant project for environmental assessment, which is currently being assessed and should be approved during the first half of 2017.

In addition to the above, the basic and detailed engineering stages of the project have begun, including new equipment and technologies in the transformation process.

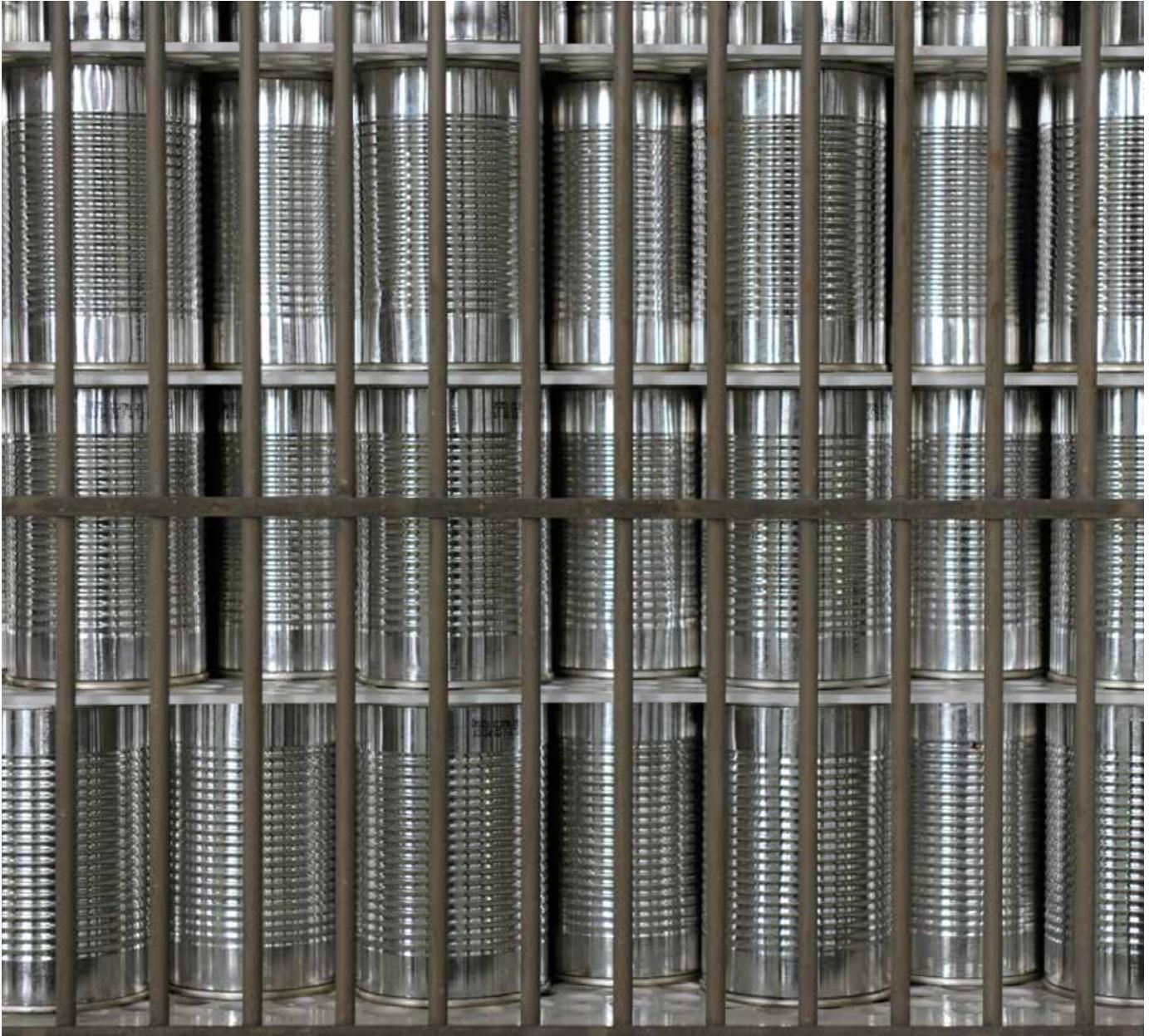
SOUTHERN INDUSTRIAL FISHING OPERATIONS

Jack mackerel was the star performer in 2016. Indicators rose for catch efficiency and plant productivity. Sardine catches moved south as a result of the El Niño phenomenon, and additional efforts were necessary to catch budgeted volumes.

Investments included the inauguration of odor abatement equipment (Scrubber) in May. The initiative entailed an investment of US\$1 million and will mitigate the Company's particulate matter and sulfur dioxide emissions by 90%, helping decrease the Coronel fishmeal plant's emissions and making a tangible contribution to improving air quality in the Bío Bío Region.

The industrial fleet caught 50 thousand tons of jack mackerel, a result of the purchase of fishing licenses in the north, a 13% higher catch than in 2015 at a cost that is 20% less than the average of the last 5 seasons, highlighting the indicators of tons caught per trip, with an increase of 6% (from 493 to 524) and a reduction in fuel consumption, decreasing liters per ton by 35% (from 156 to 92).

In terms of plant operations, the percentage of jack mackerel for human consumption was maintained and 1.4 million boxes of canned product were produced, the highest volume since 2009. In addition, the Company saw an increase in productivity, with a 30% increase in boxes per shift, from 3,900 to 5,100, and boxes per ton increased from 35.0 to 35.7.



—
**THE LOGISTICS UNIT WAS
RESTRUCTURED AND
CENTRALIZED TO
OBTAIN BETTER ECONOMIC
CONDITIONS AND QUALITY OF
CONTRACTED SERVICES**

OTHER SEAFOOD DIVISION

The mussel production plant in Rauco, Chiloé, stood out for its progress in the efficiency of the entire line, achieving a record production record, despite the social problems and red tide in May, one of the months of greatest production.

Also worthy of note is the investment in LED technology in lighting for the entire plant, with a 30% annual decrease in consumption.

In abalone farming in the Atacama Region, the division managed to considerably reduce costs from US\$ 23.2/kg_eq IQF in 2015 to US\$ 19.8/kg_eq IQF in 2016. This cost was distributed at US\$ 15.5/Kg_eq IQF at the farm site and US\$ 4.3/Kg_eq IQF at the plant, compared to US\$ 18.5/Kg_eq IQF and 4.7/Kg_eq IQF, respectively, in 2015. These lower costs can be explained by: a better finished product yield, which went from 85% to 90%; improvements in the general frozen processes; and a better caliber of harvested abalone, from 7.7 um/kg in 2015 to 6.5 um/kg in 2016.

PURCHASING, PROCUREMENT AND LOGISTICS

In 2016, 75 categories of materials and services with annual savings of US\$ 3.6 million were tendered, representing savings of 12% over 2015. In addition, the Company implemented a plan for the control and purchase of materials for services, leveraging the corporate structure for purchases and procurement and achieving US\$ 0.4 million in savings. In the salmon farming business, 11 processes were tendered for about US\$ 3.3 million, achieving savings of US\$ 420 thousand. Along with the above, salmon feed was tendered for a 28-month period (from March 2016 to June 2018) for approximately US\$ 130 million.

During 2016, feed expenses were US\$ 45.4 million, with savings of US\$ 3.1 million resulting from credit notes due to discounts through rewards, retroactive prices and competitive rates.

Likewise, catalogs were centralized, incorporating already established supplier and supply directories and customer and finished product directories, thus achieving centralized corporate control for the creation, blocking and modification of codes.

The logistics unit was restructured and centralized in order to obtain better economic conditions and quality of contracted services. This led to significant savings and efficiencies in air, sea and land transportation, and in the use of external warehouses and cold storage units. Savings in these areas exceeded US\$ 5 million.



In addition, the Company began the land and warehouse rehabilitation project on Rocuant Island, Talcahuano district, to refurbish its facilities, several of which were damaged in the February 2010 earthquake. This project is designed to maximize the economic performance of the Company's assets and streamline costs by replacing leases of external facilities with the use of the Company's own property.

Finally, 89% of the SAP program was successfully implemented by December 31, 2016. This program will be operative by the second quarter of 2017 and will be fundamental for our future development.

SUPPLIERS

At a consolidated level, the Company has only two suppliers that represented 10% or more of its purchases in 2016. Billing by these suppliers, which provide salmon feed, each separately account for less than 11% of purchases.

The salmon farming division has two suppliers that represent 10% or more of the division's purchases in 2015. Billing by these suppliers, which provide salmon feed, each separately account for less than 19% of the division's purchases.

The industrial fishing division does not have any suppliers that represent 10% or more of the division's purchases.

The other seafood division does not have any suppliers that represent 10% or more of the division's purchases.



CHAPTER 7

RISK FACTORS



RISK FACTORS

External variables materially impact the Company's annual results. In terms of revenue, the main variables are the pelagic fish catch levels, the price of fishmeal and the price of Atlantic salmon. In terms of costs, the most critical factors are: the sanitary conditions of the salmon biomass, including biological feed conversion, and oil and energy prices.

Individually and in aggregate, the fishing and aquaculture businesses are exposed to different types of risks. Consequently, Camanchaca has a risk matrix that allows it to: i) review and update the critical risk inventory; ii) assess these critical risks on the basis of impact and probability parameters; iii) conduct risk mapping; iv) implement an audit and internal control plan that uses the risk matrix as the basis for an annual control work plan. These risk maps are used to constantly manage and mitigate each risk and establish the corresponding responsibilities as well as the frequency and depth of internal controls to validate the effectiveness of mitigating measures.

The Company's mission, vision and values; short and long-term strategic planning; critical business and

knowledge risks; and the experience of key personnel are among the factors used to detect critical risks.

A) PHYTOSANITARY RISKS

The Company is exposed to risk of disease or parasites that can affect the biomass, increasing mortality or impacting growth of the different species, and thereby, production and sales volumes. Camanchaca has strict control standards to minimize the risks associated with salmon farming, complying with the requirements determined by fishing authorities with respect to fallow periods for concessions and neighborhoods, fish density by cage, constant monitoring of biomasses, and hatcheries that use closed recirculation processes fed with underground water. In terms of catches, oceanographic and climatic conditions are among the variables that affect the condition and location of fishable schools.

B) NATURAL RISKS

The Company is exposed to natural risks that may affect normal operations, such as volcanic eruptions, tidal waves and tsunamis, earthquakes, harmful algae blooms, existence of natural predators and other factors that may threaten the biomasses, fish catches and production facilities. The Company is constantly monitoring these variables using first-rate instruments within the salmon industry, in addition to having appropriate insurance coverage for these risks, all of which are monitored from a central, specialized unit. This unit not only monitors the status of insurance coverage, but also manages claims preparation when these occur, from the moment they occur, in order to make claims that are in line with the actual retained coverage.

C) PRODUCT SALE PRICE RISK

The Company exports its products mainly at prices that are fixed on international markets, for which it has a wide commercial network. The Company adjusts the speed of its sales in accordance with production and market conditions, which are constantly in flux. However, it does not accumulate inventory under speculation of a better sale price in the future.

- Industrial Fishing Business: Despite short-term price volatility, global supply restrictions and sustained growth in demand, driven primarily by development of aquaculture and increased availability of protein for human consumption, have kept prices trending positively in recent years.

- Salmon Farming Business: Prices have risen since December 2015, explained mainly by the lower sup-



ply of salmon in 2016 and 2017, exacerbated by the harmful algae bloom that affected the Chilean industry the first quarter of 2016, in contrast to the significant drop in prices in 2015 due to the appreciation of the U.S. dollar with respect to the currencies in our export markets. Camanchaca has mitigated price risk through its marketing capacity and by manufacturing higher value-added products.

- Other Seafood Business: In recent years, mussel prices have experienced an upward trend on international markets, without large interannual fluctuations. Abalone prices have begun to recover once supply adjusted to demand after the greater controls imposed by Chinese authorities on luxury expenses for civil servants starting in 2014. The Company has mitigated these risks by optimizing costs, strengthening commercial ties with offices in different parts of the world and creating high-quality, high-value products.

D) PURCHASE PRICE RISK

The Company is exposed to variations in the prices of commodities such as diesel and bunker oil. The Company does not use financial derivatives to mitigate this risk, as the size of future catches is uncertain;

however, historically there has been some correlation between the price of fishmeal and other commodities, which reflect the state of global economic activity.

The important consumables used in producing salmon feed are fishmeal and fish oil. In order to mitigate the effects of price variations in these commodities, Camanchaca varies certain diet conditions for salmon, replacing animal proteins with vegetable proteins at a lower cost and negotiating purchase contracts with quarterly price adjustment mechanisms. Given that Camanchaca is an important producer of fish oil and fishmeal, price variations in these foodstuffs generate a natural inverse correlation with salmon feed costs.

On average, 30% of total fishing for the Company comes from artisan fishing. The Company has long-term agreements with them in relation to volumes, pricing systems and additional guarantees. Therefore, Camanchaca is protected as purchase prices are indexed to fishmeal sales prices. The Company provides boat construction financing to artisan fishers with whom it holds fish purchasing agreements, allowing boat owners to pay off the loan as the Company purchases fish.



E) REGULATORY RISKS

Our business relies on laws, standards and regulations issued by fishing authorities, and significant changes could have an impact on our results. In that context, the Fisheries Law, which replaced individual fishing quotas with transferable fishing licenses, was published on February 9, 2013. The regulations governing fish and shellfish farming are mainly established by the General Law on Fisheries and Aquaculture, and its associated regulations that assign concessions, manage the biomass, and manage the joint operation of the industry, among others. The Company is constantly monitoring any potential changes in regulations in order to anticipate and mitigate any potential impacts.

Currently, possible changes to the 2013 Fisheries Law are being discussed that could harm the Company's fishing interests.

In 2016, changes were made to the regulation of salmon farming densities, introducing the concept of the smolt stocking reduction program, which gives the option to substitute very strict densities with smolt stocking reductions, and introduces strong restrictions on growth. The Company has maintained a policy to use assets to provide services to third parties. This regulation gives the Company the possibility to use smolt transfer levels in leased sites for its own use, without affecting neighborhood growth. Under the prism of regulation, the Company estimates approximately 50 thousand potentially harvestable tons of Atlantic salmon in its own sites, plus 15 thousand tons of trout, without introducing growth to the system.

Camanchaca's financial position and results could be affected by changes in economic policies, specific regulations and other standards established by authorities.

F) LIQUIDITY RISK

Liquidity risk is the risk of potential mismatches between the funds needed for asset investments, operating expenses, finance costs, repayment of debt as it matures and committed dividends, and funding sources like product sales revenue, collections from customers, disposal of financial investments and access to financing.

Camanchaca maintains a policy of prudently managing this risk, maintaining sufficient liquidity and access to third-party financing.

G) INTEREST RATE RISK

The Company is exposed to interest rate risk since its long-term financing includes a variable interest rate component, which is adjusted every six months. Depending on market conditions, the Company assesses hedging alternatives.

H) EXCHANGE RATE RISK

A significant portion of the Company's revenue is in US dollars, mainly from exports. For the approximately one third of costs and expenses that are indexed in Chilean pesos, corporate policy is to re-negotiate prices in US dollars where possible. Liabilities with financial institutions are in US dollars. The Company continuously evaluates alternatives to mitigate exchange rate risks.

I) CREDIT RISK

i.1) Surplus Cash Investment Risk

The Company has defined a low-risk policy for investing cash surpluses. This policy encompasses both the quality of financial institutions and the type of financial products used.

i.2) Sales Operations Risk

Camanchaca has insurance policies covering most of the sales of its products. The remaining sales are backed by letters of credit, or advance payments, or are to customers with an excellent credit performance.

Operational stoppages at ports or by customs or other institutions, as well as protests, marches or road blockages, may affect and delay shipments of our products to the different markets where they are sold. Therefore, the Company continuously monitors these variables in order to anticipate any issues and identify alternatives to minimize impact.





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