

Camanchaca's sales rose 22% and EBITDA improved by US\$ 13.3 million in the first quarter of 2014

The Company increased its revenues 22%, reaching US\$ 111.4 million thanks to higher sales in the salmon business, which grew by 50%, achieving an EBITDA of US\$ 11.4 million in the first three months of the year, reversing the negative EBITDA of US\$ 1.9 million in the first quarter 2013.

Santiago, May 28, 2014. - Compañía Pesquera Camanchaca reported that during the first quarter of 2014, its revenues reached US\$ 111.4 million, equivalent to a 22% increase compared to the same period last year driven by a strong increase of 50% in the sales of the salmon business, which compensated lower revenues of the Fishing and Other Seafood segments, which decreased by 18.4% and 13.4%, respectively.

The gross margin in the salmon business during the first quarter of 2014 was US\$ 13.7 million, an increase of US\$ 11.4 million compared to the same period in 2013. With this, the total EBITDA of the Company in the first three months of the year reached US\$ 11.4 million, compared with negative US\$ 1.9 million for the first quarter of 2013.

Consolidated losses of US\$ 12 million for the first quarter 2013, were reduced to US\$ 1.9 in this quarter, also explained by the improvement of the salmon business that went from a loss of US\$ 7.2 million to a gain of US\$ 4.2 million this year, influenced by higher physical sales and a 44% improvement in prices.

In the Fishing business, the anchovy catch season in the north, which traditionally starts in February, started later this year due to a voluntary industry ban to protect the resource size, which decisively influenced the results of the area, postponing catches and sales. However, despite the above, in just over three weeks of March, Camanchaca captured 28 thousand tons, 9.3% more than those caught in the first quarter of 2013. Thus, the costs incurred in the months of January and February, with no production, directly affected the results and could not be assigned to products.

In the south, although the ban decreed by Subpesca for sardines lasted longer than usual, catches were significantly improved compared to the previous year, reaching 38 thousand tons per March 31, 2014, almost three times the catches during the first quarter of 2013 and very similar to the catches throughout 2013, further highlighting the sharp increase in fish oil yield, which reached 10% in the south-central zone, well above the normal ranges of 6.5%.

Due to the foregoing, there was a delay in sales and finished product shipments and inventory accumulation, which in the case of fishmeal and fish oil, reached 14 thousand tons and 5 thousand tons respectively. On this subject, Ricardo García, Camanchaca's CEO, is optimistic about the forecast for the Company's businesses, as the increase in sardine catches registered this semester proves that the crisis of this resource has signs of recovery while salmon shows significant improvements over a year ago, in terms of prices and sanitary condition.

He also said that *"the results obtained in the Fishing business this quarter exclude margins contained in the inventories of fishmeal and fish oil the Company maintains as of March 31, 2014, so we can predict that sales and shipments of these inventories will be reflected in the next months, positively impacting the results"*.

On projections for salmon, García said that *“the price is expected to continue at current levels and stable, with its own business seasonality, which also is accompanied by a normal sanitary situation, due to the increased coordination between the producers”*.