

**As of September 2014:**

## **Camanchaca recorded profits of US\$ 10.1 million with significant improvements in all of its businesses**

- **The result compares favorably with the loss of US\$ 28 million recorded in the same period of 2013. The Company added US\$ 21 million in profits in the last 4 quarters.**
- **Revenues increased 15% as of September, reaching US\$ 353 million, primarily driven by a 21% growth in salmon and 13% in other seafood.**

**Santiago, November 21, 2014.-** Camanchaca reported a profit of US\$ 10.1 million as of September, which compares very positively with the loss of US\$ 28 million recorded in the same period in 2013. This profit is explained primarily by an improvement in the business of salmon and other seafood, divisions that increased its profit by US\$ 25 million and US\$ 4.6 million respectively. As a result, EBITDA before "fair value" accumulated in the first 9 months of 2014 reached US\$ 43 million, compared with the negative US\$ 5.4 million for the same period of 2013.

In this regard, Camanchaca's CEO, Ricardo García said *"the \$ 38 million profit improvement and the US\$ 48 million in EBITDA improvement compared to the first nine months of 2013, account for a normalization of profitability in our business, which has been observed since the second half of 2013. Indeed, in the last 12 months, Camanchaca shows profits of US\$ 21 million, 6.6% of assets, with an EBITDA of US\$ 60 million, 9.6% of assets"*.

Revenues as of September 2014 increased 15% to US\$ 353 million, while in the third quarter they were US\$ 101 million, or 1.2% higher over the previous year. Accumulated revenues reflect a significant increase in those from Salmon (21%), Other Seafood (13%) and more moderately from Fishing (6%).

The improvement in the salmon business results are explained by an increase in the price close to 21% or US\$ 1 per kilo, which as of September, it is in a level considered to be in its historical trend. In addition, the sanitary conditions have improved significantly thanks to an increased sanitary coordination between companies and the use of better techniques for sea lice treatment, thus decreasing costs. Atlantic salmon sales rose 8%, helping to gain scale.

In the fishing business, the loss of US\$ 1 million recorded as of September of 2014 is explained by the low seasonal production activity due to the spawning anchovy ban in the north and the sardine ban in the south, a recurrent situation in this time of the year. In the north, despite the prolonged ban of January and February, and the last April earthquake in Iquique, catches of anchovies rose 11%, resulting in an increased production of fishmeal and fish oil. Regarding the situation in the south, a significant recovery in the sardine biomass can still be seen, allowing to catch this year 3 times more than in 2013 at the same date. To these higher catches, a high fish oil yield is added, which was 50% higher than last year and a normal year. Additionally, we have completed the fishing quota of jack mackerel, reaching 42 thousand tons, with the consequent production of 15 thousand tons of frozen jack mackerel and 953 thousand boxes of canned fish.

Regarding the fishing business, Ricardo García said that *"we have achieved greater catches over the previous year and with better yields, which has been added to an improvement in the prices of fishmeal especially this last part of the year, with prices above US\$ 2,200 per ton super prime base during October, we expect these conditions to endure in the fourth quarter, benefiting available inventories and the production of the remaining catches in the year. Considering the earthquake in Iquique and stricter bans, this has been a good productive year that has benefited our results"*.

Regarding the other seafood business, EBITDA increased from negative US\$ 2.5 million in 2013 to positive US\$ 2 million as of September 2014, explained entirely by the mussel business, whose EBITDA was US\$ 5 million, due to good yields, lower costs and prices 11% higher.

On projections for the rest of the year, García said that *"as of September, our Company maintains inventories of finished products above normal, especially for the fishmeal and fish oil, which we expect to sell in the fourth quarter to higher prices than in September for these two products, which will generate an additional favorable gross margin for Camanchaca"*.

As for the salmon business, the executive said that *"the better productive and sanitary scenario of 2014 has generated greater Chilean supply during the second half of the year compared to expectations, negatively impacting our natural market price. However, we see this as temporary, with a background of strong demand and limited supply, so we project a favorable price trend for 2015"*.