



## **CAMPOSOL**

### **The world's largest white asparagus exporter**



**Second Quarter and First Half Year 2014 Report**



## Second Quarter 2014 Highlights

- Volume sold during Q214 was 31,786 net MT, up 68.3% from Q213 explained mainly by an increase in volumes of fresh avocados.
- Average price was USD 2.29 per net KG, down 7.7% from the same period in 2013.
- Sales of USD 72.8 million, up 55.6% from Q213, mainly due to an increase in volume sold of fresh avocados as well as higher prices of preserved white asparagus.
- Average cost of goods sold during Q214 was USD 1.29 per net KG, down 29.5% from same period last year mainly explained by a decrease in costs of fresh avocados.
- Avocados gross margin increased by USD 18.0 million compared to 2013, mainly explained by an increase in prices and volume sold.
- EBITDA of USD 16.3 million, 165.5 % higher than Q213 explained by higher volumes, mainly in avocados.
- As of June 30<sup>th</sup> 2014, the Company maintained a cash balance of USD 27.6 million.
- On April 16, 2014, Camposol S.A. announced that it had received the requisite consents from the holders of a majority in principal outstanding amount of its 9.875% senior Notes due 2017 pursuant to the Camposol S.A.'s previously announced consent solicitation (the "Consent Solicitation") dated April 8, 2014.
- Camposol S.A. successfully reopened its 9.875% USD 125 million senior Notes due 2017 raising gross proceeds of USD 75 million. The net proceeds from the bond issue will be used for capital expenditures, mainly for the expansion of the blueberries' and shrimps' businesses. The Notes were issued as additional notes of, and will form a single issue with, the USD 125 million 9.875% Notes due 2017 issued on February 2, 2012. The total aggregate principal amount of the 9.875% notes due 2017 outstanding following this reopening is USD 200 million.
- On May 15, 2014, the Annual General Meeting of Camposol Holding Ltd was held at the Company's registered office in Limassol, Cyprus. All matters on the agenda were unanimously adopted. Among these were the approval of the audited financial statements and annual report, the approval of the reappointment of PricewaterHouseCoopers as auditors of the Company, approval of the remuneration for Board members for the period 2013-2014, and the composition of the Board of Directors for the period 2014-2016. The new Board is composed by Samuel Dyer Coriat, Executive Chairman, Samuel Dyer Ampudia, Deputy Chairman, Rosa Coriat Valera, Susana Elespuru, Carmen Rosa Graham and Mariano Paz Soldan.

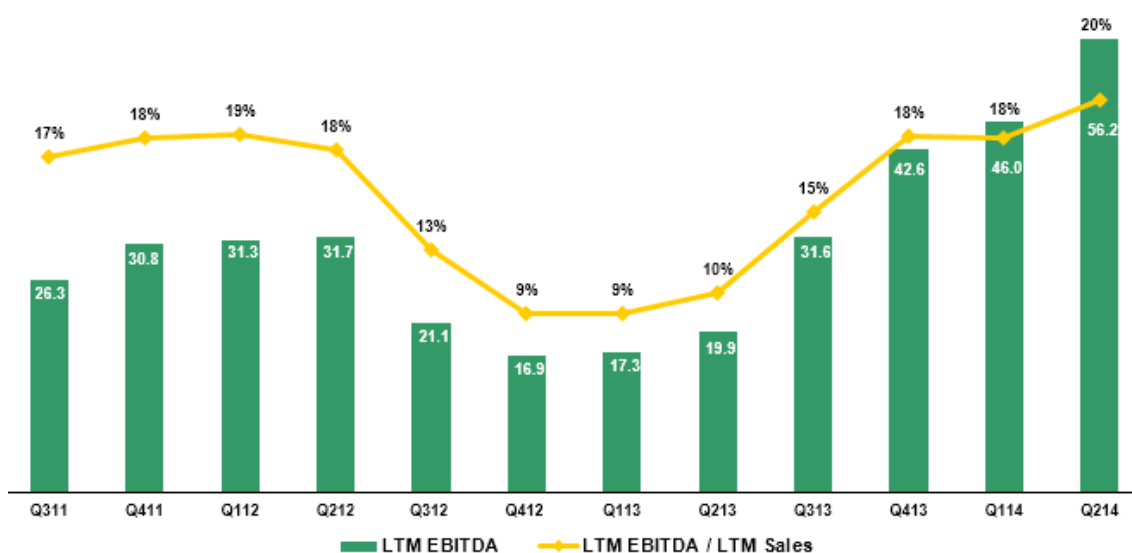
**Key Figures of Camposol Holding Ltd and Subsidiaries (“CAMPOSOL” or “the Company”)**

	Second quarter		First half year		For the year ended 31 December
	2014*	2013*	2014*	2013*	2013**
<i>USD Thousands (if not otherwise stated)</i>					
Volume sold (Net MT 000)	<b>31.8</b>	18.9	<b>56.2</b>	37.0	<b>88.7</b>
Sales	<b>72,824</b>	46,810	<b>133,318</b>	87,367	<b>231,241</b>
Gross Profit	<b>31,823</b>	12,215	<b>49,514</b>	22,952	<b>74,361</b>
Operating profit	<b>27,279</b>	7,319	<b>30,467</b>	7,071	<b>63,774</b>
Profit (Loss) before income tax	<b>20,828</b>	1,724	<b>19,775</b>	(3,884)	<b>41,945</b>
Profit (Loss) for the period	<b>16,680</b>	2,518	<b>17,785</b>	(2,026)	<b>31,514</b>
EBITDA	<b>16,279</b>	6,132	<b>23,651</b>	10,141	<b>42,649</b>
Gross Margin	<b>43.7%</b>	26.1%	<b>37.1%</b>	26.3%	<b>32.2%</b>
EBITDA Margin	<b>22.4%</b>	13.1%	<b>17.7%</b>	11.6%	<b>18.4%</b>

All figures according to IFRS

\* Non audited

\*\* Audited

**Last Twelve Months EBITDA (rolling) of CAMPOSOL**

**Financial Review for the Second Quarter and First Half Year 2014**

The figures below describe developments in the second quarter and first half of 2014, with figures for the corresponding periods of 2013 in parenthesis.

**Results**

Revenue for the second quarter of 2014 was USD 72.8 million (46.8), up 55.6% from the same period last year. For the first six months, the revenues amounted to USD 133.3 million this year (87.4). The main reason for the increased revenues

during the first half of 2014 is an increase of 50.9% in volumes, mainly avocados.

During the second quarter of 2014, the Company's gross profit increased to USD 31.8 million (12.2). For the first half of the year, the gross profit increased to USD 49.5 million (23.0), which resulted in a gross margin of 37.1% (26.3%).

The gain arising from change in fair value of biological assets for the second quarter of 2014 was USD 16.1 million (5.9). For the first



six months of the year, the gain arising from change in fair value of biological assets was USD 16.3 million (5.9).

Administrative expenses amounted to USD 6.8 million in the second quarter of 2014 (5.0). For the first half of the year, these expenses amounted to USD 12.7 million (10.0).

During the second quarter of 2014, selling expenses increased to USD 13.2 million (5.5). For the first half of the year, selling expenses amounted to USD 21.8 million (11.0).

As a result, operating profit increased to USD 27.3 million in the second quarter of 2014 (7.3). For the first half of the year, operating profit amounted to USD 30.5 million (7.1).

Financial costs increased to USD 5.7 million in the second quarter of 2014 (5.7).

For the second quarter of 2014, the Company recorded a profit of USD 16.7 (2.5). For the first half of the year, profit amounted to USD 17.8 million (loss of 2.0).

For the second quarter of 2014, the Company recorded an EBITDA of USD 16.3 million (USD 6.1). For the first half year 2014, EBITDA increased to USD 23.7 (USD 10.1), while the EBITDA margin increased to 17.7% in the first half year 2014 (11.6%).

### **Balance Sheet and Cash Flow**

During the first six months of the year, non-current assets increased to USD 461.9 million compared to USD 431.8 million at the end of 2013 mainly due to an increase in the non-current portion of biological assets and in the property, plant and equipment.

Inventories increased to USD 69.9 million at the end of the second quarter of 2014, compared to USD 63.1 million at the end of 2013 because of increased avocados volume.

Trade accounts receivable decreased to USD 45.3 million at the end of the second quarter of 2014, from USD 55.2 million at the end of 2013. Such decrease was mainly due to the seasonality of our business in which 60% of our sales are concentrated in the second half of the year.

At the end of the first half of 2014, trade payables were USD 38.8 million compared to USD 60.7 million at the end of 2013. Such decrease is mainly explained by lower purchases due to the seasonality of our business and increased turnover.

As a result, total working capital (accounts receivable + inventories – accounts payable) increased to USD 81.4 million at the end of the first half year of 2014 from USD 51.4 million at the end of 2013. Current working capital as of June 30<sup>th</sup> 2014 is 29.4% of last twelve months sales, compared to 22.2% of total sales as of December 31<sup>st</sup> 2013.

Total liabilities increased to USD 307.6 million compared to USD 284.4 million at the end of 2013.

The Company's debt, gross of capitalized fees, increased from USD 166.3 million at the end of 2013 to USD 211.3 million at the end of the second quarter of 2014, mainly due to an increase of the long-term debt (issuance of an additional USD 75.0MM, 9.875% senior unsecured notes) and the cancellation of working capital financing. The Company's debt includes USD 200.0 million of senior unsecured notes (USD 125 million), USD 0.9 million of working capital financing (USD 26.0 million), USD 8.6 million in leasing and other (USD 13.1 million), and USD 1.8 million to sellers of acquired companies (USD 2.2 million).

During the first half of 2014, the Company invested USD 14.4 million (USD 9.8 million), of which USD 10.1 million was spent in equipment, infrastructure and land in order to improve the production facility and fields. USD 3.6 million was invested in maintenance of the new-planted areas, blueberries, and recently planted areas,



principally avocados. Finally, USD 0.5 million was spent in the planting of other additional products and USD 0.2 million was invested in the upgrading of our administrative offices.

By the end of the second quarter of 2014, the Company used USD 29.0 million (used USD 6.3 million) in operations and invested USD 14.4 million (invested USD 9.8 million). In financing activities, the Company raised USD 43.8 million (raised USD 11.0 million), resulting in a net increase in cash of USD 0.4 million (net decrease of USD 5.1 million). The Company ended the period with USD 27.6 million in cash (USD 27.2 million at year-end 2013).



## Segment Reporting for the Second Quarter 2014

### Second Quarter 2014 Results Period ended 30 June 2014

	Avocadoes	Asparagus	Grapes	Artichokes	Peppers	Mangoes	Shrimps	Other	Total
<i>USD thousands</i>									
<b>Revenues</b>	41,111	11,605	893	3,342	3,475	4,192	4,280	3,926	72,824
<b>Gross profit</b>	25,715	2,756	136	220	28	855	1,213	900	31,823
<b>Gross margin %</b>	<b>62.6%</b>	<b>23.7%</b>	<b>15.2%</b>	<b>6.6%</b>	<b>0.8%</b>	<b>20.4%</b>	<b>28.3%</b>	<b>22.9%</b>	<b>43.7%</b>
<i>Net Metric Tons</i>									
<b>Volume produced</b>	25,428	2,297	14	199	83	407	972	1,386	30,786
<b>Volume sold</b>	21,782	3,185	428	1,375	1,572	2,075	437	932	31,876
<i>USD/kg</i>									
<b>Weighted avg. effective price</b>	1.89	3.64	2.09	2.43	2.21	2.02	9.79		2.29

### First Half Year 2014 Results YTD as of 30 June 2014

	Avocadoes	Asparagus	Grapes	Artichokes	Peppers	Mangoes	Shrimps	Other	Total
<i>USD thousands</i>									
<b>Revenues</b>	42,759	28,803	6,233	6,451	6,202	22,649	14,104	6,117	133,318
<b>Gross profit</b>	25,764	8,184	440	381	148	8,205	5,039	1,353	49,514
<b>Gross margin %</b>	<b>60.3%</b>	<b>28.4%</b>	<b>7.1%</b>	<b>5.9%</b>	<b>2.4%</b>	<b>36.2%</b>	<b>35.7%</b>	<b>22.1%</b>	<b>37.1%</b>
<i>Net Metric Tons</i>									
<b>Volume produced</b>	25,553	6,638	1,057	843	916	15,000	1,612	1,729	53,348
<b>Volume sold</b>	22,327	7,549	3,247	2,589	2,802	15,266	1,195	1,190	56,165
<i>USD/kg</i>									
<b>Weighted avg. effective price</b>	1.92	3.82	1.92	2.49	2.21	1.48	11.80		2.37

#### Avocadoes

CAMPOSOL sold 21,979 net MTs of fresh avocados during the first half year of 2014, at an average price of USD 1.87 per net KG representing an increase of 127.9% in volume sold and an increase of 10.6% in price levels compared to the same period in 2013.

CAMPOSOL sold a total of 349 net MTs of frozen avocados in the first half year of 2014, at an average price of USD 3.64 per net KG, representing a decrease of 9.1% in volume sold and a decrease of 7.1% in price over the same period in 2013.

In the first half of 2014, total gross margin for avocados was 60.3%, up 15.2pp (percentage points) from the same period the year before.

Any variation in prices, costs and volumes of this product may have an important impact over the Company's financial performance.

#### Asparagus

One of CAMPOSOL's main products, which represented 21.6% of the Company's total sales during the first half year of 2014.

The Company sold 2,553 net MTs of fresh asparagus at an average price of USD 4.30 per net KG during the first half year of 2014, representing a decrease of 20.3% in volume sold and a price decrease of 0.7% compared to the same period of 2013.

CAMPOSOL sold a total of 4,511 net MTs of preserved asparagus in the first half year of 2014 at an average price of USD 3.48 per net



KG, which represented an increase of 8.1% in volume and an increase of 30.3% in price over the same period in 2013.

During the first half year of 2014, the company sold 484 net MTs of frozen asparagus at an average price of USD 4.23 per net KG. This represents an increase of 87.6% in volume sold and a price decrease of 3.4% compared with the same period in 2013.

In the first half of 2014, total gross margin for asparagus was 28.4%, up 3.1pp (percentage points) from the same period the year before.

### **Grapes**

Grapes are usually harvested during the fourth quarter; therefore, significantly lower volumes are normal during the other quarters.

During the first half year of 2014, the company sold 3,247 net MTs of fresh grapes at an average price of USD 1.92 per net KG. This represents an increase of 266.9% in volume sold and a price decrease of 20.0% compared with the same period in 2013.

During the first half year of 2014 total gross margin for grape was 7.1%, down 6.0pp (percentage points) from the same period the year before.

### **Artichokes**

During the first half year of 2014, CAMPOSOL sold 2,589 net MTs of artichokes at an average price of USD 2.49 per net KG. This represents an increase of 72.6% in volume sold and a price decrease of 3.9% compared to the same period in 2013.

During the first half year of 2014 total gross margin for artichokes was 5.9%, down 3.1pp (percentage points) from the same period the year before.

### **Peppers**

During the first half year of 2014, CAMPOSOL sold 2,783 net MTs of preserved

peppers at an average price of USD 1.84 per net KG. This represents a decrease of 9.2% in volume sold and a price decrease of 1.6% compared to the same period in 2013.

CAMPOSOL sold a total of 19 net MTs of frozen peppers in the first half year of 2014 at an average price of USD 2.63 per net KG, which represented a decrease of 0.2% in volume and an increase of 0.1% in price over the same period in 2013.

In the first half year of 2014, total gross margin for peppers was 2.4%, down 8.5 pp (percentage points) from the same period the year before.

### **Mangoes**

During the first half year of 2014, CAMPOSOL sold 9,470 net MTs of fresh mangoes at an average price of USD 1.31 per net KG. This represents an increase of 10.7% in volume sold and a price increase of 18.0% compared to the same period in 2013.

The Company sold 217 net MTs of preserved mangoes at an average price of USD 1.89 per net KG during the first half year of 2014, representing an increase of 14.2% in volume sold and a price decrease of 8.0% compared to the same period of 2013.

CAMPOSOL sold 5,580 net MTs of frozen mango at an average price of USD 1.76 per net KG. This represents an increase of 50.1% in volume sold and a price decrease of 1.7% compared to the same period in 2013.

In the first half year of 2014, total gross margin for mango was 36.2%, up 11.9pp (percentage points) from the same period the year before.

### **Shrimps**

CAMPOSOL sold 1,195 net MTs of shrimps during the first half year of 2014 at an average price of USD 11.80 per net KG. This represents an increase in 14.2% in volume sold and a price increase of 10.7% compared to the same period in 2013.



In the first half year of 2014, total gross margin for shrimp was 35.7%, up 8.6pp (percentage points) from the same period the year before.

For further segment information, please refer to pages 16-17.

## Investment Program

During the first half of 2014, the Company invested USD 14.4 million (USD 9.8 million), of which USD 10.1 million was spent in equipment, infrastructure and land, in order to improve the production facility and fields. USD 3.6 million was invested in maintenance of the new-planted areas, blueberries, and recently planted areas, principally avocados. Finally, USD 0.5 million was spent in the planting of other additional products and USD 0.2 million was invested in the upgrading of our administrative offices.

As of June 30<sup>th</sup> 2014, CAMPOSOL had 2,211 Has of asparagus, 2,643 Has of avocados, 450 Has of mangoes, 451 Has of grapes, 308 Has of blueberries and 103 Has of tangerines planted. In addition it also has 838 Has of shrimps ponds farmed and 243 Has of peppers.

The Company had the following planted areas by the end of the second quarter of 2014:

### Age of Fields / Has Planted by Segment

As of June 30, 2014

Age (years)	Avocados (Has)	Blueberries (Has)	White Asparagus (Has)	Green Asparagus (Has)	Grapes (Has)	Mangoes (Has)	Tangerines (Has)	Total (Has)
0 - 1	27	211	-	-	-	-	1	239
1 - 2	125	96	-	-	-	34	-	255
2 - 3	44	-	-	-	351	-	-	395
3 - 4	775	1	-	-	-	-	-	776
4 - 5	733	-	154	169	100	-	102	1,258
5 - 6	114	-	170	-	-	-	-	284
6 - 7	-	-	-	-	-	-	-	-
7 - 8	104	-	216	-	-	-	-	320
8 - 9	-	-	1,296	206	-	11	-	1,513
9 - +	721	-	-	-	-	405	-	1,126
<b>Total Has</b>	<b>2,643</b>	<b>308</b>	<b>1,836</b>	<b>375</b>	<b>451</b>	<b>450</b>	<b>103</b>	<b>6,166</b>



## Important Events during the First Half Year 2014

### Camposol S.A. announces results of its Consent Solicitation to the holders of its 9.875% Senior Notes due 2017

On 16 April, 2014 Camposol S.A. announced that it had received the requisite consents from the holders of a majority in principal outstanding amount of its 9.875% Senior Notes due 2017, pursuant to Camposol S.A.'s previously announced consent solicitation (the "Consent Solicitation") dated April 8, 2014.

As a result of receiving the requisite consents, the Company executed a supplemental indenture to the indenture governing the Notes. The effectiveness of the waiver set out in the Consent Solicitation and the payment of the consent fee (the "Consent Fee") of USD 5.00 in cash per USD 1,000 in principal amount of the Notes to the consenting holders was subject to the satisfaction or waiver by the Company of the conditions of the Consent Solicitation, including the incurrence by the Company of up to USD 75 million in principal amount of additional indebtedness on or before May 15, 2014.

### Camposol S.A. successfully reopened its 9.875% USD 125 million senior notes due 2017

Camposol S.A. has successfully reopened its 9.875% USD 125 million senior Notes due 2017 raising gross proceeds of USD 75 million, which will be guaranteed by Camposol Holding Ltd as parent guarantor and Marinazul S.A. and Campoinca S.A. as subsidiary guarantors. Settlement of the proposed bond issue took place on April 30th, 2014. The net proceeds from the bond issue will be used for capital expenditures, mainly for the expansion of the blueberries' and shrimps' businesses.

The Notes will be issued as additional notes of, and will form a single issue with, the USD

125 million 9.875% Notes due 2017 issued on February 2, 2012. The total aggregate principal amount of the 9.875% Notes due 2017 that will be outstanding following this reopening will be USD 200 million.

"We are delighted to announce the reopening of our bonds, raising gross proceeds of USD 75 million which together with the USD 125 million issued in 2012 now total USD 200 million outstanding senior Notes due 2017. These proceeds will allow CAMPOSOL to consolidate the Company's next growth stage based upon the blueberries' and shrimps' business units," says Maria Cristina Couturier, Chief Financial Officer of Camposol S.A.

### Annual General Meeting

On May 15<sup>th</sup> 2014, the Annual General Meeting of Camposol Holding Ltd was held at the Company's registered office situated at Corner Arch. Kyprianou & Ag. Andreou Loukaides court, 2<sup>nd</sup> floor, 3036 Limassol, Cyprus.

All matters on the agenda were unanimously adopted. Among these were the approval of the audited financial statements and annual report, the approval of the reappointment of PricewaterHouseCoopers as auditors of the Company, approval of the remuneration for Board members for the period 2013-2014, and the composition of the Board of Directors for the period 2014-2016.

The Board consists of:

- Samuel Dyer Coriat (Executive Chairman)
- Samuel Dyer Ampudia (Deputy Chairman)
- Rosa Coriat Valera
- Susana Elespuru
- Carmen Rosa Graham
- Mariano Paz Soldan

## Market

The long-term growth prospects for exotic fruits and vegetables markets are excellent. Avocados and mangoes are growing, with headroom for increased per capita consumption in key markets. In the case of asparagus, although consumption is stable, supply is falling due mainly to reduced exports from China.

The Company expects good demand for all fresh produce in general and for avocados specifically in both the United States and Europe.

## Outlook

The Company is currently focused on adding value to its clients through commercial, marketing and service initiatives, which should result on higher margins.

Additionally, CAMPOSOL is analyzing new opportunities to consolidate its leadership through additional planting of current crops, planting of new crops, strategic alliances and acquisitions.

CAMPOSOL will continue positioning itself in the US market, the largest and fastest growing market for avocados in the world, now open for Peruvian produce and in other markets with high growth potential.

The Board of Directors,  
CAMPOSOL Holding Ltd

Limassol, Cyprus  
14 August, 2014



## Financial Tables

### CAMPOSOL HOLDING LTD AND SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF JUNE 30, 2014

	Notes	For the quarter ended		For the period ended		For the year ended
		30.06.14*	30.06.13*	30.06.14*	30.06.13*	31.12.13**
		USD 000	USD 000	USD 000	USD 000	USD 000
<b>Continuing operations:</b>						
Revenue		72,824	46,810	133,318	87,367	231,241
Cost of sales		(41,001)	(34,595)	(83,804)	(64,415)	(156,880)
<b>Gross profit</b>		<b>31,823</b>	<b>12,215</b>	<b>49,514</b>	<b>22,952</b>	<b>74,361</b>
Gain arising from change in fair value of biological assets		16,136	5,934	16,285	5,908	40,057
<b>Profit after adjustment from biological assets</b>		<b>47,959</b>	<b>18,149</b>	<b>65,799</b>	<b>28,860</b>	<b>114,418</b>
Administrative expenses	4	(6,823)	(5,045)	(12,708)	(9,973)	(22,389)
Selling expenses	5	(13,209)	(5,472)	(21,836)	(11,001)	(26,174)
Other income		992	230	1,408	590	1,334
Other expenses		(1,640)	(543)	(2,196)	(1,405)	(3,415)
<b>Operating profit</b>		<b>27,279</b>	<b>7,319</b>	<b>30,467</b>	<b>7,071</b>	<b>63,774</b>
Profit (loss) attributable to associate		189	(164)	388	239	305
Finance income		44	111	52	113	81
Finance cost		(5,727)	(5,654)	(10,360)	(10,247)	(19,465)
Net foreign exchange transactions		(957)	112	(772)	(1,060)	(2,750)
<b>Profit (loss) before income tax</b>		<b>20,828</b>	<b>1,724</b>	<b>19,775</b>	<b>(3,884)</b>	<b>41,945</b>
Income tax expense		(4,148)	794	(1,990)	1,858	(10,431)
<b>Profit (loss) for the period from continuing operations</b>		<b>16,680</b>	<b>2,518</b>	<b>17,785</b>	<b>(2,026)</b>	<b>31,514</b>
<b>Basic and diluted earnings per ordinary share (expressed in US dollars per share)</b>		<b>0.559</b>	<b>0.094</b>	<b>0.596</b>	<b>(0.075)</b>	<b>1.154</b>
Depreciation & Amortization		3,073	3,081	5,852	5,583	11,555
Amortization without IAS-41		1,415	1,353	2,829	2,580	5,296
<b>EBITDA</b>		<b>16,279</b>	<b>6,132</b>	<b>23,651</b>	<b>10,141</b>	<b>42,649</b>

\* Non audited

\*\* Audited



**CAMPOSOL HOLDING LTD AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET  
AS OF JUNE 30, 2014**

	Notes	30.06.14* USD 000	31.03.14* USD 000	31.12.13** USD 000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	139,705	131,123	128,604
Investments in associate		1,252	1,063	864
Intangible assets	9	18,432	17,710	18,149
Non-current portion of biological assets		301,111	287,427	282,982
Deferred income tax		1,412	1,383	1,247
		<u>461,912</u>	<u>438,706</u>	<u>431,846</u>
<b>Current assets</b>				
Prepaid expenses		2,426	2,467	1,027
Current portion of biological assets		21,471	19,307	19,187
Inventories	8	69,898	62,497	63,082
Other accounts receivable	7	22,493	18,745	12,628
Trade accounts receivable		45,273	37,888	55,170
Cash and cash equivalents		27,614	25,000	27,240
		<u>189,175</u>	<u>165,904</u>	<u>178,334</u>
<b>Total assets</b>		<u>651,087</u>	<u>604,610</u>	<u>610,180</u>
<b>Equity attributable to shareholders of the parent</b>				
Share capital		507	507	507
Share Premium		212,318	212,318	212,318
Other reserves		825	825	825
Retained earnings		128,914	112,252	111,285
		<u>342,564</u>	<u>325,902</u>	<u>324,935</u>
<b>Non-controlling interest</b>		<u>962</u>	<u>944</u>	<u>806</u>
<b>Total equity</b>		<u>343,526</u>	<u>326,846</u>	<u>325,741</u>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Long-term debt		205,260	134,554	133,327
Deferred income tax		43,487	39,311	41,371
		<u>248,747</u>	<u>173,865</u>	<u>174,698</u>
<b>Current liabilities</b>				
Current portion of long-term debt		1,702	4,639	4,250
Trade accounts payables		38,807	56,987	60,655
Other accounts payables		17,425	14,393	18,811
Bank loans		880	27,880	26,025
		<u>58,814</u>	<u>103,899</u>	<u>109,741</u>
<b>Total liabilities</b>		<u>307,561</u>	<u>277,764</u>	<u>284,439</u>
<b>Total equity and liabilities</b>		<u>651,087</u>	<u>604,610</u>	<u>610,180</u>

\* Non audited

\*\* Audited



## CAMPOSOL HOLDING LTD AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
AS OF JUNE 30, 2014

	<u>Share capital</u>	<u>Share premium</u>	<u>Other Reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to shareholders of the parent</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	USD000	USD000	USD000	USD000	USD000	USD000	USD000
Balance as of 1 January 2014	507	212,318	825	111,285	324,935	806	325,741
Net result	-	-	-	17,785	17,785	-	17,785
Result of non-controlling interest	-	-	-	(156)	(156)	156	-
Balance as of 30 June 2014	<u>507</u>	<u>212,318</u>	<u>825</u>	<u>128,914</u>	<u>342,564</u>	<u>962</u>	<u>343,526</u>

The total paid in number of ordinary shares as of 30 June 2014 is 29,833,820 shares with a par value of Euro 0.01 per share.

The Company has also 2,570,500 dormant shares without any voting or dividend rights.



## CAMPOSOL HOLDING LTD AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD  
AS OF JUNE 30, 2014

	<u>30.06.14*</u>	<u>31.12.13**</u>
<b>Cash flow from operating activities</b>		
Collections	143,286	215,743
Payment to suppliers and employees	(174,804)	(201,533)
Interest paid	(3,439)	(17,984)
Custom duties refund collections	4,511	7,868
Other collections	1,460	1,160
<b>Net cash generated from (used in) operating activities</b>	<b><u>(28,986)</u></b>	<b><u>5,254</u></b>
<b>Cash flow from investing activities</b>		
Purchases of property, plant and equipment	(12,200)	(9,293)
Investments in biological assets	(2,391)	(7,581)
Purchases of intangibles, excluding goodwill	-	(415)
Proceeds from sale of property, plant and equipment	184	429
<b>Net cash used in investing activities</b>	<b><u>(14,407)</u></b>	<b><u>(16,860)</u></b>
<b>Cash flow from financing activities</b>		
Bank loans proceeds	41,880	101,495
Bank loans payments	(67,025)	(105,350)
Sales of own shares	-	12,417
Bonds issue, net of transaction costs	73,886	-
Long-term debt proceeds	749	5,187
Payments of long-term debt	(5,723)	(3,426)
<b>Net cash generated from financing activities</b>	<b><u>43,767</u></b>	<b><u>10,323</u></b>
Net (decrease) increase in cash and cash equivalents	374	(1,283)
Cash and cash equivalents at the beginning of the period	27,240	28,523
<b>Cash and cash equivalents at the end of the period</b>	<b><u>27,614</u></b>	<b><u>27,240</u></b>

\* Non-audited

\*\* Audited



## CAMPOSOL HOLDING LTD AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD  
AS OF JUNE 30, 2014

	<u>30.06.14*</u>	<u>31.12.13**</u>
<b>Conciliation</b>		
<b>Operating activities:</b>		
Reconciliation of profit for the period (year) to net cash generated from (used in) operating activities:		
Profit before income tax	19,775	41,945
Depreciation	4,685	8,946
Amortization	1,167	2,609
Transference to biological assets	2,829	5,296
Impairment of trade accounts receivable	592	-
Obsolescence of inventories	942	1,218
Recovery of doubtful accounts	-	(1)
Write down off inventories	(535)	(1,834)
Fair value of biological assets	(20,413)	(43,069)
Loss (Gain) on sale of property, plant and equipment	244	(246)
Write down off trade accounts receivable	-	(255)
Gain attributable to associate	(388)	(305)
Deferred income tax	1,990	10,060
Net exchange difference	(14)	(299)
Increase (decrease) of cash flows from operations due to changes in assets and liabilities:		
Trade accounts receivable	9,376	(15,497)
Other accounts receivable	(9,961)	4,269
Inventories	(7,223)	(9,770)
Prepaid expenses	(1,399)	(209)
Trade accounts payable	(21,848)	9,367
Other accounts payable	(8,805)	(6,971)
<b>Net cash generated from (used in) operating activities</b>	<b><u>(28,986)</u></b>	<b><u>5,254</u></b>

\* Non-audited

\*\* Audited

## Selected disclosure notes

### 1. Basis of preparation

This condensed consolidated financial information for the first quarter ended June 30<sup>th</sup>, 2014 has been prepared in accordance with IAS-34, 'Interim financial reporting' (IFRS). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31<sup>st</sup>, 2013, which have been prepared in accordance with IFRS.

### 2. Significant accounting policies

The consolidated financial statements have been prepared on historical cost basis, except biological assets and derivative financial instruments, which have been measured at fair value and in accordance with IFRS.

The financial statements are presented in United States dollars (USD) and all monetary amounts are rounded to the nearest thousand (USD '000) except when otherwise indicated. The financial statements do not include all the information and disclosures as required in the preparation of annual financial statements, and they should be read in conjunction with the financial statements as of December 31<sup>st</sup>, 2013.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the financial statements for the year ended December 31<sup>st</sup>, 2013.





### 3. Segment information

#### Results of Second Quarter For the period ended 30 June 2014

	Avocados		Asparagus		Grapes		Artichokes		Peppers		Mangoes		Shrimp		Others		Total	
USD thousands	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2	2014 Q2	2013 Q2
Revenues	41,111	16,430	11,605	10,991	893	151	3,342	1,932	3,475	4,371	4,192	3,705	4,280	7,801	3,926	1,429	72,824	46,810
Cost of goods sold	(15,396)	(8,708)	(8,849)	(10,533)	(757)	(287)	(3,122)	(1,741)	(3,447)	(3,803)	(3,337)	(2,817)	(3,067)	(5,544)	(3,026)	(1,162)	(41,001)	(34,595)
<b>Gross profit</b>	<b>25,715</b>	<b>7,722</b>	<b>2,756</b>	<b>458</b>	<b>136</b>	<b>(136)</b>	<b>220</b>	<b>191</b>	<b>28</b>	<b>568</b>	<b>855</b>	<b>888</b>	<b>1,213</b>	<b>2,257</b>	<b>900</b>	<b>267</b>	<b>31,823</b>	<b>12,215</b>
Volume produced (net MT) <sup>(1)</sup>	25,428	12,716	2,297	2,006	14	-	199	23	83	1,477	407	937	972	790	1,386	651	30,786	18,600
Volume sold (net MT)	21,782	9,627	3,185	3,369	428	142	1,375	779	1,572	1,961	2,075	1,946	437	707	932	353	31,786	18,884
Weighted avg. effective price (USD /Kg.)	1.89	1.71	3.64	3.26	2.09	1.06	2.43	2.48	2.21	2.23	2.02	1.90	9.79	11.03			2.29	2.48
Planted area (Ha)	2,643	2,643	2,211	2,516	451	451	307	343	243	291	450	450	563	566			6,868	7,260
Volume Harvested (MT) <sup>(2)</sup>	25,772	14,422	1,928	1,829	113	-	-	-	131	2,113	142	-	1,268	1,074			29,354	19,438
Third party supply (MT)	2,028	1,396	1,147	623	-	-	398	89	-	-	233	1,157	-	-			3,806	3,265
Fresh % *	99%	98%	25%	33%	100%	100%	0%	0%	0%	0%	23%	0%	0%	0%			76%	64%
Preserved % *	0%	0%	74%	64%	0%	0%	100%	100%	100%	99%	6%	4%	0%	0%			17%	22%
Frozen % *	1%	2%	1%	3%	0%	0%	0%	0%	0%	1%	71%	96%	100%	100%			7%	14%

(1) Includes processed raw material from suppliers

(2) Only own production

\* by net volume sold



**Results of First Half Year  
As of 30 June 2014**

	Avocados		Asparagus		Grapes		Artichokes		Peppers		Mangoes		Shrimp		Others		Total		
	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	2014 YTD	2013 YTD	
USD thousands																			
Revenues	42,759	17,846	28,803	26,377	6,233	2,123	6,451	3,888	6,202	6,716	22,649	16,495	14,104	11,710	6,117	2,212	133,318	87,367	
Cost of goods sold	(16,995)	(9,789)	(20,619)	(19,713)	(5,793)	(2,099)	(6,070)	(3,539)	(6,054)	(5,987)	(14,444)	(12,493)	(9,065)	(8,537)	(4,764)	(2,258)	(83,804)	(64,415)	
<b>Gross profit</b>	<b>25,764</b>	<b>8,057</b>	<b>8,184</b>	<b>6,664</b>	<b>440</b>	<b>24</b>	<b>381</b>	<b>349</b>	<b>148</b>	<b>729</b>	<b>8,205</b>	<b>4,002</b>	<b>5,039</b>	<b>3,173</b>	<b>1,353</b>	<b>(46)</b>	<b>49,514</b>	<b>22,952</b>	
Volume produced (net MT) <sup>(1)</sup>	25,553	12,716	6,638	6,634	1,057	-	843	124	916	1,477	15,000	13,525	1,612	1,091	1,729	692	53,348	36,259	
Volume sold (net MT)	22,327	10,027	7,549	7,632	3,247	885	2,589	1,500	2,802	3,084	15,266	12,461	1,195	1,046	1,190	380	56,165	37,015	
Weighted avg. effective price (USD /Kg.)	1.92	1.78	3.82	3.46	1.92	2.40	2.49	2.59	2.21	2.18	1.48	1.32	11.80	11.20			2.37	2.36	
Planted area (Ha)	2,643	2,643	2,211	2,516	451	451	307	343	243	291	450	450	563	566			6,868	7,260	
Volume Harvested (MT) (2)	25,954	14,422	7,152	7,775	1,489	-	-	-	694	2,113	10,275	9,602	2,134	1,516			47,698	35,428	
Third party supply (MT)	2,030	1,396	3,107	986	0	0	1,698	279	361	0	13,576	7,804	0	0			20,772	10,465	
Fresh % *	98%	96%	34%	42%	100%	100%	0%	0%	0%	0%	62%	68%	0%	0%			68%	61%	
Preserved % *	0%	0%	60%	55%	0%	0%	100%	100%	99%	99%	1%	2%	0%	0%			18%	24%	
Frozen % *	2%	4%	6%	3%	0%	0%	0%	0%	1%	1%	37%	30%	100%	100%			14%	15%	

(1) Includes processed raw material from suppliers

(2) Only own production

\* by net volume sold



#### 4. Administrative expenses

Administrative expenses increased from USD 10.0 million in the first half year of 2013 to USD 12.7 million in the same period of 2014.

	For the period ended	
	30.06.14	30.06.13
	USD 000	USD 000
Personnel expenses	5,623	5,313
Professional fees	2,752	1,270
Depreciation & amortization	606	584
Maintenance	449	323
General services	887	562
Travel and business expenses	373	313
Renting of machinery and equipment	678	569
Other expenses	1,340	1,039
<b>Total</b>	<b>12,708</b>	<b>9,973</b>

#### 5. Selling expenses

Selling expenses increased from USD 11.0 million in the first half year of 2013 to USD 21.8 million in the same period of 2014.

	For the period ended	
	30.06.14	30.06.13
	USD 000	USD 000
Freight	10,860	4,613
Amortization of customer relationships	923	924
Personnel expenses	1,752	628
Customs duties	5,098	2,979
Selling commissions	384	388
Consulting services	617	414
Travel and business expenses	929	403
Insurance	451	268
Other expenses	822	384
<b>Total</b>	<b>21,836</b>	<b>11,001</b>



## 6. Property, plant and equipment

		USD 000
	Opening net book amount as of January 01, 2014	128,604
( + )	Additions	12,200
( - )	Write – off	(428)
( - )	Depreciation	(4,685)
( + / - )	Adjustments	4,014
	Closing net book amount as of June 30, 2014	<b>139,705</b>

## 7. Other accounts receivable

Other accounts receivable increased from USD 12.6 million in December 31 2013, to USD 22.5 million by the end of the first half year of 2014.

As of,	30.06.14 USD 000	31.12.13 USD 000
Custom duties refund - Drawback	3,014	2,551
Value added tax (IGV in Peru)	10,243	3,056
Income tax credit	4,571	3,907
Due from employees	250	143
Prepayments to suppliers	1,477	541
Doubtful accounts	705	609
Other	2,938	2,430
	<b>23,198</b>	<b>13,237</b>
Less :		
Allowance for doubtful accounts	(705)	(609)
	<b>22,493</b>	<b>12,628</b>

## 8. Inventories

Total inventories increased from USD 63.1 million in December 31 2013, to USD 69.9 million by the end of the first half year of 2014.

As of:	<b>30.06.14</b> <b>USD 000</b>	<b>31.12.13</b> <b>USD 000</b>
Finished product	34,977	36,743
Supplies	13,949	9,517
Packaging	12,547	12,108
Raw materials and others	2,969	1,953
Product in process	3,683	715
In-transit raw materials and supplies	1,773	2,046
<b>Total</b>	<b>69,898</b>	<b>63,082</b>

## 9. Intangible assets

As of:	<b>30.06.14</b> <b>USD 000</b>	<b>31.12.13</b> <b>USD 000</b>
Goodwill	14,447	12,997
Customer relationship	1,210	2,133
Software	2,617	2,861
Others	158	158
<b>Total</b>	<b>18,432</b>	<b>18,149</b>

## 10. Transactions with related parties

The main transactions carried out between the Company and related companies are as follows:

	For the quarter ended	
	30.06.14 USD 000	30.06.13 USD 000
<b>Associate</b>		
<b>Empacadora de Frutos Tropicales S.A.C.</b>		
Sales of services	13	-
Purchase of services	2,044	1,057
<b>Entity related to Directors</b>		
<b>Gestión del Pacífico S.A.C.</b>		
Sales of services	3	-
Purchase of services	1,722	711
Purchase of fixed assets	-	100

Amounts due from / to related parties:

	As of	
	30.06.14 USD 000	31.12.13 USD 000
<b>Other accounts receivable</b>		
<b>Associate</b>		
Empacadora de Frutos Tropicales S.A.C	-	77
<b>Entity related to Directors</b>		
Gestión del Pacífico S.A.C.	1	3
<b>Trade accounts payable</b>		
<b>Associate</b>		
Empacadora de Frutos Tropicales S.A.C	248	143
<b>Entity related to Directors</b>		
Gestión del Pacífico S.A.C.	50	17



## 11. Seasonality

Company production is subject to seasonal fluctuations, with peak production in the third to fourth quarter of the year. This is due to seasonal weather conditions, which affect production.

## 12. Use of NON-GAAP measures

In the discussion of operating results, CAMPOSOL refers to certain non-GAAP financial measures such as EBITDA. CAMPOSOL's management makes regular use of these measures to evaluate the performance, both in absolute terms and comparatively from period to period. EBITDA, which CAMPOSOL defines as sales minus cost of goods sold, administrative and selling expenses plus depreciation, amortization and amortization without IAS-41, is an approximation of cash flow from continuing operating activities before tax, net interest expense and net operating working capital changes. Amortization without IAS-41 is the cost assigned to cost of goods sold that under an accounting without IAS-41 would be considered amortization.

CAMPOSOL's definition of EBITDA may differ from that of other companies. EBITDA should not be considered as an alternative to operating income and income before tax as an indicator of the Company's operations in accordance with IFRS. Nor is EBITDA an alternative to cash flow from operating activities in accordance with IFRS. A reconciliation of EBITDA to total profit before income tax is provided as follows:

	For the quarter ended		For the period ended		For the year ended
	30.06.14 USD 000	30.06.13 USD 000	30.06.14 USD 000	30.06.13 USD 000	31.12.13 USD 000
<b>EBITDA</b>	<b>16,279</b>	<b>6,132</b>	<b>23,651</b>	<b>10,141</b>	<b>42,649</b>
Depreciation & Amortization	(3,073)	(3,081)	(5,852)	(5,583)	(11,555)
Amortization without IAS-41	(1,415)	(1,353)	(2,829)	(2,580)	(5,296)
Other income (expenses)	(648)	(313)	(788)	(815)	(2,081)
Change in fair value of Biological assets	16,136	5,934	16,285	5,908	40,057
<b>Operating profit</b>	<b>27,279</b>	<b>7,319</b>	<b>30,467</b>	<b>7,071</b>	<b>63,774</b>
Share of gain (loss) of associated companies	189	(164)	388	239	305
Finance income	44	111	52	113	81
Finance costs	(5,727)	(5,654)	(10,360)	(10,247)	(19,465)
Currency translation differences	(957)	112	(772)	(1,060)	(2,750)
<b>Profit / (loss) before income tax</b>	<b>20,828</b>	<b>1,724</b>	<b>19,775</b>	<b>(3,884)</b>	<b>41,945</b>



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**About CAMPOSOL**

CAMPOSOL is the leading agro industrial company in Peru, the largest exporter of asparagus and soon the first producer of avocados in the world. It is involved in the harvest, processing and marketing of high quality agricultural products such as avocados, asparagus, blueberries, grapes, mangoes, peppers, artichokes, tangerines and shrimps; which are exported to Europe, the United States of America and Asia.

CAMPOSOL is a vertically integrated company located in Peru, offering fresh, preserved and frozen products. It is the third largest employer of the country, with more than 11 thousand workers in high season, and is committed to support sustainable development through a social responsibility policy and projects that increases the shared-value for all of its stakeholders.

CAMPOSOL was the first Peruvian agro industrial company to present annual audited Sustainability Reports and has achieved the following international certifications: BSCI, Global Gap, IFS, HACCP and BRC among others.

**To learn more about CAMPOSOL please visit [www.camposol.com.pe](http://www.camposol.com.pe)**