

In the first half of 2014:

Camanchaca's net profit reached US\$ 9.3 million due to positive results in the Salmon, Fishing and Other Seafood businesses

- **The result compares favorably with the net loss of US\$ 25 million recorded in the same period of 2013.**
- **Revenues increased 22% in the first semester, reaching US\$ 252 million, driven by a 40% growth in the salmon business.**

Santiago, August 22, 2014.- Camanchaca reported that during the first half of 2014, a profit of US\$ 9.3 million was recorded, which compares very positively with the loss of US\$ 25 million in the same period of 2013. This profit is explained by improved margins by US\$ 37 million, in its products associated with Salmon (+ US\$ 28 million), Fishing (+ US\$ 7 million), and Other Seafood (+ US\$ 2 million). With this, the EBITDA of the semester, before fair value adjustment of the salmon biomass, scored US\$ 38 million, compared with the negative US\$ 2.8 million for the first half of 2013.

Revenues for the first half of 2014 grew 22% to US\$ 252 million, primarily due to higher sales in the salmon division, which grew 40%. For the fishing division, revenues increased by 0.6% and 7% for the other seafood division. On the cost side, there was a reduction in the fraction of income spent on administration and distribution expenditures, which fell from 13.2% in the first half of 2013, to 8.8% during the same period of this year.

The improvement of results in the salmon business was originated by a 35% increase in prices, or US\$ 1.5 per kilo, an increase of 10% in harvest and the significant reduction in production costs due to better sanitary conditions compared to the same period of the previous year.

In this sense, Ricardo García, Camanchaca's CEO, stated that *"since the end of 2013, we can observe a turning point in the profitability of our businesses, with normal levels of harvests and catches, prices, costs and sanitary conditions. We are confident that the efforts of the salmon industry for the effective coordination of sanitary treatments that operate in the same neighborhood, along with more transparency in the loads that each of them can support, allow a greater degree of normalization in grow out costs"*.

In the fishing business, anchovy catches in the North were at good level, considering the earthquake on April 1 and the delay in the start of the 2014 season due to small fish sizes. They reached 71 thousand tons, 33% higher than the same period of 2013. Regarding the sardine biomass in the South, there was a substantial recovery, allowing catches of 76 thousand tons equivalent to 90% of the catch quota allocated for 2014 and more than 3 times higher than the same period in 2013. These larger catches, along with a high fish oil yield, allowed tripling the production over the first half of 2013, resulting in cost benefits. The fishmeal prices showed an upward trend due to lower than expected levels of Peruvian catches.

Jack mackerel also showed a good performance and as of June 30, 2014, 98% of the annual quota was caught, reaching 42 thousand tons, generating a production of 15 thousand tons of frozen fish and 900 thousand boxes of canned fish.

On Fishing, García said *"today we see some benefits of the care of the biomasses that are caught and its catch quotas, which this year highlights the good condition of the sardine in the south and the gradual recovery of jack mackerel that are behind the recovery of profitability of our subsidiary Camanchaca Pesca Sur. This has a positive impact on costs in a context of strong demand and prices"*.

As for the business of Other Seafood, EBITDA improved from nearly US\$ 500 thousand negatives in the first half of 2013, to US\$ 1.3 million positive in 2014, explained by the mussels business that achieved good yields, lower costs and higher prices, all of which resulted in an EBITDA of US\$ 3.7 million in this business in the south of Chile.

On projections for salmon, García said *"beyond the northern hemisphere's own seasonality, we observed a slight increase in world supply this year and almost zero for 2015, all in a context of robust demand and consumers that are convinced of the salmon goodness for their health and nutrition. Our market development strategies proved to be correct and this semester we raised salmon sales to Asia from 16% of the total in the first half of 2013 to 24% over the last six months. Today there is an opportunity to open more market in Russia, the world's third largest market, convincing the Russians that our fish is as good as any other and that we are a trustful and reliable supplier in the frozen segment"*.