



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**For the periods ending September 30, 2016 and 2015**

**HORTIFRUT S.A. AND SUBSIDIARIES**  
**Thousands of United States Dollars**

## HORTIFRUT S.A. AND SUBSIDIARIES

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**HORTIFRUT S.A. AND SUBSIDIARIES**

**CLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**For the period ending September 30, 2016 (unaudited), and the periods ending December 31, 2015 and January 01, 2015**

<b>Statement of Financial Position</b>	<b>Note</b>	<b>30-sep-16 KUS\$</b>	<b>31-dec-15 Re-expressed KUS\$</b>	<b>01-jan-15 Re-expressed KUS\$</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7	33,795	24,599	50,648
Other current financial assets	8	2,871	3	51
Other current non financial assets	14	4,071	6,643	7,238
Current trade debtors and other accounts receivable	9	25,085	44,512	45,707
Current accounts receivable from related entities	10	32,712	38,555	32,552
Stock	11	23,551	41,679	42,997
Current biological assets	12	6,661	7,182	6,989
<b>Total current assets different to assets or groups of assets (disposal groups) classified as held for sale or held for distribution to the equity holders</b>		<b>128,746</b>	<b>163,173</b>	<b>186,182</b>
Non current assets or groups of assets (disposal groups) classified as held for sale		-	-	587
<b>Non current assets or groups of assets (disposal groups) classified as held for sale or held for distribution to the equity holders</b>		<b>-</b>	<b>-</b>	<b>587</b>
<b>Total current assets</b>		<b>128,746</b>	<b>163,173</b>	<b>186,769</b>
<b>Non current assets</b>				
Other non current financial assets	8	1,737	-	21
Other non current non financial assets	14	1,518	11	30
Non current fees receivable	9	2,688	1,286	1,225
Non current accounts receivable with related entities	10	7,560	9,669	8,415
Investments recorded using the equity method	16	40,112	24,595	20,415
Intangible assets other than appreciation	17	25,188	29,181	15,015
Appreciation	18	26,769	26,769	26,769
Property, plant and equipment	19 y 12	226,414	201,902	177,791
Deferred tax assets	20	16,255	14,317	14,018
<b>Total non current assets</b>		<b>348,241</b>	<b>307,730</b>	<b>263,699</b>
<b>Total Assets</b>		<b>476,987</b>	<b>470,903</b>	<b>450,468</b>

The attached notes number 1 to 38 form an integral part of these financial statements.

**HORTIFRUT S.A. AND SUBSIDIARIES**

**CLASSIFIED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**For the period ending September 30, 2016 (unaudited), and the periods ending December 31, 2015 and January 01, 2015**

		<b>30-sep-16</b>	<b>31-dec-15</b>	<b>01-jan-15</b>
			<b>Re-expressed</b>	<b>Re-expressed</b>
<b>Equity and Liabilities</b>	<b>Note</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Other current liabilities	21	101,663	100,139	111,942
Current trade accounts and other accounts payable	22	23,277	46,686	51,709
Current accounts payable to related entities	10	16,575	2,253	3,752
Other current provisions	23	31	113	136
Current tax liabilities	20	3,572	360	474
Current provisions for employee benefits	23	1,465	1,248	1,182
Other current non financial liabilities		3,264	2,920	1,684
<b>Total current liabilities</b>		<b>149,847</b>	<b>153,719</b>	<b>170,879</b>
<b>Non current liabilities</b>				
Other non current financial liabilities	21	51,708	61,925	50,022
Other non current accounts payable	22	-	756	23
Non current accounts payable to related entities	10	11,769	22,734	12,488
Other non current provisions		76	76	-
Deferred tax liabilities	20	27,885	26,626	21,211
<b>Total non current liabilities</b>		<b>91,438</b>	<b>112,117</b>	<b>83,744</b>
<b>Total liabilities</b>		<b>241,285</b>	<b>265,836</b>	<b>254,623</b>
<b>Equity</b>				
Issued capital	24	136,411	136,411	136,411
Accumulated profit (loss)	25	39,141	25,302	17,908
Issuance premium	24	(1,262)	(1,262)	(1,262)
Other reserves	26	28,182	14,403	15,854
<b>Equity attributable to the parent company's equity holders</b>		<b>202,472</b>	<b>174,854</b>	<b>168,911</b>
Non parent Company ownership	27	33,230	30,213	26,934
<b>Total equity</b>		<b>235,702</b>	<b>205,067</b>	<b>195,845</b>
<b>Total equity and liabilities</b>		<b>476,987</b>	<b>470,903</b>	<b>450,468</b>

The attached notes number 1 to 38 form an integral part of these financial statements.

## HORTIFRUT S.A. AND SUBSIDIARIES

### CONSOLIDATED INTERIM INCOME STATEMENT

For the periods ending September 30, 2016 and 2015 (unaudited).

<b>Income Statement</b>	<b>Note</b>	<b>01-jan-16 30-sep-16 KUS\$</b>	<b>01-jan-15 30-sep-15 KUS\$</b>	<b>01-jul-16 30-sep-16</b>	<b>01-jul-15 30-sep-15</b>
<b>Profit (loss)</b>					
Operating revenue	29	274,514	231,472	37,768	17,702
Cost of sales	30	(223,877)	(191,936)	(32,479)	(15,290)
<b>Gross profit</b>		<b>50,637</b>	<b>39,536</b>	<b>5,289</b>	<b>2,412</b>
Other income, per function	29	740	165	349	84
Administrative expenses	30	(19,463)	(17,682)	(6,640)	(6,075)
Other expenses, per function	30	(915)	(1,317)	(365)	(262)
Other profit (loss)		(234)	(384)	(171)	(314)
Financial income		494	319	122	138
Financial expenses	31	(3,112)	(2,979)	(928)	(800)
Interest in profit (loss) of related companies and joint ventures which are recorded using the equity method	16	5,804	3,681	2,882	4,277
Exchange rate differences	32	1,911	(5,236)	(250)	(2,744)
<b>Before tax profit</b>		<b>35,862</b>	<b>16,103</b>	<b>288</b>	<b>(3,284)</b>
Gains tax profit	20	(8,398)	(6,779)	(274)	(864)
<b>Profit (loss) from continued operations</b>		<b>27,464</b>	<b>9,324</b>	<b>14</b>	<b>(4,148)</b>
<b>Profit (loss)</b>		<b>27,464</b>	<b>9,324</b>	<b>14</b>	<b>(4,148)</b>
<b>Profit (loss) attributable to</b>					
Profit (loss), attributable to parent Company equity holders		23,331	7,065	292	(3,587)
Profit (loss), attributable to non parent Company equity holders		4,133	2,259	(278)	(561)
<b>Profit (loss)</b>		<b>27,464</b>	<b>9,324</b>	<b>14</b>	<b>(4,148)</b>
<b>Profit per share</b>					
<b>Profit per basic share</b>					
Profit (loss) per basic share from continued operations (US\$ per share)	28	0.053570	0.016222	0.000670	(0.008236)
<b>Profit (loss) per basic share</b>		<b>0.053570</b>	<b>0.016222</b>	<b>0.000670</b>	<b>(0.008236)</b>
<b>Profit per diluted share</b>					
Diluted profit (loss) per share from continued operations (US\$ per share)		0.053570	0.016222	0.000670	(0.008236)
<b>Diluted profit (loss) per share</b>		<b>0.053570</b>	<b>0.016222</b>	<b>0.000670</b>	<b>(0.008236)</b>

Attached notes number 1 to 38 form an integral part of these financial statements.

**HORTIFRUT S.A. AND SUBSIDIARIES**

**CONSOLIDATED INTERIM INTEGRAL INCOME STATEMENT**

**For the periods ending September 30, 2016 and 2015 (unaudited).**

<b>Other integral income statement</b>	<b>01-jan-16 30-sep-16 KUS\$</b>	<b>01-jan-15 30-sep-15 KUS\$</b>	<b>01-jul-16 30-sep-16 KUS\$</b>	<b>01-jul-15 30-sep-15 KUS\$</b>
Profit (loss)	27,464	9,324	14	(4,148)
<b>Other integral result</b>				
<b>Components of other integral result, which will not be re-classified to the result of the period, before tax</b>				
Interest in other integral result of associated and joint ventures recorded using the equity method which will not be re-classified to the result of the period, before tax	9,557	-	(245)	-
<b>Other integral result not re-classified to the result of the period, before tax</b>	<b>9,557</b>	<b>-</b>	<b>(245)</b>	<b>-</b>
<b>Components of other integral result, before tax</b>				
<b>Exchange rate differences</b>				
Profit (loss) due to Exchange rate differences, before tax	886	(4,377)	(105)	(888)
<b>Other integral result, before tax, Exchange rate fluctuations</b>	<b>886</b>	<b>(4,377)</b>	<b>(105)</b>	<b>(888)</b>
<b>Cash flow hedging</b>				
Profit (loss) due to cash flow hedging, before tax (1)	6,650	(1,629)	1,083	(2,073)
<b>Other integral result, before tax, cash flow hedging</b>	<b>6,650</b>	<b>(1,629)</b>	<b>1,083</b>	<b>(2,073)</b>
<b>Other components of other integral result, before tax</b>	<b>17,093</b>	<b>(6,006)</b>	<b>733</b>	<b>(2,961)</b>
<b>Gains tax related with components of other integral result</b>				
Gains tax related with cash flow hedging of other integral result (1)	(1,427)	436	(246)	503
<b>Total gains tax related with components of other integral result</b>	<b>(1,427)</b>	<b>436</b>	<b>(246)</b>	<b>503</b>
<b>Other integral result</b>	<b>15,666</b>	<b>(5,570)</b>	<b>487</b>	<b>(2,458)</b>
<b>Total integral result (2)</b>	<b>43,130</b>	<b>3,754</b>	<b>501</b>	<b>(6,606)</b>
<b>Integral result attributable to</b>				
Integral result attributable to the parent company's equity holders	38,509	2,580	604	(6,067)
Integral result attributable to non parent Company equity holders	4,621	1,174	(103)	(539)
<b>Total integral result</b>	<b>43,130</b>	<b>3,754</b>	<b>501</b>	<b>(6,606)</b>

- (1) These concepts will be re-classified in the consolidated income statement per function once they are liquidated.  
(2) Corresponds to profits in the period in case no income or expense is recorded against equity.

The attached notes number 1 to 38 form an integral part of these financial statements

## HORTIFRUT S.A. AND SUBSIDIARIES

### CONSOLIDATED INTERIM STATEMENT OF CHANGES IN NET EQUITY

**As of September 30, 2016 and 2015 (unaudited).**

	Issued Capital Note 24 KUS\$	Issued Premium Note 24 KUS\$	Surplus revaluation Bearer Plants Note 26 KUS\$	Reserves due to exchange rate differences and Others Note 26 KUS\$	Cash flow hedging reserves Note 26 KUS\$	Other reserves Note 26 KUS\$	Accumuated profit (loss) Note 25 KUS\$	Equity attributable to parent company's equity holders KUS\$	Non parent company interests Note 27 KUS\$	Total Equity KUS\$
Opening balance as of 01/01/2016	136,411	(1,262)	24,936	(7,682)	(2,851)	14,403	25,302	174,854	30,213	205,067
<b>Changes in equity</b>										
<b>Integral result</b>										
Profit (loss)	-	-	-	-	-	-	23,331	23,331	4,133	27,464
Other integral result	-	-	9,557	398	5,223	15,178	-	15,178	488	15,666
<b>Integral result</b>	-	-	9,557	398	5,223	15,178	23,331	38,509	4,621	43,430
Dividends	-	-	-	-	-	-	(10,891)	(10,891)	(1,604)	(12,495)
Increase (decrease) due to transfers and other changes	-	-	(1,399)	-	-	(1,399)	1,399	-	-	-
<b>Total changes in equity</b>	-	-	(1,399)	-	-	(1,399)	(9,492)	(10,891)	(1,604)	(12,495)
Closing balance as of 30/09/2016	136,411	(1,262)	33,094	(7,284)	2,372	28,182	39,141	202,472	33,230	235,702

	Issued Capital Note 24 KUS\$	Issued Premium Note 24 KUS\$	Surplus revaluation Bearer Plants Note 26 KUS\$	Reserves due to exchange rate differences and Others Note 26 KUS\$	Cash flow hedging reserves Note 26 KUS\$	Other reserves Note 26 KUS\$	Accumuated profit (loss) Note 25 KUS\$	Equity attributable to parent company's equity holders KUS\$	Non parent company interests Note 27 KUS\$	Total Equity KUS\$
Opening balance as of 01/01/2015	136,411	(1,262)	-	(1,596)	(1,797)	(3,393)	37,155	168,911	26,934	195,845
Increase (decrease) due to changes in accounting policies	-	-	19,247	-	-	19,247	(19,247)	-	-	-
<b>Opening balance re-expressed</b>	136,411	(1,262)	19,247	(1,596)	(1,797)	15,854	17,908	168,911	26,934	195,845
<b>Changes in equity</b>										
<b>Integral result</b>										
Profit (loss)	-	-	-	-	-	-	19,876	19,876	3,240	23,116
Other integral result	-	-	6,378	(6,086)	(1,054)	(762)	(6,378)	(7,140)	2,425	(4,715)
<b>Integral result</b>	-	-	6,378	(6,086)	(1,054)	(762)	13,498	12,736	5,665	18,401
Dividends	-	-	-	-	-	-	(6,793)	(6,793)	(2,386)	(9,179)
Increase (decrease) due to transfers and other changes	-	-	(689)	-	-	(689)	689	-	-	-
<b>Total changes in equity</b>	-	-	(689)	-	-	(689)	(6,104)	(6,793)	(2,386)	(9,179)
Closing balance as of 31/12/2015	136,411	(1,262)	24,936	(7,682)	(2,851)	14,403	25,302	174,854	30,213	205,067

	Issued Capital Note 24 KUS\$	Issued Premium Note 24 KUS\$	Surplus revaluation Bearer Plants Note 26 KUS\$	Reserves due to exchange rate differences and Others Note 26 KUS\$	Cash flow hedging reserves Note 26 KUS\$	Other reserves Note 26 KUS\$	Accumuated profit (loss) Note 25 KUS\$	Equity attributable to parent company's equity holders KUS\$	Non parent company interests Note 27 KUS\$	Total Equity KUS\$
Opening balance as of 01/01/2015	136,411	(1,262)	-	(1,596)	(1,797)	(3,393)	37,155	168,911	26,934	195,845
Increase (decrease) due to changes in accounting policies	-	-	19,247	-	-	19,247	(19,247)	-	-	-
<b>Opening balance re-expressed</b>	136,411	(1,262)	19,247	(1,596)	(1,797)	15,854	17,908	168,911	26,934	195,845
<b>Changes in equity</b>										
<b>Integral result</b>										
Profit (loss)	-	-	-	-	-	-	7,065	7,065	2,259	9,324
Other integral result	-	-	-	(3,280)	(1,193)	(4,473)	-	(4,473)	(1,097)	(5,570)
<b>Integral result</b>	-	-	-	(3,280)	(1,193)	(4,473)	7,065	2,592	1,162	3,754
Dividends	-	-	-	-	-	-	(3,197)	(3,197)	(2,296)	(5,493)
Increase (decrease) due to transfers and other changes	-	-	(966)	-	-	(966)	966	-	-	-
<b>Total changes in equity</b>	-	-	(966)	-	-	(966)	(2,231)	(3,197)	(2,296)	(5,493)
Closing balance as of 30/09/2015	136,411	(1,262)	18,281	(4,876)	(2,990)	10,415	22,742	168,306	25,800	194,106

The attached notes number 1 to 38 form an integral part of these financial statements.



**HORTIFRUT S.A. AND SUBSIDIARIES**  
**CONSOLIDATED INTERIM CASH FLOW**  
**STATEMENT – DIRECT METHOD**

**For the periods ending September 30, 2016 and 2015 (unaudited).**

<b>Direct Cash Flow Statement</b>	<b>01-jan-16 30-sep-16 KUS\$</b>	<b>01-jan-15 30-sep-15 KUS\$</b>
<b>Cash Flow Statement</b>		
<b>Cash flow from (used in) operating activities</b>		
<b>Types of charges per operating activity</b>		
Charges from the sale of goods and providing of services	301,810	265,790
<b>Types of payments</b>		
Payments to suppliers for the providing of goods and services	(194,331)	(171,356)
Payments to and on behalf of employees	(40,963)	(37,012)
Paid interests	(3,112)	(2,979)
Received interests	494	319
Gains tax refunds (paid)	(5,865)	(6,007)
Other received (paid) cash	(175)	(6,082)
<b>Net cash flows from (used in) operating activities</b>	<b>57,858</b>	<b>42,673</b>
<b>Cash flows from (used in) investment activities</b>		
Cash flows used in the purchase of non parent company equity	(594)	(1,363)
Loans to related entitites	(1,983)	-
Income from the sale of properties, plant and equipment	936	649
Purchase of properties, plant and equipment	(37,493)	(16,956)
Purchase of intangible assets	(1,255)	(10,139)
Charges to related entities	1,300	-
Other received (paid) cash	-	(2,296)
<b>Net cash flows from (used in) investment activities</b>	<b>(39,089)</b>	<b>(30,105)</b>
<b>Cash flows from (used in) financing activities</b>		
Income from long term loans	8,483	27,400
Income from short term loans	46,939	21,487
<b>Total income from loans</b>	<b>55,422</b>	<b>48,887</b>
Payment of loans	(60,531)	(81,527)
Paid dividends	(4,477)	(3,921)
<b>Net cash flow from (used in) financing activities</b>	<b>(9,586)</b>	<b>(36,561)</b>
<b>Net increase (decrease) of cash and cash equivalents, before exchange rate fluctuations</b>	<b>9,183</b>	<b>(23,993)</b>
<b>Effects of Exchange rate fluctuations on cash and cash equivalents</b>		
Effects of Exchange rate fluctuations on cash and cash equivalents	13	(306)
<b>Net increase (decrease) of cash and cash equivalents</b>	<b>9,196</b>	<b>(24,299)</b>
Cash and cash equivalents, opening balance	24,599	50,648
<b>Cash and cash equivalents, closing balance</b>	<b>33,795</b>	<b>26,349</b>

The attached notes number 1 to 38 form an integral part of these financial statements.

**HORTIFRUT S.A. AND SUBSIDIARIES****CONSOLIDATED INTERIM CLASSIFIED FINANCIAL STATEMENT NOTES****As of September 30, 2016 (unaudited) and December 2015.****NOTE 1 – GENERAL INFORMATION**

Hortifrut S.A. RUT 96.896.990 – or (hereinafter “Hortifrut” or the “Company”) is a Publicly Traded Company, inscribed in the Securities Registry of the Superintendencia de Valores y Seguros de Chile (Chilean Securities and Exchange Commission) under number 1.096 dated June 13, 2012, so it is subject to the supervision of the Superintendencia de Valores y Seguros de Chile (hereinafter “SVS”).

The Company is also inscribed in the Santiago Stock Exchange dated July 3, 2012, with the objective that the Company’s shares be traded in the “Emerging Companies Markets” which regulate the Stock Market, in accordance with what is stated in second subsection of article 8° of Law 18.045 of the Stock Market and under General Character Norm N° 118 of the SVS. The Company’s shares are acknowledged under mnemonic code "HF".

The Company was initially constituted as a Closely held Corporation under the name of Inversiones Hortisur S.A., as per public deed dated June 4, 1999, issued at the Santiago Notary of Mr. Patricio Raby Benavente, subsequently by public deed dated May 29, 2007, issued at the Santiago Notary of Mr. Iván Torrealba Acevedo, the company changed its corporate name to Hortifrut S.A.

Hortifrut, has as its objective the purchase, production, elaboration, transformation, industrialization, distribution, commercialization, export, import of all kinds of horticultural, fruit, agricultural and other products or byproducts, as well as the providing of services or consulting in relation to said matters and other activities which the Board or the assemblies agree, and which are related with the aforementioned activities or that complement them; the maintenance of investments in real estate and in instruments, securities, and rights in partnerships, and in the receipt of their earnings and, in general, to enter into and execute all the acts, contracts, businesses, procedures or actions that have as their aim to comply with the corporate purpose.

The Company has its permanent address at Avda. del Cóndor 600, 4th floor, Huechuraba, Santiago, regardless of the agencies, offices or branches which could be established in the country and overseas. The Company’s corporate life is indefinite.

**1.1. History**

**1980** – The Company’s founding member begins the importing of the genetic material of berries into Chile.

**1983** – Hortifrut begins its operations in Chile.

**1984** – Hortifrut becomes the first Chilean company to export berries to the United States in counter-seasons.

**1985** – Hortifrut inaugurates a distribution and commercialization office in the United States.

**1986** – First export of berries from Chile to Europe under its brand Southern Sun and the berries crop is expanded to blackberries, blueberries, raspberries and sarsaparillas.

**1987** – First export of berries to Asia from Chile.

**1988** - Hortifrut concretes the first strategic alliance when it associates with the Californian company Coastal Berries.

**1989** - Hortifrut defines its business model: vertical integration and offer during the 52 weeks of the year.

Hortifrut defines its company dream and Vision, to supply the counter-season market with the full berries category (strawberries, raspberries, blackberries and blueberries), in just one organization, under one brand, supplying the market 52 weeks a year, integrated from the paddock to the final customer, defining the great dream with the sentence: “**Berries For The World, Every Day**”. Thus Hortifrut created a global and successful business model.



**1990** – Hortifrut invites the main berries producers from the United States, they purchase the brand Naturipe® and form Naturipe Farms.

**1995** – Export and producer subsidiaries are created in Mexico and Guatemala.

**1999** – Hortifrut Argentina is created.

**2000** – Hortifrut Spain is created together with the main Spanish blueberries producer.

**2001** – Start up of the genetic development program for blueberries, raspberries and blackberries.

**2004** – Hortifrut and Atlantic Blue create Euroberry Marketing, in charge of distributing and commercializing in Europe.

**2007** –Hortifrut’s President receives the ICARE prize for businessman of the year.

**2008** - Hortifrut becomes the largest organic blueberry producer in the world. It receives the Marketer of the Year prize (PMA Produce Marketing Association USA), opens its distribution office in Brazil and begins implementing the SAP system.

**2010** – Begins the Ready to Eat (“RTE”) program.

**2011** – Hortifrut and its partner Munger Brothers receive the prestigious award for innovation for the RTE product in the PMA USA.

**2012** – Start supplying RTE blueberries to food-service leaders: McDonald’s and Starbucks, among others.

Successful entrance into the stock market, raising over 67 million dollars in capital.

Intent Merger Agreement with VitalBerry Marketing, a prestigious berries company at a national and international level.

2012 Agricultural Innovation Prize for Víctor Moller Schiavetti, for having contributed in a relevant manner to transforming the national agro-forestry and food sector and the economic, productive and technological process in the country.

**2013** – On August 21, 2013 Hortifrut obtained control of VitalBerry’s operations, which must be understood as performed by the first, all in accordance with the merger agreement adopted at the VitalBerry and Hortifrut shareholder’s meetings, held on April 29 and 30, 2013, respectively.

Hortifrut has been delivering Berries to the world for 30 years, every day of the year.

**2014** – The constitution of a closely-held corporation in Peru, denominated Hortifrut – Tal SAC, with the objective of producing and commercializing berries, from this country.

Association with the Argentine company Expofresh, for the production and commercializing of early fruit.

Development of the first Hortifrut technology and innovation fair.

Signing of the Joint Venture with Joyvio for genetic development in China.

**2015** – The constitution of a closely-held corporation in Peru, denominated HFE Berries Peru SAC, with the objective of producing and commercializing berries, from this country.

Launching of the Agrinnovation and Blue Challenge platform.

**2016** – The Joint Venture between Hortifrut and the Munger Brother Group was constituted, with the objective of producing and commercializing berries in the United States.

## 1.2. Parent Company Shareholders

The Company is jointly controlled by the Moller Group and the VitalBerry Group through a Shareholders Agreement, subscribed on August 22, 2013. The Moller Group is formed by Inversiones IMG Ltda., San Juan de Virquenco Tres S.A. and Agrícola San Nicolás Ltda. The VitalBerry Group is formed by San José Farms S.A., Exportadora San José Trading Ltda., Valles del Sur SpA, Inmobiliaria Algeciras Ltda. and Inversiones Antares SpA.

The Agreement covers 217,803,592 of Hortifrut S.A.'s shares, which represent 50.01% of the Company's capital (out of a total of 435,520,079 Hortifrut issued shares), through which they have control of the Company. The Agreement establishes limits to the free disposal of shares. However as of September 30, 2016, the Moller Group and the Vitalberry Grup together own 51.21% of the Company's capital, considering the shares that they have in custody.

To date the shareholder's agreement records the following shares:

<u>Shareholder's Agreement</u>	<u>Total Shares</u>	<u>Ownership percentage</u>	<u>Control shares</u>	<u>Control percentage</u>
<b><u>Moller Family</u></b>				
Inversiones IMG Limitada	122,382,222	28.10%	122,382,222	28.10%
San Juan de Virquenco Tres S.A.	7,344,255	1.69%	7,344,255	1.69%
Agrícola San Nicolás Limitada	929,550	0.21%	929,550	0.21%
<b>Total Moller Family</b>	<b>130,656,027</b>	<b>30.00%</b>	<b>130,656,027</b>	<b>30.00%</b>
<b><u>Entities related to Mr. Ignacio Del Rio</u></b>				
San José Farms S.A.	23,293,100	5.35%	21,418,100	4.92%
Exportadora San José Trading Ltda.	13,359,181	3.07%	13,359,181	3.07%
Valles del Sur S.P.A.	13,480,494	3.09%	12,718,288	2.92%
<b>Total Entities related to Mr. Ignacio Del Rio</b>	<b>50,132,775</b>	<b>11.51%</b>	<b>47,495,569</b>	<b>10.91%</b>
<b><u>Entities related to Mr. Eduardo Elberg</u></b>				
Inversiones Antares SpA	34,068,464	7.82%	31,476,786	7.23%
Inmobiliaria Algeciras Ltda.	8,175,210	1.88%	8,175,210	1.87%
<b>Total Entities related to Mr. Eduardo Elberg</b>	<b>42,243,674</b>	<b>9.70%</b>	<b>39,651,996</b>	<b>9.10%</b>
<b>Total shareholder's agreement</b>	<b>223,032,476</b>	<b>51.21%</b>	<b>217,803,592</b>	<b>50.01%</b>

These shareholders include shares that are in custody and which are detailed on the following page.

The distribution of shares as of September 30, 2016, is as follows:

<u>Shareholders</u>	<u>Subscribed shares</u>	<u>Paid shares</u>	<u>Percentage</u>
Inversiones IMG Limitada	122,382,222	122,382,222	28.10%
Inversiones Antares SpA	34,068,464	34,068,464	7.82%
Compass Small Cap Chile Fondo de Inversión	31,628,681	31,628,681	7.26%
Costanera SACI	30,079,545	30,079,545	6.91%
Inmobiliaria Alianza Limitada	29,552,009	29,552,009	6.79%
San José Farms S.A.	23,293,100	23,293,100	5.35%
AFP Habitat S.A. para Fondo de Pensiones (A,B,C,D)	17,427,903	17,427,903	4.00%
Agrícola Costanera S.A.	16,239,705	16,239,705	3.73%
BTG Pactual Chile S.A. Administradora General de Fondos	16,037,855	16,037,855	3.68%
Siglo XXI Fondo de Inversión	14,247,225	14,247,225	3.27%
Comercial Epysa S.A.	14,000,000	14,000,000	3.21%
Valles del Sur S.P.A.	13,480,494	13,480,494	3.10%
Exportadora San José Trading Ltda.	13,359,181	13,359,181	3.07%
Inmobiliaria Algeciras Ltda.	8,175,210	8,175,210	1.88%
San Juan de Virquenco Tres S.A.	7,344,255	7,344,255	1.69%
EMPRESAS PENTA S.A.	7,326,908	7,326,908	1.68%
Chile Fondo de Inversión Small Cap	6,506,193	6,506,193	1.49%
Asesorías e Inversiones Pacific Trust Limitada	4,732,485	4,732,485	1.09%
Banco Santander Chile – on behalf of Foreign Investors	4,653,029	4,653,029	1.07%
Inversiones Fural Limitada	3,905,756	3,905,756	0.90%
Fondo de Inversión Santander Small Cap.	2,887,201	2,887,201	0.66%
Inversiones Alba S.A.	2,326,132	2,326,132	0.53%
BCI Small Cap Chile Fondo de Inversión	1,702,933	1,702,933	0.39%
Inversiones Canihua S.A.	1,577,475	1,577,475	0.36%
Asesorías, Inversiones e Inmobiliaria Maria Elena Ltda.	1,198,249	1,198,249	0.28%
BTG Pactual Chile S.A. C de B	1,038,578	1,038,578	0.24%
Inmobiliaria e Inversiones Alqueria Ltda.	965,947	965,947	0.22%
Agrícola San Nicolás Limitada	929,550	929,550	0.21%
Asesorías e Inversiones A y D S.A.	832,870	832,870	0.19%
Banco de Chile (on behalf of third parties)	721,514	721,514	0.17%
Inversiones FJ	660,037	660,037	0.15%
Banchile C de B S.A.	426,377	426,377	0.10%
Santander C de B	320,927	320,927	0.07%
Valores Security S.A. C de B	279,868	279,868	0.06%
Soc. de Inveriones Santa Isabel Limitada	170,300	170,300	0.04%
Banco Itau on behalf of Foreign Investors	130,841	130,841	0.03%
Administradora General de Fondos Sura S.A.	124,108	124,108	0.03%
Fondo de Inversión IM Trust Small Cap Chile	106,800	106,800	0.02%
BCI Corredores de Bolsa S.A.	90,965	90,965	0.02%
Brokering Alacid Karin Lisbeth	86,433	86,433	0.02%
Euroamerica Corredores de Bolsa S.A.	79,139	79,139	0.02%
Brokering Alacid Waleter Alexander	76,649	76,649	0.02%
BICE Inversiones Corredores de Bolsa S.A.	59,415	59,415	0.01%
Larrain Vial S.A. Corredores de Bolsa	52,203	52,203	0.01%
Mínera Chanar Blanco S.A.	38,569	38,569	0.01%
Francisco Condon Schiavetti	30,831	30,831	0.01%
Others	165,948	165,948	

These shareholders include shares that are in custody at Banks and/or brokers, as detailed below:

<b><u>Shareholders</u></b>	<b><u>Custodian</u></b>	<b><u>Paid shares</u></b>	<b><u>Ownership percentage</u></b>
Inversiones Antares SpA	Santander C de B	8,009,320	1.84%
Asesorías e Inversiones Pacific Trust Limitada	BCI Corredores de Bolsa S.A.	4,732,482	1.09%
Inversiones Fural Limitada	BCI Corredores de Bolsa S.A.	3,905,756	0.90%
Asesorías, Inversiones e Inmobiliaria Maria Elena Ltda.	BTG Pactual Chile S.A. C de B	1,198,249	0.28%
Inversiones Canihua S.A.	BCI Corredores de Bolsa S.A.	1,577,475	0.36%
Inversiones Alba S.A.	BICE Inversiones Corredores de Bolsa S.A.	900,000	0.21%
Asesorías e Inversiones A y D S.A.	Larrain Vial S.A. Corredores de Bolsa	288,565	0.07%
	Total shares	<b><u>20,611,847</u></b>	<b><u>4.73%</u></b>

#### **1.4. Financial Statements**

Hortifrut S.A. and subsidiaries current financial statements are made up of the consolidated classified statement of financial position, the consolidated income statement, the consolidated integral income statement, the consolidated cash flow statement – direct method, the consolidated statement of changes in net equity and the complementary notes with information regarding said consolidated financial statements.

The financial statements show an accurate view of equity and the financial position for the period ending September 30, 2016 and the period ending December 31, 2015, as well as the results of the operations, changes in equity and cash flows which have taken place at Hortifrut in the periods ending September 30, 2016 and 2015.

Hortifrut's consolidated financial statements were prepared on a going concern basis.

The consolidated financial statements for Hortifrut S.A. and subsidiaries corresponding to the period ending September 30, 2016, were approved by its Board at meeting held on November 25, 2016.



## NOTE 2 – SUMMARY OF MAIN ACCOUNTING POLICIES

Below we describe the main accounting policies adopted to prepare the consolidated financial statements, which will be applied in a uniform manner to all the periods that are presented in these financial statements.

### 2.1 Preparation Bases

The current consolidated financial statements for Hortifrut S.A. and subsidiaries correspond to the period ending September 30, 2016 and have been prepared in accordance with the Norms and Instructions issued by the Superintendencia de Valores y Seguros (“SVS”).

"Retroactive Application of the International Financial Reporting Standards (IFRS).

Dated October 17, 2014 the SVS issued Regulation File (Oficio Circular) N° 856, instructing the supervised entities to record, in the 2014 period, under equity, the differences in assets and liabilities for the concept of deferred tax produced by the direct effect of the increase in the first category tax rate introduced by Law N° 20.780. Said accounting treatment differs from what is established by International Accounting Standards N° 12 (IAS 12) and, thereby, represented a change in the preparation and presentation of the financial information which had been used up to that date.

Since what is expressed in the previous paragraph represents a specific and temporary deviation from the IFRS, from 2016 and as per what is established in paragraph 4A of IFRS 1, the Company has decided to retroactively apply said norms (in accordance with IAS 8 “Accounting policies, changes in accounting estimations and mistakes”) as though it had never stopped applying them.

Since what is indicated in the previous paragraph does not modify any of the accounts exposed in the statements of financial position as of September 30, 2016 and 2015, or as of December 31, 2015 and 2014, as per what is expressed in paragraph 40A of IAS 1 "Presentation of Financial Statements", the presentation of the statement of financial position as of January 01, 2015 (third column) is not necessary.

The consolidated financial statements have been prepared under the historic cost criteria, though modified by the valuation to fair value of certain financial instruments.

The preparing of the consolidated financial statements as per the aforementioned, requires the use of certain critical accounting estimations. It also demands that Management exercises its judgment in the process of applying the Company’s accounting policies. In Note 4, we reveal the areas that imply a greater level of judgment or complexity or the areas where the hypothesis and estimations are significant for the consolidated financial statements.

With the adoption of the amendment to IAS 16 “Property, plant and equipment” and to IAS 41 “Agriculture”, the opening balances from 2015 and the corresponding notes to the financial statements have been modified for comparative effects and the Statement of Financial Position as of January 01, 2015 (third column), as is required by IAS 1 under these circumstances, has been included.

Also, in order to ease the comparison of the amounts, other minor reclassifications have been made to the consolidated financial statements corresponding to the previous period.

As of the date of the current financial statements, there are no important uncertainties regarding events or conditions that could provide significant doubts regarding the possibility that the entity will continue operating normally as a going concern.

## 2.2 New issued norms and interpretations

### a) The following norms, interpretations and amendments are mandatory for the first time for the financial periods starting on January 1, 2016.

New norms, interpretations and amendments			Mandatory application for periods starting on:
IFRS 14	Regulatory deferred accounts	Norms and interpretations	01-jan-16
IFRS 11	Joint arrangements	Amendment	01-jan-16
IAS 16 IAS 38	Property, plant and equipment and Intangible assets	Amendment	01-jan-16
IAS 16 IAS 41	Property, plant and equipment and Agriculture	Amendment	01-jan-16
IAS 27	Separate financial statements	Amendment	01-jan-16
IFRS 10 and IAS 28	Consolidated Financial Statements and Investments in related companies and joint ventures (In the treatment of the sale or the contribution of goods between the investor and its related Company or joint venture.	Amendment	01-jan-16
IFRS 10 and IAS 28	Consolidated Financial Statements and Investments in related companies and joint ventures (Clarifies regarding the exception of the consolidation)	Amendment	01-jan-16
IAS 1	Presentation of Financial Statements	Amendment	01-jan-16
IFRS 5	Non current assets kept for sale and interrupted operations	Amendment	01-jan-16
IFRS 7	Financial instruments: information to be disclosed	Amendment	01-jan-16
IAS 19	Employee benefits	Amendment	01-jan-16

The following amendment has been applied retrospectively, since it is effective from January 1, 2016, nevertheless, for comparative effects the opening balances and the presentation of the comparative reports for 2015 have been adjusted:

Amendment to IAS 16 “Property, plant and equipment” and IAS 41 “Agriculture”, regarding bearer plants – Published in June 2014. This amendment modifies the financial information in relation to “bearer plants” (for example vines, fruit trees, etc.). The amendment defines the concept of “bearer plant” and establishes that these must be recorded as property, plant and equipment, since it is understood that their function is similar to manufacturing. Therefore, they are included within the scope of IAS 16, instead of IAS 41. The products that grow on the bearer plants will remain within the scope of IAS 41.

The other adoptions of the aforementioned norms, amendments and interpretations, do not have a significant impact on the Company’s consolidated financial statements.

### b) Issued norms, interpretations and amendments, whose application is not yet obligatory, for which anticipated adoption has not been made.

New issued norms, interpretations and amendments, not Valid for the 2016 period			Mandatory application for periods starting on:
IFRS 9	Financial instruments: Classification and Measurement	Norms and interpretations	01-jan-18
IFRS 15	Revenue from contracts with customers	Norms and interpretations	01-jan-18
IFRS 16	Lease	Norms and interpretations	01-jan-19
IAS 7	Cash Flow Statement	Amendment	01-jan-17
IAS 12	Gains Tax	Amendment	01-jan-17
IFRS 2	Payments Based on Shares	Amendment	01-jan-18

The Company’s management estimates that the adoption of the aforementioned norms, interpretations and amendments, will not have a significant impact on the Company’s consolidated financial statements in the period of their first application.

## 2.3 Consolidation Bases

### a) Subsidiaries

The consolidated statements of financial position incorporate the Company's financial statements and those of the companies controlled by the Company (its subsidiaries). To have control is when the Company has power over the subsidiary, when it has exposure or the right to variable yields from its implication in the subsidiary and when it has the capacity to use its power to influence the amount of the investor's returns. When evaluating if the Group controls another entity, it must consider the existence and the effect of the potential rights to vote that can currently be executed or converted. The subsidiaries are consolidated from the date when control is transferred and are excluded from the consolidation on the date that this ends.

The acquisition method is used to record the acquisition of subsidiaries. The cost of acquisition is the fair value of the delivered assets, of the issued equity instruments and of the incurred or assumed liabilities on the date of the exchange. The acquired identifiable assets and the identifiable liabilities and contingencies assumed in a business combination are initially valued at their fair value on the date of the purchase, regardless of the scope of the interests of non-parent companies. The excess acquisition cost over the fair value of the Company's interests in the acquired net identifiable assets, is acknowledged as lower value or goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary, the difference will be directly acknowledged in the income statement.

Inter-company transactions, balances and earnings not realized for transactions between related entities are eliminated. The non realized losses are also eliminated, unless the transaction provides evidence of a loss due to impairment of the transferred asset. When it is necessary to assure its uniformity with the policies adopted by Hortifrut and subsidiaries, then the accounting policies of the subsidiaries are modified.

Below is a detail of the front line companies included in the current consolidated financial statements:

<u>Companies</u>	<u>RUT</u>	<u>Country Functional</u>		<u>Direct</u>	<u>Indirect</u>	<u>Total</u>	<u>31-dec-15</u>
		<u>Of Origin</u>	<u>Currency</u>				<u>Total</u>
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	US\$	40.0000	-	40.0000	40.0000
Agrícola Mataquito S.A.	76.306.130-2	Chile	US\$	50.0000	-	50.0000	50.0000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	US\$	30.0000	-	30.0000	30.0000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	US\$	25.0000	-	25.0000	25.0000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	US\$	50.0000	-	50.0000	50.0000
Colmenares Hortisur SPA	99.568.520-5	Chile	CLP	100.0000	-	100.0000	100.0000
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Top Berries & Fruit SPA	76.023.726-4	Chile	US\$	100.0000	-	100.0000	100.0000
Berries de Panguipulli SPA	76.243.167-K	Chile	US\$	100.0000	-	100.0000	100.0000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	US\$	99.9999	0.0001	100.0000	100.0000

The aforementioned Companies correspond to front line companies where control is kept. In the case of those subsidiaries which directly or indirectly maintain an interest equal to or lower than 50%, they have been included in the consolidation process because the Company has the power to direct the financial and operating policies.

a.1) Modifications to the consolidation base

1.- During the period ending December 31, 2015, the company HFE Berries Perú SAC. has been incorporated into the consolidation through the consolidated financial statements of Inversiones Hortifrut S. A.

b) Transactions and interests of non parent company

The interests of non parent companies are presented in the item Net Equity of the consolidated classified statement of financial position. The profit or loss attributable to the non controlling interest is presented in the consolidated income statement, constituting the profit (loss) of the period. The results of the transactions between the non parent company shareholders and the parent company shareholders of the companies where the property is shared, are recorded under equity and, therefore, are shown in the consolidated statement of changes under net equity.

c) Associates

Associates are all the entities over which Hortifrut S.A. and its subsidiaries have a significant influence, but do not have control over the financial and operating policies, generally with an ownership between 10% and 50%. The investments in associates are recorded when formed or purchased at cost and are subsequently adjusted via the equity method. Hortifrut and its subsidiaries' investments in associates include Appreciation identified in the acquisition, net of any loss due to accumulated impairment.

The non realized earnings due to transactions between the Group and its associates are eliminated based on the Group's interest percentage. The non realized losses are also eliminated, except if the transaction provides evidence of loss due to impairment of the asset that is transferred.

Hortifrut and its subsidiaries' participation in the profit or loss after the acquisition of its associates is acknowledged in results, and its interest in the equity activities after the acquisition is acknowledged under the corresponding reserve within Net Equity. When Hortifrut and its subsidiaries' interests in the loss of an associate is the same or higher than its investment in it, including any other non insured account receivable, Hortifrut and its subsidiaries will not acknowledge additional loss, unless it has incurred in obligations or performed payments on behalf of the associate.

## 2.4 Financial information per operating segments

IFRS 8 demands that entities adopt "the Administration focus" when revealing information regarding the result of its operating segments. In general, this is the information that Management and the board use internally to evaluate the performance of the segments and to decide how to assign resources for these.

Hortifrut and its subsidiaries present the information by segments (which correspond to business areas) based on the financial information placed at the disposition of the decision makers, in relation to matters such as measuring profitability and assigning investments and based on the difference in products, as indicated in IFRS 8 – Financial Information by Segments. This information is detailed in Note 5.

The determined Segments which correspond to the business areas are the following:

- Blueberry Segment
- Raspberry Segment
- Blackberry Segment
- Strawberry Segment
- Cherry Segment
- Value Added Products Segment (Frozen, dehydrated, retail products and any other fruit product which is not fresh)
- Others Segment

## 2.5 Transactions in foreign currency

### a) Reporting currency and functional currency

The items included in the financial statements of each of Hortifrut S.A. and its subsidiaries entities are valued using the currency of the main economic environment where the entity operates (functional currency). Hortifrut S.A.'s functional currency is the United States dollar, which also constitutes the reporting currency of the consolidated statement of financial position.

### b) Transactions and balances

Transactions in foreign currency, with this being any currency different to the functional currency, are converted to the functional currency by using the valid exchange rates on the dates of the transactions. Profit and loss in foreign currency that results from the liquidation of these transactions and conversion to the exchange rate valid at the closing of the monetary assets and liabilities denominated in foreign currency, are acknowledged in the consolidated income statement.

### c) Foreign currency exchange rate

The exchange rates of the main currencies used in Hortifrut and its subsidiaries' accounting process, in relation to the dollar, as of September 30, 2016 and December 31, 2015, are the following:

Currency	Nemo	30-sep-16		31-dec-15	
		Closing	Annual average	Closing	Annual average
Chilean Peso	CLP	658.020	690.162	710.160	654.249
Euro	EUR	0.891	0.896	0.917	0.901
Mexican Peso	MXN	19.341	18.287	17.340	15.860
Argentine Peso	ARS	15.242	15.095	12.972	9.226
Brazilian Real	RBL	3.244	3.557	3.983	3.328
Peruvian Nuevo sol	PEN	3.392	3.368	3.410	3.182

The calculating of the exchange rate corresponding to the accumulated monthly average, is determined over the average base of the monthly average exchange rates.

### d) Entities corresponding to Hortifrut and subsidiaries

The results and financial position of all of Hortifrut and subsidiaries' entities (none of which have the currency of a hyperinflationary economy) which have a functional currency different to the reporting currency are converted to the reporting currency as follows:

- i) The assets and liabilities of each presented statement of financial position are converted at the closing exchange rate of the period;
- ii) Income and expenses of each income statement amount are converted at the daily exchange rate or when this is not possible, the average monthly exchange rate is used as a reasonable approximation; and
- iii) All of the resulting exchange rate differences are acknowledged in the conversion reserve under net equity.

The variation determined by the difference in exchange rate between the investment recorded in a company whose functional currency is different to the functional currency of the subsidiary where it has invested, is recorded in Other integral results, thus forming part of Equity as Reserves due to exchange rate fluctuations.

The differences in exchange rate generated by balances kept in long term current accounts between subsidiaries whose functional currencies differ, are eliminated from the result and are recorded in the bookkeeping account Reserves due to exchange rate fluctuations under Net Equity, because they are treated as net investment in those subsidiaries.

## **2.6 Property, plant and equipment**

The Company's fixed assets are made up of land, constructions, infrastructure, machines, equipment, bearer plants and other fixed assets. Hortifrut and subsidiaries' main fixed assets correspond to land, refrigerators, machinery and equipment related with the productive process.

Due to the application of Amendment to IAS 41, which became valid on January 01, 2016, fruit "bearer plants" are considered an item of machinery in a manufacturing process, so, the value of the biological asset is classified under Property, plant and equipment and recorded as specified in IAS 16.

Constructions, plants, equipment and machinery are acknowledged, both at the initial moment and afterwards, at their cost minus the corresponding accumulated depreciation and impairment in case it exists.

"Bearer plants" have been acknowledged at revalued cost, which is their fair value, at the moment of the revaluation, minus the accumulated amortization and the accumulated amount of the loss due to impairment in value which has taken place. The revaluations are performed every 3 or 5 years or when there is evidence that the fair value of the revalued asset significantly differs from its book value.

Subsequent costs (replacement of components, improvements, expansions and works in progress) are included in the value of the initial asset or are acknowledged as a separate asset, only when it is probable that the future economic benefits associated with the fixed asset elements will flow to the Group and the cost of the element can be determined in a reliable manner. The value of the substituted component is cancelled for accounting purposes.

Derivative costs from daily maintenance and common repairs are acknowledged in the period's result.

Depreciation of the assets (except for bearer plants) is calculated using the lineal method, distributing it in a systematic manner during its useful life. This useful life has been determined based on the natural expected impairment, technical or commercial obsolescence derived from the changes and/or improvements in production and changes in the market's demands for the products obtained in the operation with said assets. Land is not depreciated.

The amortization of Bearer plants, is calculated as per the forecasted production of the plant's useful life and is assigned in accordance with the real production curves.

The estimated economic useful lives are as follows:

	<b>Minimum Life or Rate Years</b>	<b>Maximum Life or Rate Years</b>
<b>Constructions and infrastructure works</b>		
Steel, reinforced concrete constructions	50	80
Wooden buildings	10	30
Provisional constructions	5	10
Minor agricultural constructions (macro-tunnel and others)	3	8
<b>Machinery and equipment</b>	8	10
<b>Motor vehicles</b>	8	10
<b>Information technology (IT) equipment</b>	3	6
<b>Bearer Plants</b>		
Blueberries	10	20
Raspberries and others	3	5
<b>Furniture and supplies</b>	5	10

The installations that the Company keeps inactive, continue with their depreciation as per the lineal method.

The residual value and the useful life of the assets are checked, and adjusted if necessary, at each closing of the financial statements of position in order to obtain a remaining useful life as per the value of the assets.

When the value of an asset is higher than its estimated recoverable value, its value is immediately reduced to its recoverable amount, through the application of impairment tests.

The loss or profit from the sale of property, plant and equipment is calculated by comparing the income obtained from the sale, with the book value of the asset (net of depreciation) and is included in the consolidated income statement.

When the book value of “bearer plants” is modified due to revaluation, said variation will be directly assigned to a Reserves for revaluation account under Net Equity.

## 2.7 Activos biológicos

Biological assets are differentiated between Current Biological Assets and Non Current Biological Assets. The first are recorded at fair value as indicated in IAS 41 (See 2.7.2), while the latter refer to fruit bearer plants and are recorded as indicated in IAS 16.

### 2.7.1 Biological assets recorded as Non Current Assets

Below we present the stages of the biological Assets that are recorded under the item Property, plant and equipment:

- a) Biological assets under development

Biological assets under development, are valued at the acquisition and/or production cost of the plants and the costs to maintain them until the date that they start producing as per the following ranges and countries:

#### **Blueberry:**

- Chile and Spain: a plantation under production is when the volume of produced fruit surpasses 30% of the potential volume of the variety, which is estimated by expert agronomists.
- Mexico: a plantation is considered to be under production when the volume of produced fruit surpasses 30% of the potential volume of the variety, which is estimated by expert agronomists.
- Peru: a plantation is considered to be under production when the volume of produced fruit surpasses 50% of the potential volume of the variety, which is estimated by expert agronomists.

Nevertheless, if the period of time that passes between the date of the plantation and the date of the valuation is equal to or higher than 6 years, the plantation must be considered under production, regardless of the reached level of production.

#### **Raspberry:**

A plantation is considered to be under production the season after the plantation takes place, this is regardless of the geographical area where it is located.

#### **Blackberry:**

A plantation is considered to be under production the season after the plantation takes place, this is regardless of the geographical area where it is located.

Due to the different varieties that the company has, the different geographic areas and the different climates and countries where the planting takes place, the Company estimates that it is necessary to wait for certain production levels to be able to evaluate the potential and the fair value of the biological assets. During this period, given this level of uncertainty, the Company values the biological assets under development at cost.

- a) Biological assets already producing

The Company values the biological asset already producing at revalued cost, amortized following the real production curve based on a potential production estimated during its useful life.

### 2.7.2 Biological assets recorded under Current Assets

As per what is established in IAS 41, agricultural products that grow on fruit bearer plants will be kept within the scope of this norm, which must be measured at their fair value minus sales costs, recording the changes in valuation under results as the product grows.



The minimum amount of said fair value is the cost incurred in during the season in course. Additionally, said fair value would include the margin expected for the fruit that is closest to the harvest, this is no more than 80 days in the case of blueberries and no more than 30 days in the case of raspberries, based on the maturity curve of the fruit. Regardless, when the estimation of said margin per subsidiary does not significantly differ from the cost incurred as of the date of the Financial Statements this value will not be recorded.

## **2.8 Intangible assets other than appreciation**

### a) Varietals Licenses

The acquired varietals licenses are shown at purchase cost, and are amortized charged to the cost of sale as income from sales is generated, or by the plant's development cost.

Corresponds to the rights acquired for the production and commercialization of the variety of Berries.

### b) IT programs

Correspond to licenses for acquired software, which are capitalized over the base of the costs incurred in to acquire and prepare them to use the specific program. These costs are amortized during their useful lives estimated at 6 years.

Expenses related with the development or maintenance of software are acknowledged as expenses when they arise. Costs directly related with the production of unique and identifiable software controlled by Hortifrut and subsidiaries, and which will probably generate superior economic benefits than their costs for over a year, are acknowledged as intangible assets. Direct costs include expenses corresponding to the personnel that develop the software and any kind of expense incurred in for its development or maintenance.

## **2.9 Appreciation**

Appreciation arises from the acquisition of subsidiaries and represents the excess of the considerations transferred over Hortifrut S.A. and subsidiaries' interests in the net fair value of the identifiable net assets, liabilities and contingent liabilities of the acquired and the fair value of the non dominating interest in the acquired.

In order to perform the tests for loss due to impairment, the appreciation acquired in a business combination is assigned to each one of the cash generating units, or Groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or Group of units which are assigned the appreciation represent the lowest level within the entity where appreciation is controlled for internal management purposes. Appreciation is controlled at the operating segment level.

Revisions of the loss due to impairment of the value of the appreciation are performed annually or more often if events or changes in circumstances indicate a potential loss due to impairment. The book value of appreciation is compared with the recoverable amount, which is the used value or the fair value minus sales costs, the highest of these values. Any loss due to impairment is immediately acknowledged as an expense and is not subsequently reverted.

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## **2.10 Interest Costs**

Interest costs which can be directly attributed to the construction of any rated asset are capitalized during the time that is needed to complete and prepare the asset for the intended use. Other interest costs are recorded under results.

## **2.11 Impairment of non financial assets**

Assets that have an indefinite useful life are not subject to amortization and are subjected on a yearly basis to loss due to impairment of value tests.

Assets subject to depreciation are subjected to loss due to impairment tests as long as some event or change in the circumstances of the business indicates that the book value of the assets may not be recoverable. A loss due to impairment is acknowledged when the book value is higher than its recoverable value.

The recoverable value of an asset is the highest between the fair value of an asset minus sales cost and its value in use. In order to evaluate the loss due to impairment of value, assets are grouped at the lowest level for which cash flows that can be separately identified (CGU) exist.

Non financial assets other than purchased Appreciation which have suffered a loss due to impairment are subjected to revision on each closing date of the financial statement of position to verify if reversals of the loss have been produced.

Loss due to impairment in value can be reversed in accounting only up to the amount of the loss acknowledged in previous periods, so that the book value of these assets does not surpass the value that they would have had if said adjustments had not taken place. This reversal is recorded in the Other profit (loss) account.

## **2.12 Financial Assets**

Hortifrut and subsidiaries classify their financial assets under the following categories: a) fair value with changes in results and b) loans and accounts receivable. The Group does not maintain financial instruments held until their expiry or available for sale. The classification depends on the purpose with which the financial assets were acquired. Administration determines the classification of its financial assets at the moment of the initial acknowledgment.

### **Classification of financial assets**

#### a) Financial assets at fair value with changes in results

Financial assets at fair value with changes in results are financial assets held for negotiation. A financial asset is classified in this category if it is mainly acquired with the purpose of selling it in the short term. Assets in this category are classified as current assets.

#### b) Loans and accounts receivable

Loans and accounts receivable are non derivative financial assets with fixed or determinable payments, which are not quoted on an active market. Those items with expiry less than 12 months are classified as current assets. Items with expiry over 12 months are classified as non current assets.

The category loans and accounts receivable includes trade debtors and other accounts receivable, accounts receivable with related entities, term deposits and cash and bank balances.

### **Acknowledging and measuring financial assets**

The acquisition and disposal of financial assets is acknowledged on the date of the negotiation, in other words, the date on which Hortifrut and subsidiaries commit to acquiring or selling the asset.

#### i) Initial acknowledgment

Financial assets are initially acknowledged by the fair value plus the costs of the transaction, for all the

financial assets not taken to fair value with changes in results. In case there is no significant difference between the fair value and the nominal value of the financial asset, these are recorded at their nominal value.

Financial assets at fair value with changes in results are initially acknowledged by their fair value, and the costs of the transaction are taken to results.

ii) Subsequent valuation

Financial assets at fair value with changes in result are subsequently recorded by their fair value with an offsetting entry in results. Loans and accounts receivable are recorded at their amortized cost in accordance with the effective interest rate method.

Financial assets are written off when the rights to receive cash flows from investments have expired or have been transferred and Hortifrut and subsidiaries have substantially transferred all the risks and advantages derived from their ownership.

The Company evaluates on the date of each consolidated statement of financial position if there exists objective evidence that a financial asset or a group of financial assets could have suffered loss due to impairment. In the case of financial assets held up to their expiry, if there is evidence of impairment, the amount of the provision is the difference between the book value of the asset and the current value of the future estimated cash flows, discounted at the original effective interest rate.

### **2.13 Derivative financial instruments and hedging activities**

Derivatives are initially acknowledged at fair value on the date that the derivatives contract has taken place and they are subsequently valued again at their fair value. The method to acknowledge the resulting loss or profit depends on if the derivative has been designated as a hedging instrument and, if so, on the nature of the item that is being hedged. The Company designates certain derivatives such as:

- (a) Fair value hedging of acknowledged assets or liabilities (fair value hedging);
- (b) Hedging of a concrete risk associated to an acknowledged liability or a highly probable foreseen transaction (cash flow hedging); or
- (c) Derivatives that do not qualify for hedging accounting

The Company records at the start of the transaction the existing relationship between hedging instruments and the hedged items, as well as their objectives for risk management and the strategy to perform different hedging operations. The Company also records its evaluation, both at the start and over a continuous base, to see if the derivatives that are used in the hedging transactions are highly effective to compensate the changes in fair value or in the cash flows of the hedged items.

The total fair value of the derivatives is classified as Other assets or non current financial liabilities if the remaining expiry of the hedged item is over 12 months and as other current financial assets or liabilities if the remaining expiry of the hedged item is less than 12 months.

(a) Fair value hedging

Changes in the fair value of derivatives that are designated and rated as fair value hedging are recorded in the consolidated income statement, together with any change in the fair value of the hedged asset or liability which can be attributed to the hedged risk.

(b) Cash flow hedging

The effective part of changes in the fair value of the derivatives that are designated and classified as cash flow hedging are acknowledged as cash flow hedging reserves under net equity. Profit or loss related with the non effective part is immediately acknowledged in the consolidated income statement, under “Other profit (loss)”.

In the case of variable interest rate hedging, the amounts acknowledged under equity are reclassified to results in the financial expenses line as the interests of the associated debts are accrued.

In the case of exchange rate hedging associated to costs and expenses to be incurred in Chilean pesos, the amounts acknowledged in equity are reclassified to results in the cost of sales item as the corresponding costs and expenses are accrued.

When a hedging instrument expires or is sold or no longer complies with the requirements demanded for hedging accounting, any profit or loss accumulated in net equity up to that moment remains under equity and is acknowledged when the foreseen hedged transaction is finally acknowledged in the consolidated income statement. When it is expected that the foreseen transaction will not take place, the profit or loss accumulated in net equity will immediately be taken to the consolidated income statement under “Other profit (loss)”.

#### **2.14 Stock**

Stocks are valued at their acquisition cost or at their net realizable value, the lower of the two. Cost is determined by the weighted average price (WAP) method.

The cost of the finished products and the products in process include raw materials, direct labor force, other direct costs and general manufacturing expenses (based on a normal operating capacity), but do not include interest costs.

Net realizable value is the estimated sale price during the regular course of business, minus the variable costs of applicable sales.

Obsolete or slow moving products are acknowledged at their realization value.

#### **2.15 Trade debtors and other accounts receivable**

Receivable trade accounts are acknowledged at their nominal value, since average expiry terms do not surpass 90 days.

Additionally, estimations are performed over the doubtful collection accounts based on an objective revision of all the amounts pending at the end of each period. Loss due to impairment related to doubtful credits are recorded in the consolidated income statement in the period that they are produced. Trade credits are included in current asset under Trade debtors and other accounts receivable, in the measure that their estimation for collection is less than a year from the date of the financial statement.

#### **2.16 Cash and cash equivalents**

Hortifrut S.A. and subsidiaries consider as cash and cash equivalents the cash balances held at hand and in current bank accounts, term deposits and other financial investments (negotiable securities of easy liquidation) with an expiry of less than 90 days. Within this item, the administration’s own cash investments are also included, with an expiry which is in accordance with the aforementioned and whose funds are of free disposal.

Used bank overdraft lines are included in Other financial liabilities.

### **2.17 Corporate capital**

Corporate capital is represented by ordinary shares of a single kind.

Incremental costs which can be directly attributed to the issuance of new shares or options are presented in net equity as a deduction, of the obtained income.

The minimum legal dividends over ordinary shares are acknowledged as equity goodwill when they are approved by the shareholder's board.

### **2.18 Payable trade accounts and other accounts payable**

Payable trade accounts are initially acknowledged at their fair value and are subsequently valued by their amortized cost using the effective interest rate method when they have a term of over 90 days for their payment. Lower terms are recorded at nominal value because they do not present significant differences with their fair value.

### **2.19 Other financial liabilities**

Financial liabilities are initially acknowledged, by their fair value, net of costs incurred in the transaction. Subsequently, they are valued at their amortized cost and any difference between the obtained funds (net of the necessary costs for its obtention) and the reimbursement value, are acknowledged in the income statement during the life of the debt as per the effective interest rate method. The effective interest rate method consists on applying the market rate as a reference for debts with similar characteristics to the value of the debt (net of the necessary costs for its obtention).

It must be stated that if the difference between the nominal value and the fair value is not significant, the nominal value is used.

Financial liabilities are classified under current liability and non current liability over the base of the contractual expiry of the nominal capital.

### **2.20 Gains tax and deferred taxes**

Hortifrut and its subsidiaries have acknowledged their tax rights and obligations based on the valid legal dispositions.

Expenses due to gains tax are acknowledged in the income statement, and correspond to tax payment determined over the taxable income of the year, applying the valid tax rates as of the closing date of the financial statements, any adjustment to payable tax for previous years and the effect of the variation of assets and liabilities due to deferred taxes.

When dealing with items acknowledged in other integral results or directly in net equity, in this case, tax is also acknowledged in the other integral results or directly in net equity, respectively.

Deferred tax effects are recorded over the temporary differences that arise between the tax base of assets and liabilities and their corresponding values shown in the financial statements. Deferred tax assets and liabilities are determined using the tax rates that have been promulgated as of the date of the financial statements and are expected to be applicable when the income tax asset is realized or the income tax liability is paid.

Regardless of the aforementioned, deferred tax which is the result of temporary differences that arise from investments in subsidiaries and related companies is not acknowledged if the opportunity to reverse the temporary difference is controlled by the group and it is probable that the temporary difference will not be

reverted in the foreseeable future.

### **2.21 Employee Benefits**

#### a) Employee vacations

Hortifrut and its subsidiaries acknowledge the expense for employee vacations through the accrued method, which is recorded at its nominal value.

#### b) Benefits for termination of labor relationship

Hortifrut S.A. and its subsidiaries do not present obligations due to indemnity for termination of employee services, because there is no legal obligation associated or a non formalized practice which results in said obligation.

These are recorded in results (expense) at the moment the employees are paid, as a consequence of the Company's decision to rescind their work contract, before the normal retirement age.

#### c) Other benefits

Hortifrut and its subsidiaries acknowledge a liability for bonus to its employees, when it is contractually obligated or when the practice in the past has created an implicit obligation, which is historically defined at the end of the season. If it exists, the provision is presented under current liability.

### **2.22 Provisions**

Hortifrut S.A. and subsidiaries acknowledge a provision when they are contractually obligated or when there is a practice in the past which has created an assumed obligation.

Provisions for onerous contracts, lawsuits and other contingencies are acknowledged when:

- (i) Hortifrut S.A. and subsidiaries has a current obligation, whether it is legal or implicit, as a result of past events,
- (ii) It is probable that an exit of resources will be necessary to liquidate the obligation; and
- (iii) The value has been estimated in a reliable form.

Provisions are valued by the current value of the disbursements which are expected to be necessary to liquidate the obligation, using Hortifrut S.A. and subsidiaries' best estimation. The discount rate used to determine the current value reflects the current market evaluations, on the date of the consolidated statement of financial position, the temporary value of money, as well as the specific risk related with the specific liability.

### **2.23 Acknowledging income**

Income is acknowledged in the measure that it is probable that the economic benefits will flow towards the Company and can be reliably measured. Income is measured at the fair value of the economic benefits received or to be received and are presented net of value added tax, specific taxes, returns and discounts.

Income from the sale of goods is acknowledged when the Company has transferred to the buyer the risks and benefits that are inherent to the property of these goods and does not maintain the right to dispose of them, or to maintain an efficient control; in general, this means that sales are recorded at the moment the risks and benefits are transferred to the customers as per the terms agreed in commercial agreements, as is described below:

a) Sale of products in the local market

The Company generates its income mainly from the sale of fruit, product that is distributed through retailers, wholesale distributors and supermarket chains. None of them acts as a trade agent of the Company. Income from sales in local markets, net of value added tax, specific taxes, returns and discounts to customers, are acknowledged at the moment that the products are delivered together with the transferring of all their risks and benefits.

b) Export

In general, the Company's delivery conditions for export sales are based on Incoterms 2000, with these being the official rules for interpreting trade terms issued by the International Chamber of Commerce. The structure for acknowledging income is based on the group of Incoterms, mainly in the following groups:

- "FOB (Free on Board) and similar", where the buyer organizes and pays for the transport, so, the point of sale is the delivery of the goods to the transporter hired by the buyer, moment that income is acknowledged.
- "CIF (Cost, Insurance & Freight) and similar", through which the Company organizes and pays the external transport expense and some other expenses, even though the Company ceases to be responsible for the goods once they have been delivered to the maritime or airline Company within the corresponding term. The point of sale is the delivery of the goods to the transporter hired by the seller for transporting to destination, moment that income is acknowledged.

In case there are discrepancies between the trade agreements and Incoterms defined for the operation, those established in the contracts will rule.

c) Estimating Income

The Company, for those sales that to the closing of the Financial Statements are recorded at the invoicing price at the moment of their dispatch and not their final liquidation, adjust the value of invoicing to the value of the sale price obtained in the markets where its products are commercialized.

d) Income from interests

Income from interests is acknowledged using the effective interest rate method.

e) Sale of services

Operating income from the sale of services, is recorded when said service has been provided. A service is considered to have been provided when it is received in agreement by the customer.

f) Income from dividends

Income from dividends is acknowledged when the right to receive the payment has been established.

## **2.24 Trade agreements with distributors and supermarket chains**

The Company performs trade agreements with its main distributors and supermarkets through which they establish (i) discounts for volume and other customer variables; (ii) promotional discounts, which correspond to an additional reduction in the price of the sold products, due to the development of trade initiatives (temporary promotions) and the granting of considerations (use of preferential spaces and others) and (iii) shared advertising, which corresponds to the Company's participation in advertising campaigns, promotional magazines and the opening up of new sales points.

Discounts due to volume and promotional discounts are acknowledged as a reduction in the sale price of the sold products. The contributions for shared advertising are acknowledged when the advertising campaigns agreed with the distributor have taken place and are recorded as incurred commercializing expenses.

The Company acknowledges the cost of the benefits granted by commercial agreements with distributors only when there is formal evidence of the agreement, the amount of the benefit can be reasonably estimated and its payment is probable.

Commitments with distributors or importers in the exports environment are acknowledged when there is formal evidence of the agreement and its amount can be reliably estimated.

## **2.25 Cost of Sales**

Sales costs include the cost of production of the sold products and other costs incurred in to leave stock at the locations and under the necessary conditions for its sale. These costs include, among others, cost of raw materials, packing costs, labor costs of production personnel, depreciation of assets related with production, payment of leaves of absence and operating costs and maintenance of plants and equipment.

## **2.26 Administrative expenses**

Administrative expenses include remunerations and compensation of personnel at the back up units, the depreciation of offices, equipment, installations and furniture used in these functions, the amortization of non current assets and other general and administrative expenses.

## **2.27 Lease**

- a) When a Group entity is the lessee – Financial Lease.

Hortifrut S.A. and its subsidiaries lease determined fixed assets. The fixed asset lease, when the Company substantially has all the risks and benefits inherent to the property, is classified as financial lease. Financial lease is capitalized at the start of the lease at the fair value of the property or leased asset or at the current value of the minimum payments for the lease, the lower of the two.

Each lease payment is distributed between the liability and the financial burdens to obtain a constant interest rate over the pending balance of the debt. The corresponding obligations for lease, net of financial burdens, are included in Other financial liabilities. The interest element of the financial cost is charged in the income statement during the lease period in order to obtain a constant periodic interest rate over the remaining balance of the liability for each period. The asset acquired under a financial lease regime is depreciated during its useful life or the duration of the contract, the lower of the two.

- b) When a Group entity is the lessee – Operating Lease.

The leases where the lessor keeps an important part of the risks and advantages derived from the ownership of the good are classified as operating lease. The payments for the concept of operating lease (net of any incentive received from the lessor) are charged in the income statement over a lineal base during the lease



period.

### **2.28 Non current assets or groups of assets (or disposal groups) classified as held for sale**

Non current assets or disposal groups are classified as assets held for sale and are acknowledged at the lower value between the book value and the fair value minus sales cost. When the value will be recovered mainly through its sale, as long as the sale is considered highly probable.

### **2.29 Dividend policy**

As per what is stated in the Closely-held Corporation Law, the Company is obligated to distribute a minimum obligatory dividend equal to 30% of profits, nevertheless and in accordance with the corporate statutes, the minimum dividend established for the Company is 50%, unless otherwise unanimously agreed by the shareholders.

Under IFRS the acknowledging of the minimum dividend obligation in favor of the shareholders must be before the closing date of the annual statement of financial position with the corresponding decrease in equity.

In accordance with what was informed to the Superintendencia de Valores y Seguros, related with Regulation (Circular) N° 1945, in order to determine the Parent company's distributable net profit to be considered to calculate the dividends, the following will be excluded from the integral result attributable to the equity holders of the parent company:

- i) Non realized results, linked to the recording at fair value of the biological assets regulated under accounting norm "IAS 41", reintegrating them to net profit at the moment of their realization. For said effects, the portion of said increase in fair value corresponding to the assets sold or disposed of by another means will be considered realized.
- ii) The non realized results generated in the acquisition of other entities and, in general, those non realized results which are produced due to the application of paragraphs 24, 39, 42 and 58 of the accounting norm "International Financial Reporting Standards N°3", amended, which refers to business combinations. These results are also reintegrated to net profit at the moment of their realization. For these effects the results are considered realized as the acquired amounts generate profits after their acquisition, or when said entities are disposed of.
- iii) The deferred tax effects associated with the aforementioned concepts will follow the same guide as the original item.

### **2.30 Environment**

In the case of environmental liabilities, these are recorded over the base of the current interpretation of environmental laws and rulings, when it is probable that a current obligation will be produced and the amount of said responsibility can be calculated in a reliable manner.

Investments in infrastructure works destined to complying with environmental requirements are activated by following general accounting criteria for Property, plant and equipment.

### **2.31 Investigation and development**

Investigation and development expenses are presented under the Other expenses by function item in the consolidated income statement, because the realized investigations form a normal part of Hortifrut S.A. and its subsidiaries' operations.

### **2.32 Advertising expenses**

Advertising expenses are acknowledged under results when they take place.

### **2.33 Profits per share**

Net profits per share are calculated by dividing the net profit attributable to the shareholders by the weighted average of the number of ordinary shares in circulation during the period, excluding shares acquired by the company.

### **2.34 Expenses due to goods and services insurances**

The payment of different insurance policies which the Company hires is acknowledged under expenses in proportion to the period of time that they cover, regardless of the payment terms. The paid and non consumed values are acknowledged as advanced payments under current assets.

The costs of the claims are acknowledged under results immediately after known, net of the amount recoverable from the insurance companies. The amounts to be recovered are recorded as an asset to be reimbursed by the insurance Company under the item Trade Debtors and other accounts receivable, calculated according to what was established in the insurance policies.

### **NOTE 3 – FINANCIAL RISK MANAGEMENT**

The berries business intrinsically involves a series of risk factors which, in one way or another, affect the development of the industry. Within these factors, we can mention the following:

#### **3.1.- Credit Risk**

a) Cash surplus investment risk:

The financial institutions with whom Hortifrut S.A. and subsidiaries operate and the type of financial products where they materialize said investments define a low risk policy for the Company (see note 6 b).

The Company's policy regulates investment and debt, trying to limit the impact of the exchange rate fluctuations in the valuation of currencies and interest rates over the Company's net results, through cash surplus investments and the hiring of forwards and other instruments in order to maintain a balanced rate and exchange rate position.

Within the authorized instruments, are those whose expiry terms do not exceed 90 days and have high liquidity.

- Cash at hand
- Term deposits
- Investments in mutual funds
- Other short term and high liquidity investments.

The financial entities where the investments are placed have a high creditworthiness.

b) Risk from sales operations:

Hortifrut has diversified sales in several countries.

The main customers are supermarkets in the United States, where the fresh fruit business is subject to the PACA law. This law protects fresh fruit and vegetable suppliers in the USA.

For sales outside the United States, the Company's policy is to obtain insurance policies. For those customers whose policies have a maximum limit, the Company evaluates the risk of exposure every week and decreases/increases deliveries in accordance with the performed analysis or demands advanced payment from the customers.

Regardless of the fact that to date Hortifrut has not had any problems in relation to credit risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to a problem of this type.

## **2.- Liquidity risk**

This risk is associated to the probability that Hortifrut S.A. and its subsidiaries cannot comply with their obligations, as a result of insufficient liquidity or the impossibility to obtain credits.

The Hortifrut Group centrally administers these risks from the parent company through an appropriate distribution, extension of terms and by limiting the amount of its debt, as well as the maintenance of an adequate liquidity reserve. Hortifrut has as its policy to concentrate its financial debts at Hortifrut Chile S.A. Debts are acquired through bank credits in the local and foreign market.

Regardless of the fact that to date Hortifrut has not had any problems in relation to liquidity risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to a problem of this type.

Hortifrut has available and approved credit lines, for work capital, short term, which as of September 30, 2016 reach US\$191.93 million (includes credit lines committed with BCI bank for US\$42 million, commitment fixed for 2018 and of which US\$ 31.0 million have been used), distributed among 11 banks. The used amount reaches US\$63.5 million with an unused balance of US\$128.43 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$180.98 million, Hortifrut S.A. with US\$5 million, Agrícola El Pampino S.A. with US\$750 thousand, Agrícola Santa Rosa del Parque S.A. with US\$500 thousand, Agrícola Vida Nueva S.A. with US\$400 thousand, Agrícola Mataquito S.A. with US\$1.3 million and Hortifrut Import Inc., with US\$3 million.

The Hortifrut Group administers the liquidity risk at a consolidated level, with the main source of liquidity being the cash flows from its operating activities.

To administer short term liquidity, the Company uses as a base its cash flows forecasted for a mobile period of twelve months and maintains cash and cash equivalents which are available to comply with its obligations.

Based on the current operational performance and its liquidity position, the Company estimates that cash flows from operating activities and available cash will be enough to finance work capital and interest payments, for the next 12 months and the foreseeable future.

Below we summarize the expiry of the Company's bank loans as of September 30, 2016, based on the undiscounted contractual cash flows:

	Flows						Total
	Capital	interests	From 0 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	
<b><u>Creditor Bank</u></b>							
Banco Santander Chile	28,007	181	15,589	12,295	411	-	28,295
Banco Rabobank Chile	8,882	67	209	1,052	6,796	2,299	10,356
Banco de Crédito e Inversiones	57,215	359	25,134	10,887	17,717	9,989	63,727
Banco Itaú	186	-	-	208	-	-	208
Banco Bilbao Vizcaya Argentaria	12,459	109	1,431	3,155	8,501	-	13,087
Banco de Chile	25,048	46	9,210	14,185	2,100	-	25,495
Banco Estado	8,800	95	1,298	1,285	6,574	-	9,157
Banco Scotiabank	3,000	2	3,003	-	-	-	3,003
BBC Tecnología Agrícola Ltda.	1,008	-	514	507	-	-	1,021
Banco Santander Central Hispano S.A.	6,026	-	661	1,505	4,010	-	6,176
Caja Badajoz	5	-	5	-	-	-	5
Caja Madrid	64	-	6	18	40	-	64
Caja Rural Asturias	55	-	7	20	32	-	59
Financial Services	18	-	1	17	-	-	18
Banco de Crédito Perú	4	-	4	-	-	-	4
HSBC México S.A.	200	33	50	150	33	-	233
<b>Total</b>	<b>150,977</b>	<b>892</b>	<b>57,122</b>	<b>45,284</b>	<b>46,214</b>	<b>12,288</b>	<b>160,908</b>

Below is a summary of the expiries of the total financial liabilities:

<u>Detail</u>	<u>Flows</u>						<u>Total</u>
	<u>Capital</u>	<u>Accounting Value</u>	<u>From 0-3 months</u>	<u>From 3-12 months</u>	<u>From 1-5 years</u>	<u>Over 5 years</u>	
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	
Bank loans	150,977	151,869	57,122	45,284	46,214	12,288	160,908
Trade accounts and other accounts payable	23,277	23,277	16,666	6,611	-	-	23,277
Accounts payable to related companies	28,344	28,344	-	16,575	11,769	-	28,344

### 3.3- Exchange rate risk

The international character of its business and operations in different countries expose Hortifrut to risks due to exchange rate fluctuations. The main exposures refer to exchange rate fluctuations in US Dollar versus Chilean Peso, Mexican Peso, Euro.

#### - Exposure to Chilean Pesos

The source of exposure to Chilean Pesos mainly comes from the costs of the Chilean agricultural companies which are mainly denominated in said currency, trade accounts receivable with national customers and liquid funds held in financial instruments and bank obligations.

Hortifrut performs actions to mitigate the exposure to costs of the agricultural companies by contracting forward derivative contracts whose realization is distributed to those companies. Likewise, Cross Currency Swap instruments are used to mitigate the exchange rate risk in bank obligations in Chilean Pesos.

#### - Exposure to Mexican Pesos

The source of exposure to Mexican Pesos mainly comes from agricultural operating costs in Mexico which are mostly denominated in said currency and, at a lower scale, trade accounts receivable with Mexican customers.

#### - Exposure to Euros

The source of exposure to Euros comes from sales performed in said currency, bank obligations and at a lower scale liquid funds held in financial instruments. Hortifrut performs actions to mitigate the exposure to sales in Euros through the use of forward derivative contracts.

Regardless of the fact that to date Hortifrut has not had any problems in relation to credit risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to a problem of this type.

### Exposure in currencies different to the dollar

The following table shows an exposure in currencies different to the dollar, over the Company's assets and liabilities as of September 30, 2016:

	<u>Peso/UF</u>	<u>Euro</u>	<u>Mexican\$</u>	<u>Argentine\$</u>	<u>Real/others</u>
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
<b>As of September 30, 2016</b>					
<b><u>Financial Assets</u></b>					
Cash and Cash Equivalents	903	5,184	329	21	60
Other current non financial assets	2,898	117	887	-	106
Current trade debtors and other accounts receivable	4,023	5,437	3,744	192	568
Current accounts receivable from Related Entities	889	7,212	-	-	-
Non current accounts receivable from Related Entities	-	5,608	-	-	-
<b>Total Financial Assets</b>	<b>8,713</b>	<b>23,558</b>	<b>4,960</b>	<b>213</b>	<b>734</b>
<b><u>Current Liabilities</u></b>					
Other current financial liabilities	-	2,145	-	-	-
Current trade accounts and other accounts payable	2,916	1,943	916	107	636
Current accounts payable to Related Entities	598	75	-	-	-
Current provisions for employee benefits	441	-	507	-	-
Other non current financial liabilities	-	4,023	-	-	-
Non current accounts payable to Related Entities	1,429	10,340	-	-	-
<b>Total Financial Liabilities</b>	<b>5,384</b>	<b>18,526</b>	<b>1,423</b>	<b>107</b>	<b>636</b>
<b>Net exposure as of September 30, 2016</b>	<b>3,329</b>	<b>5,032</b>	<b>3,537</b>	<b>106</b>	<b>98</b>

### **Effects of a potential exchange rate fluctuation**

The potential effect of a 10% devaluation of the United States dollar in front of all the other relevant currencies to which the Company is exposed, would have an approximate effect of KUS\$1.2 million as a higher charge to the company's results as of September 30, 2016, the aforementioned maintaining all the other variables constant. The calculation considers the Company's exposure in financial assets and liabilities denominated in currency different to the dollar.

<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Net (10% Devaluation)</u>	<u>Variation</u>
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Peso/UF	8,713	5,384	3,329	2,996	(333)
Euro	23,558	18,526	5,032	4,529	(503)
Mexican \$	4,960	1,423	3,537	3,183	(354)
Argentine \$	213	107	106	95	(11)
Real	734	636	98	88	(10)
<b>Total</b>	<b>38,178</b>	<b>26,076</b>	<b>12,102</b>	<b>10,891</b>	<b>(1,211)</b>

### 3.4.- Interest Rate Risk

The Hortifrut Group has its long term financial liabilities linked to long term investments. All of these long term liabilities are at fixed rates and mostly in dollars to avoid cost variations and to be aligned with the Company's functional currency. Even though short term financial liabilities, linked to temporary work capital are at a fixed rate, an exposure to fluctuations in the market rates at the moment of its contracting and/or renewal is experienced. If Hortifrut held the debt that it has at a variable rate, which is KUS\$74,690, for the whole year and the rate increased by 10%, the impact on the annual financial cost would be US\$77 thousand.

Below is a detail of the short term financial liabilities, linked to temporary work capital:

<u>Creditor Bank</u>	<u>Capital</u> <u>KUS\$</u>	<u>10%</u> <u>interest</u>		<u>Due to</u> <u>variation</u> <u>in rate</u> <u>KUS\$</u>
		<u>Annual</u> <u>interest</u> <u>KUS\$</u>	<u>variation</u> <u>in rate</u> <u>KUS\$</u>	
Banco de Chile	22,000	238	262	24
Banco de Crédito e Inversiones	31,000	306	337	31
Banco Itaú	186	25	27	2
Banco Santander Chile	18,500	160	177	17
Banco Scotiabank	3,000	29	32	3
Banco de Crédito Perú	4	-	-	-
<b>Total</b>	<b>74,690</b>	<b>758</b>	<b>835</b>	<b>77</b>

### 3.5 Risk of volume and price in the valuation of fruits that grow on “Bearer plants”

As per what is established in IAS 41, agricultural products that grow on fruit bearer plants will remain within the scope of this norm, which must be measured at their fair value minus cost of sales, recording the changes in the valuation under result as the product grows.

Since this valuation corresponds to an estimation, it could vary when fruit sales are perfected, moment when said result is realized.

It must be stated that as of September 30 the fair value of fruit on bearer plants of companies that consolidate does not significantly differ from the incurred cost, so it has been recorded at this value.

On the other hand, within the item Investments recorded using the equity method, the expected margin of fruit on bearer plants has been acknowledged, of the Company Hortifrut Tal S.A.C. (Peru) based on the interest percentage that it has in it, amount that reaches US\$1.55 million as of September 30, 2016.

Below we detail the effect that a 10% reduction in price and volume would have on said margin:

	<u>Fair Value</u> <u>Adjustment as</u> <u>of 30-sep-16</u>	<u>10% decrease in</u> <u>volume (KUSD)</u>	<u>10% decrease in</u> <u>price (KUSD)</u>	<u>10% decrease</u> <u>in volume and</u> <u>price (KUSD)</u>
Hortifrut Tal SAC-VPP	1,550	1,196	824	542



#### **NOTE 4 – SIGNIFICANT ACCOUNTING ESTIMATIONS AND CRITERIA**

The used estimations and criteria are regularly evaluated and are based on historic experience and other factors, including the expectations of the occurrence of future events that are considered reasonable according to the circumstances.

Hortifrut S.A. and subsidiaries perform estimations and assumptions regarding the future.

The main estimations and applying of professional criteria is related with the following concepts:

##### **1 Determining provisions for seasons**

###### **1.1 Cost of fruit provision**

In the case of fruit produced by third parties, sales at the closing of the period have not been liquidated (approximately between 20 and 45 days depending on destination), the premium is estimated over the contractual price previously agreed with the producer. The estimation of the premium plus the agreed price constitutes the cost of fruit.

The premium is estimated taking as a reference the real placement prices experienced in the destination market as of the closing date of the Financial Statements.

###### **1.2 Provision for the cost of materials**

Each fruit packing per species has a standard materials cost assigned to it. Based on the arrived shipments, the standard cost is calculated for each of the packings and for the difference with the materials that appear as used in the accounting records, an adjustment is performed in relation to the materials in transit on the closing date of the periods. At the same time, 2% of this cost is provisioned as decrease in materials.

These estimations are performed based on the best information available considering the analyzed events, on the date of issuance of these financial statements.

In any case, it is possible that events that could take place in the future could force these to be modified in the following periods, which if it happens, would be done in a prospective manner.

##### **2 Consolidation of entities where the group owns 50% or less**

The Hortifrut Group considers that it has control of Hortifrut España Southern Sun S.L. (50%), Agrícola el Avellano and Subsidiaries (40%), Agrícola Santa Rosa el Parque S.A (30%), Agrícola y Ganadera Santa Rebeca Limitada (25%), even though it has less than 50 % of the voting rights. There is no information regarding other shareholders who form a group and execute their vote in a collective manner.

##### **3 Impairment of Appreciation and Intangibles with an indefinite useful life**

The Company determines on an annual basis if Appreciation and intangible assets with an indefinite useful life are impaired. This test requires an estimation of the 'value in use' of the cash generating units to which Appreciation and Intangibles with an indefinite useful life are associated. The estimating of the value in use requires that the Administration perform an estimation of the future cash flows of the cash generating unit (or group of CGU's), and also defines an appropriate discount rate to calculate the current value of these cash flows.

## NOTE 5 – FINANCIAL INFORMATION PER SEGMENT

The Company reports financial information per segments as per what is established in IFRS 8 “Operating Segments”. Said norm establishes standards for the reporting of information per segments in the financial statements as well as revelations regarding products and services, geographical areas and main customers. An operating segment is defined as a component of an entity over which separate financial information is obtained, which is regularly evaluated by upper management to make decisions regarding the assigning of resources and the evaluating of results.

The performance of the segments is evaluated via the Operating Margin (see how to calculate), by sales volumes and income. When evaluating the performance of the segments, assets and liabilities that are attributed to it are not considered.

### Calculating Operating Margin:

+ Operating revenue  
 + Other revenue, per function, the increase of the value to fair value of the biological assets is excluded from the latter  
 = Total revenue

### **Minus:**

- Sales cost  
 - Administrative expenses  
 - Other expenses, per function, the decrease in value to fair value of the biological assets is excluded from the latter  
 = Total costs

### Geographic Location

The information of net sales per geographic location is based on the destination continent where our products are consumed (North America – South America -Europe - Asia).

For the periods ending September 30, 2016 and 2015, Operating revenue per geographic location is as follows:

<u>Sales per geographic destination</u>	<u>30-sep-16</u>		<u>30-sep-15</u>	
	<u>KUS\$</u>	<u>%</u>	<u>KUS\$</u>	<u>%</u>
North America	163,532	59.4%	126,639	54.7%
Europe	71,155	25.9%	64,006	27.6%
South America	20,964	7.6%	22,391	9.7%
Asia and others	19,603	7.1%	18,601	8.0%
<b>Total / Total revenue</b>	<b><u>275,254</u></b>	<b><u>100.0%</u></b>	<b><u>231,637</u></b>	<b><u>100.0%</u></b>

For the third quarter of 2016 and 2015, operating revenue per geographic location is as follows:

<u>Sales per geographic destination</u>	<u>Third quarter of 2016</u>		<u>Third quarter of 2015</u>	
	<u>KUS\$</u>	<u>%</u>	<u>KUS\$</u>	<u>%</u>
North America	19,673	51.6%	6,884	38.7%
Europe	7,053	18.5%	2,794	15.7%
South America	8,348	21.9%	5,851	32.9%
Asia and others	3,043	8.0%	2,257	12.7%
<b>Total / Total revenue</b>	<b><u>38,117</u></b>	<b><u>100.0%</u></b>	<b><u>17,786</u></b>	<b><u>100.0%</u></b>

### **North America**

In North America, through its subsidiary Hortifrut Imports Inc., the Company is associated with three of the largest berries producers: Michigan Blueberry Growers Association, Naturipe Berry Growers and Munger Brothers, to together commercialize under the brand Naturipe, during the 52 weeks of the year.

Through this company, it supplies a wide mix of conventional and organic berries to all of the United States and Canada during the whole year.

The commercializing is mainly performed through the Retail and Foodservice channels, reaching the main supermarkets in the country. Naturipe Farms is recognized as one of the main berries brands in the United States and is present in one of the main fruit categories and with the highest growth.

### **Europe**

Hortifrut S.A. is present in the European continent through Euroberry Marketing S.A. (Spain), Euroberry Ltd. (England) and Euroberry B.V. (Holland), directly participating in the commercializing, production, third party sourcing and distribution centers. Together with its partner Atlantic Blue, the largest producer of blueberries in Spain, it now maintains a year round offer with the brands “Southern Sun” and “Berry Collection” in continental Europe and the United Kingdom.

Our customers are the main wholesalers and supermarkets of the largest countries in Europe, with a wide atomization of customers.

### **South America**

Hortifrut Comercial S.A., subsidiary of Hortifrut S.A, maintains the leadership in Chile in the Berries category in the Retail and Food service segments.

The main species commercialized in Chile continues to be strawberries out of the total national commercialized volume. It is of vital relevance to mention that since 2011 the blueberry has been consolidated as the second highest selling berry, over raspberries and blackberries.

Hortifrut Comercial S.A. continues to work on its marketing plan focused on introducing the brand and its products, as well as obtaining the loyalty of its final consumers and the Food Service segment.

In order to maximize the consumption alternatives that the brand offers, the different product lines are highlighted in its advertising: Fresh, Frozen, Dehydrated and concentrated Juices.

The Company commercializes its products in Brazil through its subsidiary Berrygood, with commercial offices in Sao Paulo and operations in the northern and southern states of the country, mainly focusing on the cities of Rio de Janeiro, Brasilia, Campinas, Curitiba and Sao Paulo.

It was created in March 2008 and has focused on the development and growth of the industry of these special fruits in Brazil, strengthening the logistics, sourcing and market establishing areas.

### **Asia**

The Asian market continues to grow at two digit rates for the Company, delivering to the main markets of the region under the brands Southern Sun and Naturipe, with exports from Chile, Argentina, Mexico, United States and Canada and a 52 week a year program with the different berries.

The main Asian countries where the Company commercializes its berries are Japan, Taiwan, Hong Kong, Singapore and Malaysia. It is interesting to state that, together with Naturipe Farms, we are advancing in direct trading with the supermarket chains that both Hortifrut and Naturipe work with in other continents, which places us at the forefront in the development of consumption in these markets.

Likewise, the Hortifrut-San Clemente office located in Shanghai, is advocated to the development of direct business with the international and local chains, and those located in regions far from the large cities, as well as continuing developing business with operators at the terminal markets of Guangzhou, Beijing, Shanghai and Dalian, among others.

The Group segments the financial information per business unit, identifying the following segments:

- a) Blueberries segment
- b) Raspberries segment
- c) Blackberries segment
- d) Strawberries segment
- e) Cherries segment
- f) Value added products segment
- g) Others segment

Results per segment as of September 30, 2016 and 2015, are the following:

### **Operating Margin**

<b>Segment</b>	<b>30-sep-16</b>			<b>30-sep-15</b>		
	<b>Total</b>	<b>Total costs</b>	<b>Operating</b>	<b>Total</b>	<b>Total costs</b>	<b>Operating</b>
	<b>revenue</b>	<b>and expenses</b>	<b>result</b>	<b>revenue</b>	<b>and expenses</b>	<b>result</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Blueberries	195,406	(171,038)	24,368	160,219	(144,082)	16,137
Raspberries	15,444	(13,849)	1,595	16,493	(14,893)	1,600
Blackberries	21,402	(19,422)	1,980	19,229	(17,845)	1,384
Strawberries	9,938	(10,157)	(219)	11,728	(12,946)	(1,218)
Cherries	1,765	(1,386)	379	3,169	(3,131)	38
Value Added Products	31,299	(28,403)	2,896	20,799	(18,038)	2,761
<b>Total</b>	<b>275,254</b>	<b>(244,255)</b>	<b>30,999</b>	<b>231,637</b>	<b>(210,935)</b>	<b>20,702</b>

Results per segments in the third quarter of 2016 and 2015, are as follows:

<b>Segment</b>	<b>Third quarter of 2016</b>			<b>Third quarter of 2015</b>		
	<b>Total</b>	<b>Total costs</b>	<b>Operating</b>	<b>Total</b>	<b>Total costs</b>	<b>Operating</b>
	<b>revenue</b>	<b>and expenses</b>	<b>result</b>	<b>revenue</b>	<b>and expense</b>	<b>result</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Blueberries	25,607	(26,522)	(915)	10,227	(13,495)	(3,268)
Raspberries	1,529	(1,684)	(155)	908	(340)	568
Blackberries	880	(1,040)	(160)	738	(860)	(122)
Strawberries	867	(1,325)	(458)	761	(1,168)	(407)
Cherries	-	-	-	-	(303)	(303)
Value Added Products	9,234	(8,913)	321	5,152	(5,461)	(309)
<b>Total</b>	<b>38,117</b>	<b>(39,484)</b>	<b>(1,367)</b>	<b>17,786</b>	<b>(21,627)</b>	<b>(3,841)</b>

**Calculating total revenue**

	<b>QUARTER</b>			
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>01-jul-16</b>	<b>01-jul-15</b>
<b><u>DETERMINING TOTAL INCOME</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Operating revenue	274,514	231,472	37,768	17,702
Other income, per function, excluding increases in value to fair value of the biological assets	740	165	349	84
<b>Total Revenue</b>	<b><u>275,254</u></b>	<b><u>231,637</u></b>	<b><u>38,117</u></b>	<b><u>17,786</u></b>

**Calculating total costs and expenses**

	<b>QUARTER</b>			
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>01-jul-16</b>	<b>01-jul-15</b>
<b><u>DETERMINING TOTAL COSTS AND EXPENSES</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Cost of sales	223,877	191,936	32,479	15,290
Administrative expenses	19,463	17,682	6,640	6,075
Other expenses, per function, excluding decrease in value to fair value of the biological assets	915	1,317	365	262
<b>Total Costs and Expenses</b>	<b><u>244,255</u></b>	<b><u>210,935</u></b>	<b><u>39,484</u></b>	<b><u>21,627</u></b>

**Other Results Not Attributable to Segments**

	<b>QUARTER</b>			
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>01-jul-16</b>	<b>01-jul-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Financial Revenue	494	319	122	138
Financial Expenses	(3,112)	(2,979)	(928)	(800)
Other profit (loss)	(234)	(384)	(171)	(314)
Participation in the profit (loss) of related and joint ventures which are recorded using the equity method	5,804	3,681	2,882	4,277
Exchange rate differences	1,911	(5,236)	(250)	(2,744)
<b>Total</b>	<b><u>4,863</u></b>	<b><u>(4,599)</u></b>	<b><u>1,655</u></b>	<b><u>557</u></b>
<b>Before tax profit</b>	<b><u>35,862</u></b>	<b><u>16,103</u></b>	<b><u>288</u></b>	<b><u>(3,284)</u></b>
Gains tax expenses	(8,398)	(6,779)	(274)	(864)
<b>Profit from continued operations</b>	<b><u>27,464</u></b>	<b><u>9,324</u></b>	<b><u>14</u></b>	<b><u>(4,148)</u></b>
Profit (loss), attributable to the parent company's equity holders	23,331	7,065	292	(3,587)
Profit (loss), attributable non parent company equity holders	4,133	2,259	(278)	(561)
<b>Profit of the period</b>	<b><u>27,464</u></b>	<b><u>9,324</u></b>	<b><u>14</u></b>	<b><u>(4,148)</u></b>

**Determining EBITDA**

	<b>QUARTER</b>			
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>01-jul-16</b>	<b>01-jul-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
<b><u>DETERMINING EBITDA</u></b>				
Operating revenue	274,514	231,472	37,768	17,702
Other revenue, per function, excluding the increase in value to fair value of the biological assets	740	165	349	84
<b>Total Revenue</b>	<b><u>275,254</u></b>	<b><u>231,637</u></b>	<b><u>38,117</u></b>	<b><u>17,786</u></b>
Cost of sales	(223,877)	(191,936)	(32,479)	(15,290)
Administrative expense	(19,463)	(17,682)	(6,640)	(6,075)
Other expenses, per function, excluding decrease in value to fair value of the biological assets	(915)	(1,317)	(365)	(262)
<b>Total Costs and Expenses</b>	<b><u>(244,255)</u></b>	<b><u>(210,935)</u></b>	<b><u>(39,484)</u></b>	<b><u>(21,627)</u></b>
<b>Operating Result</b>	<b><u>30,999</u></b>	<b><u>20,702</u></b>	<b><u>(1,367)</u></b>	<b><u>(3,841)</u></b>
Depreciation and amortization	14,909	13,258	3,960	3,469
<b>EBITDA</b>	<b><u>45,908</u></b>	<b><u>33,960</u></b>	<b><u>2,593</u></b>	<b><u>(372)</u></b>

**NOTE 6 – FINANCIAL INSTRUMENTS**

**6.a) FINANCIAL INSTRUMENTS PER CATEGORY**

Assets	Financial Assets and Accounts receivable <u>KUS\$</u>	Assets at fair Value through results <u>KUS\$</u>	Hedging instruments <u>KUS\$</u>	Total <u>KUS\$</u>
<b><u>September 30, 2016</u></b>				
Cash and cash equivalents	25,849	7,946	-	33,795
Other current financial assets	-	-	2,871	2,871
Current trade debtors and other accounts receivable	25,085	-	-	25,085
Current accounts receivable from related entities	32,712	-	-	32,712
Other non current financial assets	-	-	1,737	1,737
Non current accounts receivable from related entities	7,560	-	-	7,560
Non current fees receivable	2,688	-	-	2,688
<b>Total</b>	<b><u>93,894</u></b>	<b><u>7,946</u></b>	<b><u>4,608</u></b>	<b><u>106,448</u></b>

Liabilities	Other financial liabilities <u>KUS\$</u>	Liabilities at fair value with changes in result <u>KUS\$</u>	Hedging instruments <u>KUS\$</u>	Total <u>KUS\$</u>
<b><u>September 30, 2016</u></b>				
Current trade accounts and other accounts payable	23,277	-	-	23,277
Current accounts payable to related entities	16,55	-	-	16,575
Non current accounts payable to related entities	11,769	-	-	11,769
Other current financial liabilities	101,663	-	-	101,663
Other non current financial liabilities	50,206	-	1,502	51,708
<b>Total</b>	<b><u>203,490</u></b>	<b><u>-</u></b>	<b><u>1,502</u></b>	<b><u>204,992</u></b>

Assets	Financial Assets and Accounts receivable <u>KUS\$</u>	Assets at fair value through results <u>KUS\$</u>	Hedging instruments <u>KUS\$</u>	Total <u>KUS\$</u>
<b><u>December 31, 2015</u></b>				
Cash and ash equivalents	21,989	2,610	-	24,599
Other current financial assets	-	-	3	3
Current trade debtors and other accounts receivable	44,512	-	-	44,512
Current accounts receivable from related entities	38,555	-	-	38,555
Non current accounts receivable from related entities	9,669	-	-	9,669
Non current fees receivable	1,286	-	-	1,286
<b>Total</b>	<b><u>116,011</u></b>	<b><u>2,610</u></b>	<b><u>3</u></b>	<b><u>118,624</u></b>

Liabilities	Other financial liabilities <u>KUS\$</u>	Liabilities at fair value with changes in result <u>KUS\$</u>	Hedging instruments <u>KUS\$</u>	Total <u>KUS\$</u>
<b><u>December 31, 2015</u></b>				
Current trade accounts and other accounts payable	46,686	-	-	46,686
Current accounts payable to related entities	2,253	-	-	2,253
Non current accounts payable to related entities	22,734	-	-	22,734
Other current financial liabilities	98,251	-	1,888	100,139
Other non current financial liabilities	60,224	-	1,701	61,925
<b>Total</b>	<b><u>230,148</u></b>	<b><u>-</u></b>	<b><u>3,589</u></b>	<b><u>233,737</u></b>

## 6.b) CREDITWORTHINESS OF FINANCIAL ASSETS

The Company's financial assets can be mainly classified into two large groups i) Commercial Credits with Customers which to measure their risk level are classified according to the age of the debt and provisions are made for bad debt, and ii) Financial investments performed by the Company in accordance with the criteria indicated in NOTE 3:

<b>Current Assets</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Mutual Funds and term deposits, classification AA+fm/M1	7,946	2,610
Bank Current Accounts AAA	25,849	21,989
<b>Sub-total Cash and cash equivalents</b>	<b><u>33,795</u></b>	<b><u>24,599</u></b>
Currency forwards operations	2,614	3
Hedging-option operations	257	-
<b>Total other current financial assets</b>	<b><u>2,871</u></b>	<b><u>3</u></b>
Trade debtors and other accounts receivable, without credit rating	25,085	44,512
<b>Sub-total Current trade debtors and other accounts receivable</b>	<b><u>25,085</u></b>	<b><u>44,512</u></b>
<b>Total</b>	<b><u>61,751</u></b>	<b><u>69,114</u></b>

None of the financial assets pending expiry have been the object of renegotiation during the period.

There are no significant expired financial assets as of the closing of the period.

## 6.c) ESTIMATING FAIR VALUE

Financial assets recorded at fair value in the consolidated statement of financial position, have been measured based on the methods stated in IAS 39. In order to apply the criteria when determining the fair value of the financial assets, the following parameters have been considered:

Level I: Values or quotation prices in active markets for identical assets and liabilities.

Level II: Information from sources that differ from the Level I quotation values, but that can be observed in markets for the assets and liabilities, whether it is in a direct manner (prices) or indirect (derived from prices).

Level III: Information for assets or liabilities that is not based on observable market data.



The following table presents the financial assets that are measured at fair value as of September 30, 2016 and December 31, 2015:

<u>Assets/(Liabilities)</u>	Fair value as of September 30, 2016 <u>KUS\$</u>	Fair value measurements using values considered as		
		Level I	Level II	Level III
		<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Short term mutual funds	7,946	7,946	-	-
Currency forwards operations	2,614	-	2,614	-
Hedging-option operations	257	-	257	-
Non current currency forwards operations	1,150	-	1,150	-
Non current hedging-option operations	587	-	587	-
Non current Cross Currency Swap Operations	(1,502)	-	(1,502)	-

<u>Assets/(Liabilities)</u>	Fair value as of December 31, 2015 <u>KUS\$</u>	Fair value measurements using values considered as		
		Level I	Level II	Level III
		<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Short term mutual funds	2,610	2,610	-	-
Currency forwards operations	3	-	3	-
Current Cross Currency Swap Operations	(15)	-	(15)	-
Currency forwards operations	(1,839)	-	(1,839)	-
Hedging-option operations	(34)	-	(34)	-
Non current currency forwards operations	(300)	-	(300)	-
Non current cross currency swap operations	(1,401)	-	(1,401)	-

## 6.d) INFORMATIVE FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows fair values, based on financial instrument categories, compared with the current and non current book value included in the consolidated statements of financial position:

	<u>30-sep-16</u>		<u>31-dec-15</u>	
	<u>Book value</u>	<u>Fair value</u>	<u>Book value</u>	<u>Fair value</u>
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
<b>Assets</b>				
Cash and cash equivalents				
Bank balances	25,849	25,849	21,989	21,989
Term deposits	-	-	-	-
Mutual funds	7,946	7,946	2,610	2,610
Other current financial assets	2,871	2,871	3	3
Current trade debtors and other accounts receivable and non current fees receivable	27,773	27,773	45,798	45,798
Current accounts receivable from related entities	32,712	32,712	38,555	38,555
Other non current financial assets	1,737	1,737	-	-
Non current accounts receivable from related entities	7,560	7,560	9,669	9,669
<b>Liabilities</b>				
Other current financial liabilities	101,663	101,663	100,139	100,139
Other non current financial liabilities	51,708	51,708	61,925	61,925
Current trade accounts and other accounts payable	23,277	23,277	46,686	46,686
Other non current accounts payable	-	-	756	756
Current accounts payable to related entities	16,575	16,575	2,253	2,253
Non current accounts payable to related entities	11,769	11,769	22,734	22,734

The book value of current accounts receivable, cash and cash equivalents, and other financial assets and liabilities is close to the fair value because of the short term nature of these instruments and for accounts receivable, because any loss due to recoverability is already reflected in the loss due to impairment provisions. The fair value of non derivative financial assets and liabilities, without quotations on active markets, is estimated via the use of discounted cash flows calculated over market variables that can be observed on the date of the financial statements. The fair value of the derivative instruments is estimated via the future discount cash flows, determined based on information that can be observed in the market or over variables and prices obtained from third parties.

**NOTE 7 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents correspond to money balances held in current bank accounts, term deposits and other financial investments with an expiry of less than 90 days.

The detail of cash and cash equivalents as of September 30, 2016 and December 31, 2015, is as follows:

<b>Types of Cash and Cash Equivalents</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Bank balances	25,849	21,989
Mutual funds	7,946	2,610
<b>Total cash and cash equivalents</b>	<b><u>33,795</u></b>	<b><u>24,599</u></b>

1.- Detail per currency of cash and cash equivalents held as of September 30, 2016 and December 31, 2015, is as follows:

<b>Type of currency</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
United States Dollar	27,298	11,888
Chilean Peso	903	1,263
Mexican Peso	329	248
Euro	5,184	10,739
Pound	2	2
Brazilian Real	58	267
Argentine Peso	21	192
<b>Total</b>	<b><u>33,795</u></b>	<b><u>24,599</u></b>

2.- The detail of mutual funds per bank as of September 30, 2016 and December 31, 2015, is as follows:

<b>Investments in mutual funds</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Banco Crédito e Inversiones	7,468	1,229
Banco Santander Chile	393	1,188
Itaú - Brazil	85	193
<b>Total investments in mutual funds</b>	<b><u>7,946</u></b>	<b><u>2,610</u></b>

Mutual fund units are fixed income and are recorded at the market value through the unit value at the closing of each period.

Mutual funds are held by the Group until the moment that they comply with their operating obligations.

**NOTE 8 – OTHER CURRENT AND NON CURRENT FINANCIAL ASSETS**

These assets represent the effects of currency forwards instruments used to cover the potential financial risk associated to the volatility of costs and expenses to be incurred in Chilean pesos in the agricultural and export business (see Note 3.3).

The detail of Other financial assets as of September 30, 2016 and December 31, 2015, is as follows:

<b>Current</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Currency forward operations	2,614	3
Hedging-option operations	<u>257</u>	<u>-</u>
<b>Total other current financial assets</b>	<b><u><u>2,871</u></u></b>	<b><u><u>3</u></u></b>
<b>Non Current</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Currency forward operations	1,150	-
Hedging-option operations	<u>587</u>	<u>-</u>
<b>Total other non current financial assets</b>	<b><u><u>1,737</u></u></b>	<b><u><u>-</u></u></b>

No inefficiency is recorded during the period in the Company's results, which arise from the aforementioned hedging of derivatives operations.

a) The detail of the current forward operations, held by Hortifrut S.A. and subsidiaries is as follows:

**As of September 30, 2016:**

Company	Bank	Contract Modality	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting	MTM					Expiry up to 1 to 2 years	Total non current 9/30/2016	
					Amount	Currency			Expiry up to				Total current 9/30/2016			
									KUS\$	KUS\$	KUS\$	KUS\$				KUS\$
Agr. Vida Nueva S.A.	Santander	Offsetting	Sale	USD	850	CLP	944	94	17	63	6	-	86	-	-	
Hortifrut Chile S.A.	BBVA	Offsetting	Sale	USD	5,818	CLP	6,521	703	94	112	46	55	307	246	246	
Hortifrut Chile S.A.	BCI	Offsetting	Sale	USD	11,636	CLP	13,063	1,427	197	234	94	111	636	479	479	
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	2,614	CLP	2,923	309	103	124	51	-	278	-	-	
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	2,614	CLP	2,917	303	103	122	51	-	276	-	-	
Hortifrut Chile S.A.	Security	Offsetting	Sale	USD	786	CLP	903	117	41	50	20	-	111	-	-	
Hortifrut S.A.	BBVA	Offsetting	Sale	USD	3,331	CLP	3,732	401	37	102	9	24	172	143	143	
Hortifrut S.A.	BCI	Offsetting	Sale	USD	6,662	CLP	7,473	811	77	213	19	49	358	282	282	
Hortifrut S.A.	Santander	Offsetting	Sale	USD	1,535	CLP	1,714	179	40	112	10	-	162	-	-	
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	1,535	CLP	1,711	176	40	112	10	-	162	-	-	
Hortifrut S.A.	Security	Offsetting	Sale	USD	460	CLP	529	69	17	45	4	-	66	-	-	
<b>Total</b>					<b>3/31/2016</b>		<b>37,841</b>	<b>42,430</b>	<b>766</b>	<b>1,289</b>	<b>320</b>	<b>239</b>	<b>2,614</b>	<b>1,150</b>	<b>1,150</b>	

**As of December 31, 2015:**

Company	Bank	Contract Modality	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting	MTM					Expiry up to 1 to 2 years	Total non current 12/31/2015	
					Amount	Currency			Expiry up to				Total current 12/31/2015			
									KUS\$	KUS\$	KUS\$	KUS\$				KUS\$
Hortifrut Chile S.A.	BCI	Offsetting	Sale	CLP	590	USD	603	13	-	-	3	-	3	-	-	
Hortifrut Chile S.A.	BCI	Offsetting	Sale	CLP	203	USD	208	5	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	BCI	Offsetting	Sale	CLP	590	USD	605	15	-	-	-	-	-	-	-	
Hortifrut S.A.	Scotiabank	Offsetting	Sale	CLP	204	USD	204	-	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	BCI	Offsetting	Sale	CLP	261	USD	267	6	-	-	-	-	-	-	-	
Hortifrut S.A.	BCI	Offsetting	Sale	CLP	84	USD	86	2	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	BCI	Offsetting	Sale	CLP	261	USD	267	6	-	-	-	-	-	-	-	
<b>Total</b>					<b>12/31/2015</b>		<b>2,193</b>	<b>2,240</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	

Type of fees from the company's perspective

b) The detail of current option operations, held by Hortifrut S.A. and subsidiaries is as follows:

**As of September 30, 2016:**

<u>Company</u>	<u>Bank</u>	<u>Contract</u>		<u>Fees</u>		<u>Liabilities</u>		<u>Closing Value</u>		<u>Net Effect</u>		<u>MTM Closing</u>		<u>Expiry</u>
		<u>Modality</u>	<u>Type</u>	<u>Currency</u>	<u>Amount</u>	<u>Currency</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Offsetting</u>	<u>Exchange Rate</u>	<u>Exchange Rate</u>	<u>Date</u>	
					<u>KUS\$</u>		<u>KUS\$</u>	<u>KUS\$</u>		<u>KUS\$</u>		<u>KUS\$</u>		
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	61	USD	54	54		7		7		20-Oct-16
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	86	USD	77	77		9		9		21-Nov-16
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	141	USD	126	126		15		15		20-Dec-16
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	160	USD	143	143		17		17		20-Jan-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	116	USD	103	103		13		12		20-Feb-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	75	USD	67	67		8		8		20-Mar-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	54	USD	48	48		6		5		20-Apr-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	49	USD	44	44		5		5		19-May-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	44	USD	39	39		5		4		20-Jun-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	280	USD	249	249		31		27		20-Jul-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	301	USD	268	268		33		29		21-Aug-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	363	USD	323	323		40		34		20-Sep-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	25	USD	22	22		3		3		20-Oct-16
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	33	USD	29	29		4		4		21-Nov-16
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	54	USD	48	48		6		5		20-Dec-16
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	184	USD	164	164		20		19		20-Jan-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	104	USD	93	93		11		10		20-Feb-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	30	USD	27	27		3		3		20-Mar-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	13	USD	12	12		1		1		20-Apr-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	8	USD	7	7		1		1		19-May-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	9	USD	8	8		1		1		20-Jun-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	146	USD	130	130		16		14		20-Jul-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	133	USD	118	118		15		12		21-Aug-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	139	USD	124	124		15		12		20-Sep-17
<b>Total</b>					<b>2,608</b>		<b>2,323</b>		<b>285</b>		<b>257</b>			

c) The detail of non current option operations, held by Hortifrut S.A. and subsidiaries is as follows:

**As of September 30, 2016:**

Company	Bank	Contract Modality	Fees Type	Currency	Liabilities		Closing Value	Net Effect	MTM Closing	Expiry Date
					Amount	Currency	Amount	Offsetting	Exchange Rate	
					KUS\$		KUS\$	KUS\$	KUS\$	
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	361	USD	325	36	30	20-Jul-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	509	USD	459	50	42	21-Aug-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	834	USD	752	82	68	20-Sep-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	944	USD	851	93	76	20-Oct-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	683	USD	616	67	54	20-Nov-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	446	USD	402	44	35	20-Dec-17
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	317	USD	286	31	24	19-Jan-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	287	USD	259	28	22	20-Feb-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	257	USD	232	25	19	20-Mar-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	149	USD	134	15	12	20-Apr-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	197	USD	178	19	16	18-May-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	322	USD	290	32	26	20-Jun-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	1,089	USD	982	107	87	20-Jul-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	612	USD	552	60	48	21-Aug-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	180	USD	162	18	14	20-Sep-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	77	USD	69	8	6	20-Oct-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	47	USD	42	5	4	20-Nov-17
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	53	USD	48	5	4	20-Dec-17
					<b>7,364</b>		<b>6,639</b>	<b>725</b>	<b>587</b>	

**NOTE 9 – TRADE DEBTORS AND OTHER CURRENT ACCOUNTS RECEIVABLE/NON CURRENT FEES RECEIVABLE**

The detail of trade debtors and other accounts receivable as of September 30, 2016 and December 31, 2015 is as follows:

<b>30-sep-16</b>						
<b>Current per country of origin</b>	<b>Sales</b>	<b>Documents</b>	<b>Others</b>	<b>Recoverable</b>	<b>Provision</b>	<b>Total</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>taxes</b>	<b>KUS\$</b>	<b>KUS\$</b>
Chile	5,578	1,575	889	2,235	(469)	9,808
Spain	4,933	-	204	2,389	(12)	7,514
Mexico	975	-	6,358	1,126	(1,458)	7,001
Brazil	542	-	226	-	(200)	568
Argentina	-	-	196	52	(54)	194
<b>Total</b>	<b>12,028</b>	<b>1,575</b>	<b>7,873</b>	<b>5,802</b>	<b>(2,193)</b>	<b>25,085</b>

<b>31-dic-15</b>						
<b>Current per country of origin</b>	<b>Sales</b>	<b>Documents</b>	<b>Others</b>	<b>Recoverable</b>	<b>Provision</b>	<b>Total</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>taxes</b>	<b>KUS\$</b>	<b>KUS\$</b>
Chile	5,428	2,765	1,526	9,089	(1,029)	17,779
Spain	10,253	-	170	1,705	(10)	12,118
Mexico	4,728	-	8,419	795	(1,213)	12,729
Brazil	647	-	545	-	-	1,192
Argentina	-	-	320	437	(63)	694
<b>Total</b>	<b>21,056</b>	<b>2,765</b>	<b>10,980</b>	<b>12,026</b>	<b>(2,315)</b>	<b>44,512</b>

The concept others, mainly corresponds to advanced payments to producers and suppliers.

The detail of non current accounts receivable as of September 30, 2016 and December 31, 2015 is as follows:

<b>Non current</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b>KUS\$</b>	<b>KUS\$</b>
Non current debtors and accounts receivable	892	475
Other non current fees receivable	901	811
Other accounts receivable – advanced payments	895	-
<b>Total non current fees receivable</b>	<b>2,688</b>	<b>1,286</b>



Recoverable taxes, the detail of recoverable taxes, presented in other accounts receivable are:

	<b>30-sep-16</b>	<b>31-dec-15</b>
Tax receivable accounts	<u>KUS\$</u>	<u>KUS\$</u>
Iva (vat) tax credit	4,805	9,956
Customs refund	2	184
Other recoverable taxes	<u>995</u>	<u>1,886</u>
<b>Total</b>	<b><u>5,802</u></b>	<b><u>12,026</u></b>

The fair value of trade debts and other accounts receivable does not differ from its book value.

### Stratification of the portfolio

The Company does not keep a securitized portfolio as of September 30, 2016 and December 31, 2015. Below is an analysis by age of the trade debts and accounts receivable:

Terms	<b>30-sep-16</b>		<b>31-dec-15</b>	
	NON SECURITIZED PORTFOLIO		NON SECURITIZED PORTFOLIO	
	Customers non re-negotiated portfolio N°	Amount non re-negotiated portfolio KUSD	Customers non re-negotiated portfolio N°	Amount non re-negotiated portfolio KUSD
Up to date	584	13,040	662	21,330
From 1 to 30 days	37	328	651	449
From 31-60 days	23	6	84	105
From 61-90 days	8	101	26	284
From 91-120 days	17	2	7	14
From 121-150 days	7	7	11	42
From 151 to 180 days	13	36	19	149
From 181 to 210 days	19	42	71	214
From 211 to 250 days	23	68	32	139
Over 250 days	<u>271</u>	<u>865</u>	<u>378</u>	<u>1,570</u>
<b>Total</b>	<b><u>1,002</u></b>	<b><u>14,495</u></b>	<b><u>1,941</u></b>	<b><u>24,296</u></b>
<b>Provision</b>		<u>(797)</u>		<u>(879)</u>
<b>Total (net)</b>		<b><u>13,698</u></b>		<b><u>23,417</u></b>

The stratification of the portfolio includes: Sales debtors, Notes receivable, non current debtors.

Analysis of future expiries (future flows) of these accounts is as follows:

<b>Terms</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
Up to date	2,207	8,890
From 1 to 30 days	3,606	10,949
From 31-60 days	9,335	9,262
From 61-90 days	2,027	3,130
From 91-120 days	171	3,041
From 121-150 days	486	3,170
From 151 to 180 days	-	770
From 181 to 210 days	876	237
From 211 to 250 days	3,085	2,106
Over 250 days	3,291	2,957
<b>Total</b>	<u><b>25,084</b></u>	<u><b>44,512</b></u>

The amounts correspond to trade debtors and other accounts receivable individually impaired, which are provisioned as bad debt in their total, these are as follows:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
National trade debtors	568	371
Notes receivable	228	508
Other accounts receivable	1,397	1,436
<b>Total</b>	<u><b>2,193</b></u>	<u><b>2,315</b></u>

Balances due to currency that make up Trade debtors and other accounts receivable as of September 30, 2016 and December 31, 2015, are as follows:

<b>Type of currency</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
United States Dollar	9,002	14,894
Chilean Peso	4,023	11,122
Euro	5,437	11,603
Mexican Peso	3,744	4,492
Argentine Peso	192	693
Brazilian Real	568	1,192
Nuevo Sol	2,119	516
<b>Total</b>	<u><b>25,085</b></u>	<u><b>44,512</b></u>

The Company constitutes provisions due to the evidence of impairment of trade debts. The criteria used to determine if there is objective evidence of loss due to impairment are the maturity of the portfolio, concrete acts of impairment (default) and concrete market signs.

The movement of provision due to loss caused by the impairment of the value of the national and foreign

trade debtors as of September 30, 2016 and December 31, 2015, is as follows:

<b>Movement</b>	<b>30-sep-16</b> <b>KUS\$</b>	<b>31-dec-15</b> <b>KUS\$</b>
As of January 01	2,315	2,215
Reversal of provision	-	(79)
Write-offs	(576)	-
Increase of provision	409	271
Exchange rate difference	45	(92)
<b>Total</b>	<b>2,193</b>	<b>2,315</b>

Once all the preliminary and judicial collection efforts have been made, we proceed to write off the assets against the constituted provision.

The historical renegotiations and those which are currently valid are not very relevant and the policy is to analyze case by case in order to classify them depending on the existence of risk, determining if its reclassification to prejudicial collection accounts corresponds. If reclassification corresponds, it is constituted a provision of the overdue and nearly overdue.

The maximum exposure to credit risk as of the presentation date of the information is the book value of each of the accounts receivable categories indicated beforehand.

	<b>As of September 30, 2016</b>			<b>As of December 31, 2015</b>		
	<b>Gross exposure as per balance</b>	<b>Gross impaired exposure</b>	<b>Net exposure concentration of risk</b>	<b>Gross exposure as per balance</b>	<b>Gross impaired exposure</b>	<b>Net exposure concentration of risk</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Trade Debtors	12,028	(568)	11,460	21,056	(371)	20,685
Notes receivable	1,575	(228)	1,347	2,765	(508)	2,257
Other accounts receivable	7,873	(1,397)	6,476	10,980	(1,436)	9,544
Recoverable taxes	5,802	-	5,802	12,026	-	12,026
<b>Total</b>	<b>27,278</b>	<b>(2,193)</b>	<b>25,085</b>	<b>46,827</b>	<b>(2,315)</b>	<b>44,512</b>

**NOTE 10 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

Related parties include the following entities and individuals:

- a) Shareholders with the possibility to exercise control
- b) Subsidiaries and members of subsidiaries
- c) Parties with an interest in the entity which grants them significant influence over it
- d) Parties with joint control over the entity
- e) Associates
- f) Interests in joint business
- g) Key management personnel, from the entity or its parent company
- h) Relatives close to the individuals described in the previous points
- i) An entity that is controlled, or is controlled in a joint manner by any of the individuals described in the two previous points.

**10.1. Accounts receivable from related entities**

In general, transactions with related Companies are of immediate payment or charge and are not subject to special conditions. These operations adjust to what is established under title XVI of Law N° 18.046, regarding Closely-held Corporations.

The transfer of short term funds from and to the parent company or between related Companies, which do not correspond to the charging or payment of services, are structured under the trade current account modality, establishing an interest rate for the monthly balance, as per market conditions.

Accounts receivable and accounts payable to related entities as of September 30, 2016 and December 31, 2015, are detailed as follows:

<u>Current Account Receivable</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Nature of the Relationship</u>	<u>Type of Currency</u>	<u>30-Sep-16</u>	<u>31-Dec-15</u>
					<u>KUS\$</u>	<u>KUS\$</u>
Naturipe Farms LLC	0-E	USA	Associated	US\$	9,126	20,237
Naturipe Value Added Foods LLC	0-E	USA	Associated	US\$	8,071	6,781
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	7,096	6,440
Expofresh S.A.	0-E	Argentina	Common shareholder in associated	US\$	4,188	-
Valles del Sur SpA	76.243.329-k	Chile	Accionista	US\$	2,593	2,275
Sociedad Agrícola Catapilco Limitada	78241100-4	Chile	Shareholder in subsidiary	CLP	885	915
Hortifrut Expofresh S.A.	0-E	Argentina	Associated	US\$	570	514
Margesi S.A.	0-E	Argentina	Associated	US\$	59	59
Cooperativa de Agricultores Gijon.	0-E	Spain	Affiliated of a common shareholder in subsidiary	EUR	42	221
Juan Carlos Garcia	0-E	Spain	Common Shareholder	EUR	37	40
Atlantic Green S.L.	0-E	Spain	Common Shareholder	EUR	34	33
Berry Blue, LLC	0-E	USA	Associated	US\$	4	3
Euroberry GmbH	0-E	Germany	Shareholder in subsidiary	EUR	3	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common Shareholder	CLP	3	-
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Chile	Common Shareholder	CLP	1	2
Naturipe Berry Growers	0-E	USA	Associated	US\$	-	404
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	-	382
Vilcun Organics SpA	76.158.225-9	Chile	Common Shareholder	US\$	-	210
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common Shareholder	US\$	-	39
<b>Total</b>					<b>32,712</b>	<b>38,555</b>

Current accounts receivable correspond to trade operations whose collection period is between 1 and 3 months.

Non current accounts receivable correspond to the financing of investments whose collection period is over 3 years.

<u>Non current accounts receivable</u>	<u>RUT</u>	<u>Country of origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>30-sep-16</u>	<u>31-dec-15</u>
					<u>KUS\$</u>	<u>KUS\$</u>
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	3,485	3,485
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	2,123	-
Tierras de Berries S.A.	0-E	Argentina	Common shareholder in associated	US\$	1,952	3,252
Hortifrut Tal S.A.C	0-E	Peru	Associated	US\$	-	2,788
Atlantic Blue,S.L.	0-E	Spain	Common shareholder	EUR	-	144
<b>Total</b>					<b>7,560</b>	<b>9,669</b>

## 10.2. Accounts payable to related entities

Accounts payable to related entities as of September 30, 2016 and December 31, 2015, are detailed as follows:

<u>Current accounts payable</u>	<u>RUT</u>	<u>Country of origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>30-sep-16</u>	<u>31-dec-15</u>
					<u>KUS\$</u>	<u>KUS\$</u>
Munger Bros, LLC	0-E	USA	Common shareholder	US\$	9,010	-
Hortifrut Tal S.A.C	0-E	Peru	Associated	US\$	3,488	-
Tal S.A.C.	0-E	Peru	Affiliated of a shareholder in subsidiary	US\$	2,613	563
Andes del Sur Inversiones Ltda.	76.463.392-K	Chile	Common shareholder	CLP	598	-
Agrícola Santa Carmen Ltda	86.776.400-3	Chile	Common shareholder	US\$	381	456
Naturipe Berry Growers, LLC	0-E	USA	Associated	US\$	158	-
Agrícola San José de Tilama S.A.	76.043.289-K	Chile	Common shareholder	US\$	137	7
Pacific Berry Breeding, LLC	0-E	USA	Associated	US\$	57	57
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common shareholder	US\$	57	-
Arandos del Rocío, S.L.	0-E	Spain	Common shareholder	EUR	29	-
Atlantic Blue Berries Maroc, SARL	0-E	Spain	Common shareholder	EUR	25	66
Atlantic Blue, S.L.	0-E	Spain	Common shareholder	EUR	21	-
Munger Farms, LLC	0-E	USA	Common shareholder	US\$	1	-
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	-	915
Expofresh S.A.	0-E	Argentina	Common shareholder	US\$	-	83
Santa Maria de Gorbea S.A.	99.567.570-6	Chile	Common shareholder	CLP	-	79
Agrícola e Inmobiliaria Don Vitoco	16849.930-6	Chile	Common shareholder	CLP	-	27
<b>Total</b>					<b>16,575</b>	<b>2,253</b>

Current accounts payable correspond to trade operations, the payment period is between 1 and 45 days.

<u>Non current accounts payable</u>	<u>RUT</u>	<u>Country of origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>30-sep-16</u>	<u>31-dec-15</u>
					<u>KUS\$</u>	<u>KUS\$</u>
Royal Berries S.L.	0-E	Spain	Affiliated of a shareholder in subsidiary	EUR	10,340	10,316
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	988	-
Inversiones Purranque S.A.	96.539.710-8	Chile	Shareholder in subsidiary	CLP	441	408
Munger Bros, LLC	0-E	USA	Common shareholder	US\$	-	12,010
<b>Total</b>					<b>11,769</b>	<b>22,734</b>

Non current accounts payable correspond to the financing of investments with a liquidation period higher than 3 years.

The operating license for varieties of berries to operate in America, contracted with Royal Berries S.L., for US\$20 million. On February 12, 2015, a StandBy Letter was issued with Banco Estado in order to guarantee the faithful compliance of payment of the commitment contracted with Royal Berries S.L., as of September 30, 2016, once 50% of the debt was paid, the balance of the Stand By Letter is at US\$10 million.

### 10.3. Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending September 30, 2016 and 2015:

COMPANY	RUT	NATURE OF THE RELATIONSHIP	Description of the transaction	Effect on result (charge)/ deposit		Effect on result (charge)/ deposit	
				30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
				KUS\$	KUS\$	KUS\$	KUS\$
Naturipe Farms LLC	0-E	Associated	Fruit sales	132,510	15,048	106,733	12,042
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit sales	22,877	2,598	17,531	1,978
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit purchase	149	-	-	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Fruit purchase	6,432	-	5,469	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from packing services, materials and others	114	-	213	24
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from sale of plants	146	17	15	2
Naturipe Value Added Foods LLC	0-E	Associated	Fruit sales	20,883	2,371	14,195	1,602
Naturipe Value Added Foods LLC	0-E	Associated	Fruit purchase	205	-	-	-
Naturipe Berry Growers	0-E	Associated	Fruit sales	3,530	401	2,398	271
Sociedad Agrícola Catapilco Ltda.	78.241.100-4	Common shareholder	Advanced purchase of plants (Nursery)	3,564	-	1,707	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Fruit purchase	27	-	122	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Income from packing services, materials and others	13	-	58	-
Atlantic Blue S.L.	0-E	Common shareholder in subsidiary	Interest expenses	15	(15)	-	-
Valles del Sur SpA	76.243.329-k	Accionista	Fruit purchase	5,993	-	5,971	-
Valles del Sur SpA	76.243.329-k	Accionista	Income from packing services, materials and others	268	-	626	71
Valles del Sur SpA	76.243.329-k	Accionista	Income from the sale of plants	426	48	87	10
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Fruit purchase	446	-	137	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Income from packing services, materials and others	2	-	25	3
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Income from the sale of plants	27	3	-	-
Vilcun Organics SPA	76.158.225-9	Common shareholder	Income from packing services, materials and others	-	-	165	19
Vilcun Organics SPA	76.158.225-9	Common shareholder	Fruit purchase	1,722	-	2,114	-
Santa Maria de Gorbea S.A.	99.567.57 0-6	Common shareholder	Income from packing services, materials and others	-	-	34	4
Santa Maria de Gorbea S.A.	99.567.57 0-6	Common shareholder	Fruit purchase	165	-	240	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Fruit purchase	106	-	65	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Income from packing services, materials and others	8	-	-	-
Horacio Schmidt Cortes	3.171.221-1	Shareholder in subsidiary	Received services	3	-	-	-
Horacio Schmidt Cortes	3.171.221-1	Shareholder in subsidiary	Earned interests	348	-	-	-
Andes del Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Paid dividend	870	-	-	-
Andes del Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Received loan	585	-	-	-
San José Farms S.A.	77.403.750-0	Shareholder	Received services	10	-	-	-
Hortifrut Tal S.A.C	0-E	Associated	Fruit purchase	13,685	-	5,223	-
Hortifrut Tal S.A.C	0-E	Associated	Income from the sale of plants	1,075	122	1,954	220
Tal S.A.C	0-E	Common shareholder in associated	Fruit purchase	7,396	-	2,199	-
Tal S.A.C	0-E	Common shareholder in associated	Income from the sale of plants	665	-	840	95
Tierras de Berries S.A.	0-E	Common shareholder in associated	Advanced payment to producer	-	-	3,249	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Loan	-	-	1,349	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Charge from advanced payments	1,300	-	-	-
Expofresh S.A.	0-E	Common shareholder in associated	Advanced payment to producer	7,178	-	1,650	-
Expofresh S.A.	0-E	Common shareholder in associated	Fruit purchase	2,990	-	19	-
Royal Berries S.L.	0-E	Common shareholder	Fruit sales	112	13	53	-
Royal Berries S.L.	0-E	Common shareholder	Purchase berries genetic (plants)	-	-	20,000	-
Royal Berries S.L.	0-E	Common shareholder	Payment - purchase genetic (plants)	1,254	-	10,000	-
Royal Berries S.L.	0-E	Common shareholder	Interest expenses	290	(290)	-	-
Atlantic Green S.L.	0-E	Associated	Fruit sales	-	-	28	-
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Income from packing services, materials and others	14	-	-	-
Inversiones Canihua	95.526.000-7	Shareholder in subsidiary	Paid dividend	375	-	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Loan	1,964	-	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Earned interests	33	33	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Income from the sale of plants	123	14	-	-
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Lease	51	-	-	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Income from the sale of plants	222	66	-	-
Tierras de Arándanos S.A.	0-E	Common shareholder in associated	Income from the sale of plants	56	16	-	-
Margesi S.A.	0-E	Associated	Income from the sale of plants	23	8	-	-

Hortifrut and subsidiaries, have as their policy to inform the main transactions that it performs with related parties during the period, except for paid dividends, received capital contributions, which are not considered transactions.

#### **10.4. Board Remunerations and fees and Remunerations of key executives**

The allowances, remunerations and ownership interests of the Board members as of September 30, 2016 reach KUS\$634 of which KUS\$136 correspond to interests. For the same period in 2015 the total of allowances, consulting and ownership interests reached KUS\$612.

The total gross remuneration received by the main executives at Hortifrut and subsidiaries reached KUS\$2,229 as of September 30, 2016 and KUS\$2,988 as of September 30, 2015.

Main executive managers are those that have the authority and the responsibility to plan, direct and control the company's activities, whether it be directly or indirectly, including any member (executive or not) of the administrative council or of a government body, its equivalent in the company.

**NOTE 11 - STOCK**

The stock detail at the closing of the period ending September 30, 2016 and the period ending December 31, 2015 is as follows:

<u>Types of stock</u>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u>KUS\$</u>	<u>KUS\$</u>
Finished products	6,406	22,101
Raw material	414	2,238
Frozen finished products	7,323	6,348
Materials and supplies	10,253	11,688
Provision for obsolescence	(845)	(696)
<b>Total</b>	<b><u>23,551</u></b>	<b><u>41,679</u></b>

Stock Policies

The group's stock is measured at cost or net realization value, whichever is lower.

Stock measuring policy

The Group values its stock according to the following:

- a) The production cost of the manufactured stock includes those costs directly related with the produced units, such as labor, variable and fixed costs which have been included to transform the raw material into finished products.
- b) In the case of the cost of acquired stock, the cost of acquisition covers the purchase price, import fees, transport, storage and others that can be attributed to the acquisition of goods and materials.

Formula to calculate the cost of Stock

The stock of finished products is valued using the average weighted cost method, in other words, the cost of each unit of the product is determined from the weighted average of the cost recorded at the start of the period and the cost of the items purchased or produced during the period.

Stock of raw materials, packing and materials are valued at the average weighted cost.

Information regarding finished products

Until the closing of the corresponding periods, the Company has not performed write-offs of finished products.

During the period ending September 30, 2016 and the period ending December 31, 2015, no stock has been pledged as security.

The cost of stock acknowledged as cost of sales in the periods ending September 30, 2016 and 2015 reach KUS\$109,219 and KUS\$91,898 respectively (see note 30-1).



## NOTE 12 – BIOLOGICAL ASSETS

Hortifrut's biological assets are made up of berries plantations. The Company has biological assets in production, which have been cultivated in leased and own land.

The Company's berries plantations are found in Chile from regions IV to X, in Mexico in the states of Jalisco and Michoacán, Brazil in Barrio Lagoa Grande, Sn - Senador Amaral and in Spain in the localities of Huelva and Asturias.

Said geographic dispersion allows the Company to count with a diversified offer during the whole year with production during many weeks of the year, which is complemented by the producing partners that the Company has in the USA and in Europe. In this manner, Hortifrut's commercial and distribution platforms can have berries during the 52 weeks of the year. The productive zones also allow greater closeness with the consumption centers. This is the case of the plantations located in Mexico, which supply the main berries consumer in the world, as well as our plantations in Spain, which supply part of the European market.

Chile provides counter-season production for said markets, which is complemented with third party producers in Chile, Argentina, Uruguay, Guatemala, Peru and Europe.

a) Total Hectares planted per type of fruit.

Below is a detail of the planted hectares:

Surface in Hectares	<u>30-sep-16</u>	<u>31-dic-15</u>
Blueberries	593	681
Organic Blueberries	387	345
Raspberries	161	185
Blackberries	10	11
Strawberries	40	59
Cherries	7	7
<b>Total Planted Hectares</b>	<b><u>1,198</u></b>	<b><u>1,288</u></b>
Own Hectares	474	471
Leased Hectares	724	817
Productive Hectares	1,081	1,122
Non Productive Planted Hectares	117	166

b) The presentation of biological assets in the consolidated statement of financial position is separated as current under IAS 41, in the item "Current Biological Assets" and biological assets denominated Bearer plants, under IAS 16, as "**Property, plant and equipment**" as is shown in the following detail:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Current - Products grown on bearer plants</b>		
Agricultural plantations	6,661	7,182
<b>Total</b>	<u><b>6,661</b></u>	<u><b>7,182</b></u>
<b>Non Current – Bearer Plants</b>		
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
Agricultural plantations	117,264	118,273
<b>Total</b>	<u><b>117,264</b></u>	<u><b>118,273</b></u>
<b>Total Biological Assets</b>	<u><u><b>123,925</b></u></u>	<u><u><b>125,455</b></u></u>

### Amendment to IAS 16 and 41

The Amendment to IAS 16 “Property, plant and equipment” and IAS 41 “Agriculture” have been applied from January 01, 2016, nevertheless, for comparative effects the opening balances and the presentation of the comparative reports for 2015 have been adjusted.

Amendment to IAS 16 “Property, plant and equipment” and IAS 41 “Agriculture”, regarding bearer plants – published in June 2014. This amendment modifies the financial information in relation to “bearer plants” (for example vines, fruit trees, etc.). The amendment defines the concept of “bearer plants” and establishes that these must be recorded as Property, plant and equipment, since it is understood that their function is similar to manufacturing. As a result, they are included within the scope of IAS 16, instead of IAS 41.

The products that grow on the bearer plants will remain within the scope of IAS 41.

The detail and the movements of biological assets is as follows:

### Current Biological Assets

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<u><b>Movement</b></u>		
Opening biological assets	7,182	6,989
Increase due to activating of costs	15,912	17,805
Adjustment of Conversion	58	-
Additions / transfers	-	264
Amortization	(94)	(257)
Consumption	(16,397)	(17,619)
<b>Total</b>	<u><u><b>6,661</b></u></u>	<u><u><b>7,182</b></u></u>

In accordance with what is established in IAS 41, the agricultural products that grow on fruit bearer plants will remain within the scope of this norm, which must be measured at their fair value minus sales costs, recording the changes in valuation in result as the product grows.

The Company, as of September 30, 2016, presents the current Biological Asset at fair value, this corresponds to the accumulating of maintenance costs of the plantations within their annual production cycle, of the subsidiaries located in Chile, Mexico, Spain and Brazil, additionally incorporating, the expected margin of the fruit that is closest to the harvest, this is less than 80 days in the case of blueberries and less than 30 days in the case of raspberries, based on the maturity curve of the fruit.

The variables that are used to calculate Fair Value are the following:

- **Volume:** Corresponds to the fruit that as of September 30 is estimated to be harvested before 80 days in the case of blueberries and before 30 days in the case of raspberries. This estimation of harvest volume is performed by expert agronomists, who based on the phenological state of the fruit that hangs on the “bearer plants”, the variety and the geographical location of the plantations, perform a forecast of the volume of fruit that will be harvested during the following weeks.
- **Producer Return:** The return that the field will receive is determined based on the average weekly historical sale price in the final market (taking as a reference the prices published by USDA), based on the date that the fruit is expected to be sold, to the closing of each financial statement, fruit which is hanging on the “bearer plants”, deducting all the costs that must be incurred from the harvest to its arrival at the final customer.
- **Sales Cost:** is determined through the accumulation of real costs per productive hectare, considering all the maintenance works and depreciation of fixed assets used at each of the plantations until the moment of the evaluation.

The Company has performed the valuation of said agricultural products as of the date of the current financial statements, determining that said calculation does not differ in a significant manner from the acknowledged costs taking into consideration the natural cycle of the business, therefore said calculation has not been recorded. Since this valuation corresponds to an estimation, it could vary when fruit sales are perfected, moment that said result is realized (See note 3.5).

### Non current Biological Assets

The amendment defines the concept “bearer plant” and establishes that these must be recorded as “Property, plant and equipment”. Since the applying of the norm is retrospective, below we present a conciliation of the detail of the effects to present the balances as of September 30, 2016 and December 31, 2015 in a comparative manner.

<u>Movement</u>	<u>KUS\$</u>
<b>Bearer plant values to FV, as of 01-01-2015</b>	<b>100,468</b>
Increase due to activating of costs	6,234
Additions / transfers	4,628
Amortization	(93)
Adjustment to Conversion	(1,487)
Increase due to adjustment to fair value	24,836
Decrease due to adjustment to fair value	(16,313)
<b>Bearer plant value to FV, as of 31-12-2015</b>	<b>118,273</b>
Fair value adjustment due to change in policy	(8,523)
Biological amortization	(5,495)
Adjustment revaluation bearer plants	14,018
<b>Bearer plant value, as of 31-12-2015 adjusted. (*)</b>	<b>118,273</b>
Increase due to activating of costs	5,057
Additions / transfers	(342)
Biological Amortization	(6,099)
Adjustment due to Conversion	375
Consumption	-
<b>Bearer plant values, as of 30-09-2016 (*)</b>	<b>117,264</b>

### **Adjustments due to application of amendments to IAS 16 and 41**

- Adjustment to Fair value due to change in accounting policy: Corresponds to the reversal of net adjustment of increase recorded in the valuation to Fair Value as of December 31, 2015 (KUS\$ 8,523 decrease).
- Amortization of the value of the asset revalued as of January 01, 2015: Corresponds to the amortization of the balances as of December 31, 2014, which according to the adoption of the accounting policy is considered as the cost to be transferred to Property, plant and equipment, cost that is amortized as per the criteria explained in Note 19 (KUS\$ 5,494).
- Adjustment revaluation of bearer plants: A revaluation of the bearer plants was acknowledged, as per the valuation methods allowed in IAS 16 (KUS\$14,018).

The revaluations are performed every 3 or 5 years or when there is evidence that the fair value of the revalued asset significantly differs from its book value.

### **Biological assets given in guarantee**

At the subsidiaries Agrícola Santa Rosa del Parque S.A, Agrícola Mataquito S.A., Agrícola El Pampino S.A., Agrícola Vida Nueva S.A. and Agrícola Hortifrut S.A. there are restrictions (guarantees and/or mortgages) over their biological assets.

Below is a detail of the book value of the biological assets given in guarantee (see more detail in note 34.b):

<b><u>Company</u></b>	<b><u>Biological</u></b>	<b><u>Associated</u></b>	<b><u>Bank</u></b>
	<b><u>Assets</u></b>	<b><u>Debt</u></b>	
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>	
Agrícola Santa Rosa del Parque S.A	3,493	1,259	Banco Rabobank Chile
Agrícola Mataquito S.A.	9,363	1,974	Banco Rabobank Chile
Agrícola El Pampino S.A.	3,134	427	Banco Santander Chile
Agrícola Hortifrut S.A.	17,215	3,085	Banco de Chile
<b>Total</b>	<b><u>33,205</u></b>	<b><u>6,745</u></b>	

### **Operating Risks**

#### **Operating risks of fixed assets and plantations**

Hortifrut's operating risks are administered by Operations Management and the Chiefs of the different Processing Plants, in accordance with the norms and standards defined at a corporate level.

The Company's main infrastructure assets (constructions, installations, machinery, etc.) are covered from operating risks by insurance policies. There are also biological risks that could adversely affect the plantations. Even though in the past these factors have not caused significant damage to Hortifrut's plantations, it is not possible to assure that this will not occur in the future.

#### **Risk management policies**

- a) The competition's genetic development

The lack of modern varieties of plants can affect the business' competitiveness, both agricultural and export

and commercialization. Currently, the Hortifrut group counts with varietal development programs, maintaining strategic alliances in Chile and overseas with universities and companies, as well as establishing agreements with the main nurseries in the world, thus guaranteeing Hortifrut access to a large scope of a variety of modern and attractive plants.

b) Significant increase in offer

In the case of very significant increases in the planted hectares, an oversupply of berries scenario would lead to a fall in prices. Nevertheless, this phenomenon would only affect Hortifrut if it took place during the windows of the year when the Company operates. Furthermore, in the main markets where Hortifrut operates, a great growth potential can still be observed in the demand for berries. There is a large growth potential in the berries market due to a combination of (i) a product with very positive health effects; (ii) the growing importance given to healthy food on behalf of consumers and (iii) a still relatively low consumption of berries per capita.

c) Intensification of competition

The Company also faces the risk of an eventual intensification of competition or the appearance of new actors in the Berries market. To face these risks, the Company concentrates its efforts on actions aimed at maintaining its leadership in costs, maintaining a strong distribution chain, constantly improving its products offer and obtaining brand recognition, among others. Likewise, Hortifrut has privileged an international expansion through strategic alliances both in the productive and commercial areas, which has allowed it to better face its competition and to be able to supply its customers with fresh berries year round.

d) Climate risks

Climate is an external factor that is difficult to control, which can affect quality and quantity, as well as cause variations in the availability of the fruit during the year. Even though it is not controllable, this risk is geographically diversified and can be mitigated with proper management.

The Company administers this risk by creating export companies and obtaining the fruit from different producers in Chile and the rest of the world, investing in farms in different countries and in each country in different areas, assuring the availability of water by investing in deep wells at the farms that require it, and for rain control in tunnels and macro tunnels, and creating systems to control frost and hail.

e) Plagues and sickness

It is unavoidable for a large surface of any harvest to be affected by plagues and/or sickness. The efficient control of these is as necessary as fertilizing or watering. The risk associated with plagues or sickness is the impact on quality and/or performance, which can affect the appearance and post-harvest life of the fruit. Nevertheless, through a good control (search and monitoring) a pest or sickness outbreak can be detected on time, allowing the problem to be eliminated before greater damage is caused. Nowadays there are many good alternatives for controlling plagues and sickness, both in organic and conventional production. It must be highlighted that the Agriculture and Livestock Service (SAG) of Chile is well known for its high efficiency in the exclusion of new pathogens and arthropods in the country, which is a great benefit for the agricultural sector in general and specifically for Berries. The aforementioned, combined with the physical borders (Los Andes Mountains, the desert and the Pacific Ocean) provide a privileged environment for cultivating Berries, superior to that of our neighbors in South America, which mitigates in an important manner the outbreak of plagues and sickness in the plantations in Chile.

The risk associated with plagues and sickness is the impact on the quality, performance or in some cases the application of quarantine to specific productive areas on behalf of phytosanitary authorities in the countries where the fruit is sent to.

From 2013 to date, the United States applied quarantine to some regions in Chile, due to the detection of the Lobesia Botrana moth. These quarantines can generally be freed immediately by fumigating the fruit at destination or in the medium term by working with the authorities on preventive plague control measures, which show its contention or eradication, finally resulting in the lifting of the quarantine. Other solution measures are to destine the fruit from quarantined areas to markets that have different phytosanitary restrictions.

f) Food-Safety

As in all foods, there is always the risk of a “recall” (term used in case a product is removed from the market if there is a suspicion or certainty that it violates the valid food laws or if the quality standards established by the company for said market have been infringed) in the industry, which could considerably affect the Company’s results. Until now Hortifrut has never had a problem, nevertheless, this does not guarantee that this will not happen in the future. The Company guarantees the quality and sanity of the exported berries, investing in technology, especially traceability systems, working with a rigorous program to assure food quality and safety which applies during all the stages of the productive process (pre-harvest, harvest and post-harvest), which allows to circumscribe the eventual problem to a minor volume, not affecting the complete production.

g) Continuity and costs of supplies and services

The development of Hortifrut’s business involves a complex logistic where the opportune provision in relation to quality and costs of supplies and services is fundamental to maintain its competitiveness.

Regarding electrical energy, Hortifrut’s processing plants count with generators that allow them to assure the continuity of the operation in case of blackouts. Furthermore, all the plants have contingency plans to face restrictive supply scenarios. Nevertheless, it is not possible to discard that in the future, a limited supply could generate discontinuities in the supply and/or higher costs at Hortifrut’s plants. It is also important to consider eventual paralizations at ports and transport companies in general.

The aforementioned risks not only affect the biological asset, since the effects are transmitted to the company’s whole value chain.

**NOTE 13 – CURRENT TAX ASSETS**

Tax assets are detailed as follows:

<u>Detail of Recoverable Taxes</u>	<b>30-sep-16</b> <u>KUS\$</u>	<b>31-dec-15</b> <u>KUS\$</u>
Monthly provisional payments	7,033	5,069
Personnel training	-	168
Other credits	192	738
Donations Law	11	77
Minus: Income tax provision	<u>(7,236)</u>	<u>(6,052)</u>
<b>Total</b>	<u><u>-</u></u>	<u><u>-</u></u>

Recoverable taxes for provisional payments or credits applicable to income tax are presented with a deduction of the income tax provision.

**NOTE 14 – OTHER NON FINANCIAL ASSETS**

The detail of the other non financial assets is as follows:

<u>Current</u>	<b>30-sep-16</b> <u>KUS\$</u>	<b>31-dec-15</b> <u>KUS\$</u>
Advanced payment of blueberry plants	2,517	1,813
Advanced expenses (lease)	808	58
Advanced expenses	652	899
Advanced payment for Water Fee Cap.	-	1,408
Payments in guarantee	94	-
Advanced payment of freight	<u>-</u>	<u>2,465</u>
<b>Total</b>	<u><u>4,071</u></u>	<u><u>6,643</u></u>

<u>Non Current</u>	<b>30-sep-16</b> <u>KUS\$</u>	<b>31-dec-15</b> <u>KUS\$</u>
Advanced payment due to Water Fee Cap.	1,317	-
Advanced expenses	<u>201</u>	<u>11</u>
<b>Total</b>	<u><u>1,518</u></u>	<u><u>11</u></u>

## NOTE 15 – INVESTMENTS IN SUBSIDIARIES

The Company has investments in companies that have been acknowledged as investment in subsidiaries. All of the companies defined as subsidiaries have been consolidated in Hortifrut and subsidiaries' financial statements.

The detail of consolidated subsidiaries as of September 30, 2016 and December 31, 2015, is as follows:

<u>Companies</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Functional Currency</u>	<u>30-Sep-16</u>			<u>31-Dec-15</u>
				<u>Direct</u>	<u>Indirect</u>	<u>Total</u>	<u>Total</u>
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	US\$	40.0000	-	40.0000	40.0000
Agrícola El Pampino S.A.	76.884.880-7	Chile	US\$	-	20.0000	20.0000	20.0000
Agrícola Mataquito S.A.	76.306.130-2	Chile	US\$	50.0000	-	50.0000	50.0000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	US\$	30.0000	-	30.0000	30.0000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	US\$	25.0000	-	25.0000	25.0000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	US\$	50.0000	-	50.0000	50.0000
Colmenares Hortisur SPA	99.568.520-5	Chile	CLP	100.0000	-	100.0000	100.0000
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.9900	0.0100	100.0000	100.0000
Hortifrut Comercial S.A.	99.535.510-8	Chile	CLP	0.0100	99.9900	100.0000	100.0000
Viveros Hortifrut Chile S.A.	99.524.470-5	Chile	CLP	-	51.0000	51.0000	51.0000
Top Berries & Fruit SPA	76.023.726-4	Chile	CLP	100.0000	-	100.0000	100.0000
Berries de Panguipulli SPA	76.243.167-K	Chile	US\$	100.0000	-	100.0000	100.0000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	US\$	99.9999	0.0001	100.0000	100.0000
Bery good Comercial Importadora	Foreigner	Brazil	RBR	0.0100	99.9900	100.0000	100.0000
Hortifrut Inversiones Int. S.A.	76.043.425-6	Chile	US\$	49.4874	50.5126	100.0000	100.0000
Hortifrut Argentina S.A.	Foreigner	Argentina	\$AR	-	99.0000	99.0000	99.0000
Tecnovital S.A.	Foreigner	Argentina	\$AR	5.0000	95.0000	100.0000	100.0000
Hortifrut North America Inc.	Foreigner	USA	US\$	-	100.0000	100.0000	100.0000
Hortifrut S.A. de C.V. and subsidiaries	Foreigner	Mexico	US\$	-	99.0000	99.0000	99.0000
Hortifrut Europa SL	Foreigner	Spain	EUR	0.0300	99.9700	100.0000	100.0000
Euroberry Ltd.	Foreigner	England	EUR	-	100.0000	100.0000	100.0000
Euroberry B.V.	Foreigner	Holland	EUR	-	100.0000	100.0000	100.0000
Hortifrut España Southern Sun SL	Foreigner	Spain	EUR	-	50.0000	50.0000	50.0000
Asturian Berries SL	Foreigner	Spain	EUR	-	25.5000	25.5000	25.5000
HFE Berries Perú S.A.C.	Foreigner	Peru	US\$	-	50.0000	50.0000	50.0000
Hortifrut Berries Maroc SARL	Foreigner	Morocco	EUR	-	25.5000	25.5000	25.5000
Euroberry Marketing S.A.	Foreigner	Spain	EUR	-	50.0000	50.0000	50.0000

The Companies detailed in the first margin, correspond to front line companies and those in the second margin are the companies where control is maintained, but that form part of the consolidated financial statements of front line companies (note 2.3).

In the case of those subsidiaries that directly or indirectly maintain an ownership equal to or lower than 50%, these have been included in the consolidation process because the Company has the power to direct the financial and operating policies.



During 2016, no new Companies were incorporated into Hortifrut group's financial statement consolidation.

In 2015, the following companies were incorporated into Hortifrut España Southern Sun SL's consolidation:

HFE Berries Perú S.A.C., on April 08, 2015, Hortifrut España Southern Sun SL (99% interest), together with Hortifrut Inversiones Internacionales S.A. (0.5% interest) and Atlantic Blue S.L. (0.5% interest), constituted a new company denominated HFE Berries Perú S.A.C., destined to the production and commercialization of blueberries.

Summarized financial information corresponding to significant subsidiaries, financial statements as of September 30, 2016 and December 31, 2015 and results as of September 30, 2016 and 2015:

	Hortifrut Chile & subsidiarias		Inversiones Hortifrut S.A. & subsidiarias		Agrícola Vida Nueva S.A.		Colmenares Hortisur S.P.A.	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
<b>Assets</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Current	115,612	120,997	70,642	78,246	1,181	956	148	181
Non current	79,128	75,615	133,269	94,021	14,157	7,944	188	167
<b>Total</b>	<b>194,740</b>	<b>196,612</b>	<b>203,911</b>	<b>172,267</b>	<b>15,338</b>	<b>8,900</b>	<b>336</b>	<b>348</b>
<b>Liabilities</b>								
Current	114,477	129,481	55,695	53,172	3,630	2,996	6	14
Non current	39,989	44,868	68,493	63,180	2,601	1,889	-	-
<b>Total</b>	<b>154,466</b>	<b>174,349</b>	<b>124,188</b>	<b>116,352</b>	<b>6,231</b>	<b>4,885</b>	<b>6</b>	<b>14</b>
<b>Equity</b>	<b>40,274</b>	<b>22,263</b>	<b>79,723</b>	<b>55,915</b>	<b>9,107</b>	<b>4,015</b>	<b>330</b>	<b>334</b>

  

	Hortifrut Chile & subsidiarias		Inversiones Hortifrut S.A. & subsidiarias		Agrícola Vida Nueva S.A.		Colmenares Hortisur S.P.A.	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
<b>Results</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Operating revenue	160,959	145,642	213,823	179,954	4,092	2,663	37	45
Costs and Expenses	(142,760)	(131,195)	(205,673)	(176,408)	(2,946)	(1,658)	(83)	(86)
Other results	783	(3,460)	5,832	(744)	(207)	221	3	1
Taxes	(4,316)	(2,397)	(4,225)	(2,493)	(179)	(285)	14	13
<b>Net Profit (loss)</b>	<b>14,666</b>	<b>8,590</b>	<b>9,757</b>	<b>309</b>	<b>760</b>	<b>941</b>	<b>(29)</b>	<b>(27)</b>

  

	Agrícola El Avellano S.A. & subsidiarias		Agrícola Hortifrut S.A.		Agrícola Mataquito S.A.		Agrícola Santa Rosa S.A.	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
<b>Assets</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Current	471	775	1,731	1,516	716	631	545	2,175
Non current	8,812	8,865	25,141	23,637	15,245	10,266	5,719	5,208
<b>Total</b>	<b>9,283</b>	<b>9,640</b>	<b>26,872</b>	<b>25,153</b>	<b>15,961</b>	<b>10,897</b>	<b>6,264</b>	<b>7,383</b>
<b>Liabilities</b>								
Current	1,333	1,708	273	1,331	4,172	924	929	1,668
Non Current	1,923	2,352	4,299	4,140	4,933	4,805	1,691	1,862
<b>Total</b>	<b>3,256</b>	<b>4,060</b>	<b>4,572</b>	<b>5,471</b>	<b>9,105</b>	<b>5,729</b>	<b>2,620</b>	<b>3,530</b>
<b>Equity</b>	<b>6,027</b>	<b>5,580</b>	<b>22,300</b>	<b>19,682</b>	<b>6,856</b>	<b>5,168</b>	<b>3,644</b>	<b>3,853</b>

  

	Agrícola El Avellano S.A. & subsidiarias		Agrícola Hortifrut S.A.		Agrícola Mataquito S.A.		Agrícola Santa Rosa del Parque S.A.	
	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15	30-Sep-16	30-Sep-15
<b>Results</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Operating revenue	2,958	2,022	7,029	4,692	1,747	2,207	3,108	2,283
Costs and Expenses	(2,656)	(2,301)	(6,401)	(4,371)	(1,692)	(1,998)	(1,213)	(1,083)
Other results	(190)	114	(146)	70	(248)	78	(139)	(150)
Taxes	165	(174)	150	(482)	160	(237)	(362)	(287)
<b>Net Profit (loss)</b>	<b>277</b>	<b>(339)</b>	<b>632</b>	<b>(91)</b>	<b>(33)</b>	<b>50</b>	<b>1,394</b>	<b>763</b>

	<u>Top Berries &amp; Fruit S.P.A</u>		<u>Berries de Panguipulli S.P.A</u>		<u>Agrícola y Ganandera Sta. Rebeca Ltda.</u>	
	<u>30-Sep-16</u>	<u>31-Dec-15</u>	<u>30-Sep-16</u>	<u>31-Dec-15</u>	<u>30-Sep-16</u>	<u>31-Dec-15</u>
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
<b>Assets</b>						
Current	293	142	3,474	1,361	26	75
Non current	12,485	5,375	23,372	16,381	619	374
<b>Total</b>	<b>12,778</b>	<b>5,517</b>	<b>26,846</b>	<b>17,742</b>	<b>645</b>	<b>449</b>
<b>Liabilities</b>						
Current	1,092	1,484	876	305	2	45
Non current	7,195	629	5,291	3,588	116	52
<b>Total</b>	<b>8,287</b>	<b>2,113</b>	<b>6,167</b>	<b>3,893</b>	<b>118</b>	<b>97</b>
<b>Equity</b>	<b>4,491</b>	<b>3,404</b>	<b>20,679</b>	<b>13,849</b>	<b>527</b>	<b>352</b>
<b>Results</b>						
Operating Revenue	3,039	2,432	5,343	4,559	32	39
Costs and Expenses	(1,685)	(1,345)	(3,826)	(3,129)	(32)	(32)
Other Results	(17)	(166)	(87)	62	3	(2)
Taxes	(186)	(280)	(226)	(477)	5	(8)
<b>Net Profit (loss)</b>	<b>1,151</b>	<b>641</b>	<b>1,204</b>	<b>1,015</b>	<b>8</b>	<b>(3)</b>

## NOTE 16 – INVESTMENTS RECORDED USING THE EQUITY METHOD

The Company has acknowledged as investment in companies the ownership that it has in the following companies and in accordance with the detailed movement:

Company	Rut	Country	Functional Currency	Interest %		1-Jan-16	Investments	Interest in	Exchange	Other	Balance
				Direct	Indirect			result	rate	increase	30-Sep-16
								difference	(decrease)		
Berry Blue LLC	0-E	USA	Dollar	-	50.00%	15	188	(175)	-	-	28
Pacific Berry Breeding LLC	0-E	USA	Dollar	-	50.00%	415	-	(150)	-	-	265
Hortifrut Munger LLC	0-E	USA	Dollar	-	50.00%	3	9	(6)	-	-	6
Naturipe Brands LLC	0-E	USA	Dollar	-	30.00%	149	279	(61)	-	103	470
Naturipe Farms LLC	0-E	USA	Dollar	-	30.00%	1,388	-	98	-	-	1,486
Naturipe Value Added Foods LLC	0-E	USA	Dollar	-	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	0-E	USA	Dollar	-	33.33%	3,930	-	390	-	-	4,320
S.A.T. Hortifrut H-0030	0-E	Spain	Euro	-	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	0-E	Morocco	DH	-	51.00%	3	104	-	53	(55)	105
Euroberry GmbH	0-E	Germany	Euro	-	50.00%	-	14	-	-	-	14
Margesi S.A.	0-E	Argentina	Argentine\$	-	50.00%	2,796	-	(75)	(589)	-	2,132
San Clemente Vitalberry (Shanghai) SpA	0-E	Chile	Chilean\$	-	50.00%	726	-	129	-	-	855
Hortifrut Tal S.A.C	0-E	Peru	Nuevo Sol	-	50.00%	14,761	-	5,967	72	9,558	30,358
Hortifrut Expofresh S.A.	0-E	Argentina	Argentine\$	-	50.00%	215	-	(313)	(23)	-	(121)
<b>Total</b>						<b>24,595</b>	<b>594</b>	<b>5,804</b>	<b>(487)</b>	<b>9,606</b>	<b>40,112</b>

Company	Rut	Country	Functional currency	Interest %		1-Jan-15	Investments	Interest in	Exchange	Other	Balance
				Direct	Indirect			result	rate	increase	31-Dec-15
								difference	(decrease)		
Berry Blue LLC	0-E	USA	Dollar	-	50.00%	6	262	(247)	-	(6)	15
Pacific Berry Breeding LLC	0-E	USA	Dollar	-	50.00%	531	-	(115)	-	(1)	415
Hortifrut Munger LLC	0-E	USA	Dollar	-	50.00%	2	-	-	-	1	3
Naturipe Brands LLC	0-E	USA	Dollar	-	30.00%	3	263	(117)	-	-	149
Naturipe Farms LLC	0-E	USA	Dollar	-	30.00%	1,247	124	140	-	(123)	1,388
Naturipe Value Added Foods LLC	0-E	USA	Dollar	-	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	0-E	USA	Dollar	-	33.33%	3,707	-	100	-	123	3,930
S.A.T. Hortifrut H-0030	0-E	Spain	Euro	-	33.00%	4	-	-	(3)	-	1
Hortifrut Berries Maroc S.R.L.	0-E	Spain	DH	-	51.00%	-	5	(3)	1	-	3
Margesi S.A.	0-E	Argentina	Argentine\$	-	40.00%	3,712	270	170	(1,356)	-	2,796
San Clemente Vitalberry (Shanghai) SpA	0-E	Chile	Chilean\$	-	30.00%	249	413	311	-	(247)	726
Hortifrut Tal S.A.C	0-E	Peru	Nuevo Sol	-	50.00%	10,795	-	5,568	(1,602)	-	14,761
Hortifrut Expofresh S.A.	0-E	Argentina	Argentine\$	-	50.00%	(34)	-	281	(32)	-	215
<b>Total</b>						<b>20,415</b>	<b>1,337</b>	<b>6,088</b>	<b>(2,992)</b>	<b>(253)</b>	<b>24,595</b>

The detail of movements as of September 30, 2016 and December 31, 2015:

<u>Movement</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>31-dec-15</u> <u>KUS\$</u>
<b>Opening balance as of January 1</b>	<b>24,595</b>	<b>20,415</b>
Interest in results	5,804	6,088
Capital contributions	(a) 594	1,337
Surplus of revaluation bearer plants	9,558	-
Other adjustments	48	(253)
Adjustments due to conversion	(487)	(2,992)
<b>Closing balance</b>	<b>40,112</b>	<b>24,595</b>

The associated Hortifrut Tal S.A.C, as per what is established in IAS 41, indicates that the agricultural products that grow on the bearer plants must be measured at their fair value minus cost of sales, recording the changes in valuation under result as the product grows, so the effect of this valuation has been acknowledged. The result acknowledged by the interest that Hortifrut maintains in this company includes

US\$1.55 million for this adjustment. Since this valuation corresponds to an estimation, it could vary when fruit sales are perfected, moment when said result is realized (See note 3.5).

a) Capital contributions

Capital contributions during the periods ending September 30, 2016 and December 31, 2015 are shown in the following detail:

<b>Capital Contributions</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
<b>Company</b>	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Berry Blue LLC	188	262
Hortifrut Munger LLC	9	-
Naturipe Brands LLC	279	263
Naturipe Farms LLC	-	124
Hortifrut Berries Maroc S.R.L.	104	5
Euroberry GmbH	14	-
Margesi S.A.	-	270
San Clemente Vitalberry (Shanghai) SpA	-	413
<b>Total contributions</b>	<b><u>594</u></b>	<b><u>1,337</u></b>

Contributions to Limited Liability Companies (LLC) in the United States, aim to maintain the interest in said companies.

a) New Investments

During the period ending September 30, 2016, the following new investments were incorporated:

Dated June 21, 2016, Euroberry Marketing S.A., formed in Germany the Company Euroberry GmbH, the new Company will have as its corporate purpose the commercializing of berries in that country.

In the period ending December 31, 2015, the following new investments were incorporated:

Dated June 30, 2015, a 20% ownership was purchased in the San Clemente Vitalberry SpA. company, with which the company came to own 50% of the property.

Dated May 26, 2015, Hortifrut España Southern Sun S.L. (51%) together with M. Ahmed Al Amouri, formed the Hortifrut Berries Maroc S.R.L. company, the new Company will have as its corporate purpose the production and commercializing of berries.

Dated April 29, 2015, a 10% ownership was purchased in Margesi S.A. company, with which the company now owns 50% of the property.

c) Reclassification of investment for sale

During the period ending September 30, 2016 and the period ending December 31, 2015, no reclassifications of investments for sale took place.

## d) Summarized financial information

The summarized financial information, which is presented below, corresponds to the total assets, liabilities and equity and a summary of the results of the associated companies, for the periods under analysis.

Associated	30-Sep-16										
	Current	Non	Total	Current	Non	Total	Equity	Operating	Costs and	Other	Net Profit
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)
	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$
Berry Blue LLC	170	-	170	77	37	114	56	34	(384)	-	(350)
Pacific Berry Breeding LLC	409	139	548	18	-	18	530	703	(1,003)	-	(300)
Hortifrut Munger LLC	-	12	12	-	-	-	12	-	(12)	-	(12)
Naturipe Brands LLC	2,023	545	2,568	1,001	-	1,001	1,567	90	(293)	-	(203)
Naturipe Farms LLC	78,244	2,843	81,087	76,134	-	76,134	4,953	612,308	(609,231)	(2,750)	327
Naturipe Value Added Foods LLC	11,218	6	11,224	9,480	1,029	10,509	715	7,828	(6,895)	(933)	-
Naturipe Value Added Fresh, LLC	5,340	11,664	17,004	2,996	1,047	4,043	12,961	16,344	(13,560)	(1,614)	1,170
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-
Hortifrut Berries Maroc S.R.L	716	1,711	2,427	259	1,962	2,221	206	-	-	-	-
Euroberry GmbH	28	-	28	-	-	-	28	-	-	-	-
Margesi S.A.	1,405	4,191	5,596	979	353	1,332	4,264	50	(152)	(48)	(150)
San Clemente Vitalberry (Shanghai) SpA	1,969	51	2,020	310	-	310	1,710	2,194	(1,939)	3	258
Hortifrut Tal S.A.C	31,894	64,705	96,599	12,051	23,832	35,883	60,716	23,100	(8,785)	(2,381)	11,934
Hortifrut Expofresh S.A.	294	58	352	594	-	594	(242)	2,790	(3,052)	(364)	(626)
<b>Total</b>	<b>133,719</b>	<b>85,925</b>	<b>219,644</b>	<b>103,905</b>	<b>28,260</b>	<b>132,165</b>	<b>87,479</b>	<b>665,441</b>	<b>(645,306)</b>	<b>(8,087)</b>	<b>12,048</b>

Associated	31-Dec-15						30-Sep-15					
	Current	Non	Total	Current	Non	Total	Equity	Operating	Costs and	Other	Net Profit	
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)	
	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	
Berry Blue LLC	157	-	157	127	-	127	30	10	(394)	-	(384)	
Pacific Berry Breeding LLC	890	129	1,019	189	-	189	830	1,778	(2,024)	-	(246)	
Hortifrut Munger LLC	6	-	6	-	-	-	6	-	-	-	-	
Naturipe Brands LLC	2,043	-	2,043	742	804	1,546	497	-	(310)	-	(310)	
Naturipe Farms LLC	47,021	1,237	48,258	43,631	-	43,631	4,627	575,295	(575,122)	-	173	
Naturipe Value Added Foods LLC	12,676	9	12,685	11,875	95	11,970	715	7,226	(6,545)	(133)	548	
Naturipe Value Added Fresh, LLC	4,830	11,786	16,616	4,825	-	4,825	11,791	14,555	(13,736)	-	819	
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-	
Hortifrut Berries Maroc S.R.L	112	272	384	378	-	378	6	-	-	-	-	
Margesi S.A.	1,457	5,061	6,518	520	406	926	5,592	702	(399)	(5)	298	
San Clemente Vitalberry (Shanghai) SpA	7,702	66	7,768	6,316	-	6,316	1,452	3,282	(2,712)	(2)	568	
Hortifrut Tal S.A.C	19,591	35,042	54,633	8,788	16,323	25,111	29,522	10,515	(2,064)	(1,855)	6,596	
Hortifrut Expofresh S.A.	928	38	966	536	-	536	430	112	(351)	(11)	(250)	
<b>Total</b>	<b>97,422</b>	<b>53,640</b>	<b>151,062</b>	<b>77,933</b>	<b>17,628</b>	<b>95,561</b>	<b>55,501</b>	<b>613,475</b>	<b>(603,657)</b>	<b>(2,006)</b>	<b>7,812</b>	

## e) Other changes

The names of the following companies have changed:

Naturipe Foods LLC, is now called Naturipe Value Added Foods, LLC,  
and Naturipe RTE LLC, is now called Naturipe Value Added Fresh, LLC.

**NOTE 17 – INTANGIBLE ASSETS OTHER THAN APPRECIATION**

The detail of the main types of intangible assets is shown as follows:

	<u>Useful Life</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>31-dec-15</u> <u>KUS\$</u>
Varietal licenses	Finite	20,261	23,913
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	3,174	3,374
Software	Finite	307	448
<b>Total</b>		<b><u>25,188</u></b>	<b><u>29,181</u></b>

a) Varietal licenses

The acquired varietal licenses are shown at cost of acquisition, and are amortized charged to the cost of sale in the measure in which the sales income is generated or by the plant's development cost.

The movement of varietal licenses for the period ending September 30, 2016 and the period ending December 31, 2015, is as follows:

<u>Movement</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>31-dec-15</u> <u>KUS\$</u>
Opening balance as of January 01	23,913	9,392
Investments	-	20,000
Cost Biologicals	-	(3,739)
Sales	(2,275)	-
Amortization /consumption	(1,377)	(1,740)
<b>Closing balance</b>	<b><u>20,261</u></b>	<b><u>23,913</u></b>

b) Software

The acquired software is recorded over the acquisition cost base minus accumulated amortization. These assets are amortized during their useful life, estimated at 6 years by the lineal method.

The movement of software for the periods ending September 30, 2016 and the period ending December 31, 2015, is as follows:

<u>Movement</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>31-dec-15</u> <u>KUS\$</u>
Opening balance as of January 01	448	537
Investments	1	156
Amortization	(142)	(245)
<b>Saldo final</b>	<b><u>307</u></b>	<b><u>448</u></b>

The amortization of intangible assets is recorded in the consolidated income statement under the item cost of sales and administration expenses.

Management has not observed signs of impairment in relation to intangible assets.

c) Other intangibles

The identified intangible assets are detailed as follows:

	<b>Useful Life</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
		<b>KUS\$</b>	<b>KUS\$</b>
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	3,174	3,374
<b>Total</b>		<b>4,620</b>	<b>4,820</b>

<b><u>Movement</u></b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b>KUS\$</b>	<b>KUS\$</b>
Opening balance as of January 01	4,820	5,086
Amortization	(200)	(266)
<b>Final Balance</b>	<b>4,620</b>	<b>4,820</b>

The amortization of the intangible asset Relationship with Customers, is recorded in the consolidated income statement under the Administrative expenses item, which has assigned it a useful life of 15 years.

In accordance with IFRS 3 norm, it is established that, from the date of acquisition, the purchaser must acknowledge, separate from appreciation, the identifiable assets acquired, the assumed liabilities and any non parent company interest of the acquired.

In relation to the identifiable intangible assets, the norm suggests that the purchasing entity acknowledges these, separate to Goodwill.

For the period ending September 30, 2016 and the period ending December 31, 2015, Management has not observed signs of impairment in relation to the intangible assets denominated water rights, relationship with customers and VBM brand.

d) Intangibles subject to guarantees or restrictions

There are no guarantees associated to or restrictions associated to intangibles as of September 30, 2016.

**NOTE 18 - APPRECIATION**

Appreciation represents the surplus of the acquisition cost over the fair value of the Company's interests in the net identifiable assets of the subsidiary or related company on the date of acquisition.

The balance of appreciation compared as of the closing of each period is as follows:

<b>Investor</b>	<b>Issuer</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
		<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Hortifrut S.A.	Agrícola El Avellano S.A.	344	344
Hortifrut S.A. de C.V.	Hortifrut ABA S.A. de C.V.	342	342
Hortifrut S.A.	Vital Berry Marketing SPA	26,083	26,083
	<b>Total</b>	<b><u>26,769</u></b>	<b><u>26,769</u></b>

No movement has taken place under Appreciation between January 1, 2016 and September 30, 2016.

Management has not observed signs of impairment in relation to appreciation.



**NOTE 19 – PROPERTY, PLANT AND EQUIPMENT**

Due to the application of the Amendment to IAS 41, which came into force on January 01, 2016, fruit “bearer plants” represent an item of machinery in a manufacturing process, so, the value of the biological asset is classified as Property, plant and equipment and recorded as specified in IAS 16.

The detail of the different categories of Property, Plant and Equipment and their movements as of September 30, 2016 is as follows:

	Construction and infrastructure works	Land	Machinery and Equipment	Leased Equipment	IT Equipment	Furniture and Supplies	Motor Vehicles	Bearer Plants	Works in Progress	Total other properties, plants and equipment
	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$
As of January 01, 2016										
Cost or valuation	67,450	16,735	22,705	5,506	2,497	1,663	6,375	124,347	7,323	254,601
Accumulated depreciation	(26,763)	-	(12,120)	(1,459)	(1,688)	(899)	(3,696)	(6,074)	-	(52,699)
<b>Net amount as of 01/01/2016</b>	<b>40,687</b>	<b>16,735</b>	<b>10,585</b>	<b>4,047</b>	<b>809</b>	<b>764</b>	<b>2,679</b>	<b>118,273</b>	<b>7,323</b>	<b>201,902</b>
Investments	1,203	12,374	1,027	8,767	96	178	735	5,057	8,056	37,493
Disposals	(498)	-	(60)	(1)	(4)	(5)	(26)	(342)	-	(936)
Amortization Adj. Opening FV	-	-	-	-	-	-	-	-	-	-
Reclassifications	2,765	-	127	-	1	11	6	-	(2,910)	-
Depreciation	(3,629)	-	(2,075)	(500)	(176)	(154)	(580)	(6,099)	-	(13,213)
Exchange rate conversion	488	59	36	2	5	33	23	375	147	1,168
<b>Net amount as of 30/09/2016</b>	<b>41,016</b>	<b>29,168</b>	<b>9,640</b>	<b>12,315</b>	<b>731</b>	<b>827</b>	<b>2,837</b>	<b>117,264</b>	<b>12,616</b>	<b>226,414</b>

The detail of the different categories of Property, Plant and Equipment and their movements as of December 31, 2015 is as follows:

	Construction and infrastructure works	Land	Machinery and Equipment	Leased Equipment	IT Equipment	Furniture and Supplies	Motor Vehicles	Bearer Plants	Works in Progress	Total other properties, plants and equipment
	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$
As of January 1, 2015										
Cost or valuation	64,357	13,436	20,976	3,782	2,182	1,527	6,244	100,955	3,940	217,399
Accumulated depreciation	(22,826)	-	(9,576)	(1,225)	(1,511)	(761)	(3,222)	(487)	-	(39,608)
<b>Net amount as of 01/01/2015</b>	<b>41,531</b>	<b>13,436</b>	<b>11,400</b>	<b>2,557</b>	<b>671</b>	<b>766</b>	<b>3,022</b>	<b>100,468</b>	<b>3,940</b>	<b>177,791</b>
Investments	2,501	3,501	1,980	1,774	310	235	677	10,862	6,669	28,509
Disposals	(1)	(107)	(303)	-	(4)	-	(245)	-	-	(660)
Revaluation bearer plants	-	-	-	-	-	-	-	14,017	-	14,017
Reclassifications	2,954	-	159	(20)	63	(3)	73	-	(3,230)	(4)
Depreciation	(5,312)	-	(2,581)	(262)	(207)	(181)	(789)	(5,587)	-	(14,919)
Exchange rate conversion	(986)	(95)	(70)	(2)	(24)	(53)	(59)	(1,487)	(56)	(2,832)
<b>Net amount as of 31/12/2015</b>	<b>40,687</b>	<b>16,735</b>	<b>10,585</b>	<b>4,047</b>	<b>809</b>	<b>764</b>	<b>2,679</b>	<b>118,273</b>	<b>7,323</b>	<b>201,902</b>

As of September 30, 2016, the detail of Property, plant and equipment is as follows:

<u>September 30, 2016</u>			
	Gross Value	Accumulated depreciation	Net value
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Construction and infrastructure works	71,517	(30,501)	41,016
Land	29,168	-	29,168
Machinery and equipment	23,284	(13,644)	9,640
Leased equipment	14,270	(1,955)	12,315
Information Technology (IT) equipment	2,612	(1,881)	731
Furniture and supplies	1,874	(1,047)	827
Motor vehicles	7,042	(4,205)	2,837
Bearer plants	141,427	(24,163)	117,264
Works in progress	12,616	-	12,616
<b>Total Property, Plant and Equipment</b>	<b>303,810</b>	<b>(77,396)</b>	<b>226,414</b>

As of December 31, 2015, the detail of Property, plant and equipment is as follows:

<u>December 31, 2015</u>			
	Gross Value	Accumulated depreciation	Net value
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Construction and infrastructure works	67,450	(26,763)	40,687
Land	16,735	-	16,735
Machinery and equipment	22,705	(12,120)	10,585
Leased equipment	5,506	(1,459)	4,047
Information Technology (IT) equipment	2,497	(1,688)	809
Furniture and supplies	1,663	(899)	764
Motor vehicles	6,375	(3,696)	2,679
Bearer plants	124,347	(6,074)	118,273
Works in progress	7,323	-	7,323
<b>Total Property, Plant and Equipment</b>	<b>254,601</b>	<b>(52,699)</b>	<b>201,902</b>

a) Valuation method:

Construction, plants, equipment and machinery are acknowledged, both at the opening moment and subsequently, at cost minus the corresponding depreciation and accumulated impairment in case it exists.

“Bearer plants” have been acknowledged at revalued cost, which is the fair value, at the moment of revaluation, minus accumulated amortization and the accumulated amount of the loss due to impairment in value that may have taken place. The revaluations will take place every 3 or 5 years or when there is evidence that the fair value of the revalued asset will significantly differ from its book value.

Since there is not an active market for “bearer plants”, or a price reference or market values for the different varieties planted by the Company, among other things due to the difference of some of its products, the Company will use as a method to determine the revaluation, the discount cash flow model, through which the revalued cost of the bearer plants will be calculated using the effective cash flows from continued operations.

Some of the most significant variables used in the valuation model, are the following:

- Production volume
- Producer return
- Fixed cost per hectare
- Variable costs per kilo; and
- Discount rate
- Exchange rate

b) Depreciation method

The depreciation of assets, except for bearer plants, is calculated in a lineal manner during the corresponding useful life. This useful life is determined based on the natural expected impairment, technical or commercial obsolescence derived from the changes and/or improvements in production and changes in market demands, of the products obtained in the operation with said assets.

The amortization of bearer plants, is calculated depending on its forecasted production in the useful life of the plant and is assigned in accordance with the real production curves.

The effects of the amortization are presented under Cost of sale.

In the case of plantations on leased land, the calculation is adjusted to the estimated productions in the period of the lease.

c) Estimated economic useful life or depreciation rates

The estimated economic useful lives per type of asset are the following:

	<b>Minimum Life or Rate Years</b>	<b>Maximum Life or Rate Years</b>
<b>Construction and infrastructure works</b>		
Steel, reinforced concrete constructions	50	80
Wooden buildings	10	30
Provisional constructions	5	10
Minor agricultural constructions (macro-tunnel and others)	3	8
<b>Machinery and equipment</b>	8	10
<b>Motor vehicles</b>	8	10
<b>Information technology (IT) equipment</b>	3	6
<b>Bearer plants</b>		
Blueberries	10	20
Raspberries and others	3	5
<b>Furniture and supplies</b>	5	10

The residual value and the useful life of the assets will be checked, and adjusted if necessary, at each closing of the consolidated statements of financial position.

**Amortization in the result of the period**

	<b>30-sep-16</b>	<b>30-sep-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Depreciation and Amortization		
Property, plant and equipment	7,020	7,118
Intangibles - Software	142	198
Intangibles - Licenses	1,377	1,588
Relationship with customers	200	200
Biological amortization	6,193	4,594
Activated amortization / others	(23)	(440)
<b>Amortization expenses</b>	<b><u>14,909</u></b>	<b><u>13,258</u></b>

d) Properties, Plant and Equipment subject to guarantees or restrictions

d.1) Agrícola Santa Rosa del Parque S.A.

d.1.1) Mortgage in favor of Rabobank over: (i) Hijuera A, resulting from the division of the "El Parque" estate, Angol, (ii) water use rights corresponding to 10 water irrigators from the Parque Ñipado channel which waters the aforementioned branch drain and (iii) permanent and continuous consumptive water use rights for 75 liters/sec. at Huequén River (EP 24.08.12, Not. Gloria Acharán). The amount of the used credit is KU\$1,259.

d.1.2) Non-transferable pledge in favor of Rabobank over the movable goods located on the properties stated in letter c.1.1) (EP 24.08.12, Not. Gloria Acharán).

d.2) Agrícola El Pampino S.A.

d.2.1) Mortgages in favor of Banco Santander-Chile over: (i) Lot N°.2 of the subdivision of a piece of land denominated Fundo Carihue, which forms part of the resulting of the property called "La Piedra", located in the locality of Oromo, Purranque and (ii) Lot N°.2 of the subdivision of Farm N°12 of the "Los Maitenes" Subdivision Project, Purranque (EP 10.07.08, Not. C.Gomila). The amount of the used credit is KUS\$427.

d.3) Agrícola Vida Nueva S.A.

d.3.1) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located in the property denominated "Fundo Las Encinas", locality of Santa Fe, Los Angeles (EP 24.11.05, Not. P.Zaldívar). To date the amount of the credit is at KUS\$0.

d.3.2) Pledge in favor of Banco Crédito e Inversiones without displacement over movable goods located on the property denominated Resto de la Parcela N° 33, which forms part of the Vida Nueva Subdivision Project, camino Loncovaca, Villarica (EP 09.11.05, Not. P.Zaldívar).

d.4) Agrícola Mataquito S.A.

d.4.1) Mortgages in favor of Rabobank over: (i) Hijuera Tercera of the Fundo Ponunquén Estate, commune of Curepto; (ii) Lot B of the Informe de Hijuera map, out of a surface of 20.18 hectares, Commune of Curepto and (iii) Water rights which water the aforementioned properties (EP.27.08.12, Not. Gloria Acharán). The amount of the used credit is KUS\$1,974.

d.4.2) Pledge without displacement in favor of Rabobank over the movable goods located on the properties described in letter c.4.1) (EP.27.08.12, Not. Gloria Acharán).

d.5) Agrícola Hortifrut S.A.

d.5.1) Mortgage in favor of Banco de Chile over: (i) Subdivision N° 10 of a surface of 53.1 hectares, of the “Santa Isabel” and “Los Cipreses” Subdivision Project, commune of Cunco; (ii) Lot N° 12-A out of a surface of 42.50 hectares of the subdivision plan of Subdivision 12 of the “Santa Isabel” Subdivision Project, Commune of Cunco; (iii) Agricultural property, located in the commune of Río Negro, with a surface of 207 hectares; (iv) Water rights to irrigate the aforementioned properties. (EP 24.04.12, Not. A.Bianchi).

d.5.2) Pledge without displacement in favor of Banco de Chile over the movable goods located on the properties detailed in letter c.5.1) (EP 21.06.12, Not. A.Bianchi). The amount of the used credit is KUS\$3,085.

As of September 30, 2016, the Company does not have a legal or contractual obligation to disassemble, remove or rehabilitate sites where its operations are developed, reason why its assets do not incorporate costs associated to said requirements.

d.6) Hortifrut Chile S.A.

d.6.1) Mortgages in favor of BCI over: (i) Lot One - B, part of El Congreso Farm, Commune of Gorbea (EP 28.07.14., Not. José Musalem S.).

d.6.2) Pledge without displacement in favor of BCI over the movable goods located on the properties detailed in letter c.6.1) (EP.02.09.14, Not. José Musalem S.).

d.6.3) Mortgages in favor of BCI over: Lot Two of Hijueta Segunda of Lot B of the Property denominated Resto Hacienda Virquenco (EP 09.12.2014, Not. José Musalem S.).

d.6.4) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter c.6.3) (EP 13.11.2014, Not. José Musalem S.).

d.7) Berries de Panguipulli SpA.

d.7.1) Mortgage in favor of BCI over: Lot A, Vista Hermosa property; Hijueta N°1, La Pantalla and El Zarzal; Lot 4-1 Arturo Araya; Farm N° 5 Arturo Araya; Lot 6-1 Arturo Araya; Lot 8-1 Arturo Araya; and their corresponding water rights; all corresponding to the Commune of Panguipulli (EP 28.07.14., Not. José Musalem S.).

d.8) Hortifrut S.A.

d.8.1) Mortgages in favor of BCI over: property located on Antillanca street N° 370 (Lot 4-B) and N° 540 (Lot 5-B), both located in the Commune of Pudahuel (EP 28.07.14., Not. José Musalem S.).

d.9) Top Berries & Fruit SpA.

d.9.1) Mortgages in favor of BCI over: (i) property located on Lot One of Resto del Fundo Coihuecura, Commune of Yerbas Buenas and its water rights (EP 05.08.14., and EP 17.10.14. Not. José Musalem S.).

d.9.2) Pledge without displacement in favor of BCI over the movable goods located on property detailed in letter c.9.1) (EP.02 09.14, Not. José Musalem S.).

d.10) Hortifrut Comercial S.A.

d.10.1) Mortgages in favor of BCI over: (i) Lots 1, 2, 4 to 16 and 55 to 84 and water rights, of the sub-division of Farm 151, of Colonia Gabriel Gonzalez Videla, Vegas Norte Sector, La Serena, (EP 18.08.14., Not. José Musalem S.).

The credit received by BCI, for the mortgages individualized in letters c.6 to c.10, correspond to the amount of US\$30 million. The amount of the used credit is KUS\$24,017.-

e) Insurances

The Hortifrut Group has contracted insurance policies to cover the risks that the movable goods, vehicles, equipment, plant and machinery are subject to. Hortifrut S.A. and its subsidiaries consider that the coverage of these policies is adequate for the inherent risks of its activity.

The main insurances contracted by the Company, as of September 30, 2016 are the following:

- Fire insurance, for refrigerators, packing, warehouses, offices and electrical installations for the parent company and national subsidiaries, for approximately UF 1,248,825. -
- Insurance for mobile agricultural equipment for the parent company and national subsidiaries for approximately UF 54,845.-
- Insurance for motor vehicles for the parent company and national subsidiaries for approximately UF 151,203.-
- General Civil Responsibility Insurance for the parent company and national subsidiaries for approximately UF 138,546.-
- Maritime transport insurance for the parent company and national subsidiaries for approximately UF 332,510.-
- Credit insurance for the parent company and national subsidiaries for approximately UF 277,091.-

f) Loss due to impairment in value

The calculations of the current value of future cash flows of the cash generating units contemplate an improvement in the market and the maintenance of a low cost structure in the medium and long term in comparison with previous periods. According to these estimations, assets don't present impairment in the value which should be acknowledged at the closing of the period.

g) Financial Leasing

Net book value as of September 30, 2016 and December 31, 2015 of the assets under financial leasing, classified as Leased Assets in the item Property, plant and equipment, is the following:

<b><u>Denomination</u></b>	<b><u>30-sep-16</u></b>	<b><u>31-dec-15</u></b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
<b><u>Construction</u></b>		
Administrative offices	1,064	1,097
Parking administrative offices	39	40
Metallic Structure 5.3 hectares	263	274
Greenhouse	1,093	-
Molina Plant	4,217	-
<b>Total Constructions</b>	<b><u>6,676</u></b>	<b><u>1,411</u></b>
<b><u>Land</u></b>		
Land Molina Plant	236	-
<b>Total Land</b>	<b><u>236</u></b>	<b><u>-</u></b>
<b><u>Machinery and equipment</u></b>		
Blueberry processing line	85	93
Blueberry processing line	68	74
Blueberry processing line	414	439
IQF processing line	344	403
Processing line and Machinery Molina Plant	1,389	-
BBC Filling Line	694	730
BBC Soft Sorter Machine	723	761
Calibrating and Classifying Machine	1,530	-
Fertigation Machinery	19	25
Several Equipment	55	87
<b>Total Machinery and equipment</b>	<b><u>5,321</u></b>	<b><u>2,612</u></b>
<b><u>Motor Vehicles</u></b>		
Vans	77	17
Tractors	5	7
<b>Total Motor Vehicles</b>	<b><u>82</u></b>	<b><u>24</u></b>
<b>General Total</b>	<b><u>12,315</u></b>	<b><u>4,047</u></b>

La debt associated to these leasings as of September 30, 2016 and December 31, 2015, are presented in the item Other current financial liabilities and Other non current financial liabilities.

The debt associated to each item under Properties, plant and equipment is detailed as follows:

<u>Leasing Liability</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>31-dec-15</u> <u>KUS\$</u>
<b><u>Constructions</u></b>		
Administrative offices	682	811
Parking administrative offices	27	29
Metallic structure 5.3 hectares	243	274
Molina Plant	4,126	-
<b>Total Constructions</b>	<b>5,078</b>	<b>1,114</b>
<b><u>Land</u></b>		
Land Molina Plant	231	-
<b>Total Land</b>	<b>231</b>	<b>-</b>
 <b><u>Machinery and equipment</u></b>		
IQF processing line	-	113
IQF processing line	-	27
Blueberry processing line	44	173
BBC Filling Machine	498	491
BBC Soft Sorter Machine	510	510
Molina Plant Processing Line and Machinery	1,358	-
Calibrating and Classifying Machine	1,405	-
Greenhouse	1,102	-
<b>Total Machinery and equipment</b>	<b>4,917</b>	<b>1,314</b>
 <b><u>Motor Vehicles</u></b>		
Vans	23	-
<b>Total Motor Vehicles</b>	<b>23</b>	<b>-</b>
<b>Total general</b>	<b>10,249</b>	<b>2,428</b>

h) Property, plant and equipment temporarily out of service

As of September 30, 2016 and December 31, 2015, there are no Property, plant and equipment temporarily out of service.

i) Property, plant and equipment totally depreciated

As of September 30, 2016, the detail of Property, plant and equipment which are totally depreciated is as follows:



	<b>Gross Value <u>KUS\$</u></b>
Constructions and infrastructure works	1,736
Machinery and equipment	1,715
Leased equipment	33
Information Technology (IT) equipment	588
Furniture and supplies	185
Motor vehicles	<u>559</u>
<b>Total Property, Plant and Equipment</b>	<b><u>4,816</u></b>

j) Property, plant and equipment removed from its active use

The book value of the properties, plant and equipment elements which have been removed from their active use and have not been classified by the Company as held for sale reach KUS\$ 15, which will be transferred for its use in other fields.

k) Fair value of property, plant and equipment

The fair value of Property, plant and equipment do not significantly differ from the book value.

## **NOTE 20 -CURRENT INCOME TAX AND DEFERRED TAXES**

In the period ending on September 30, 2016, we proceeded to calculate and record taxable net income with a 24% rate for the 2016 commercial period, based on what was established in Law N° 20.780, Tax Reform, published in the Diario Oficial (Official Newspaper) on September 29, 2014.

Among the main modifications, is the progressive increase of First Category Tax, reaching 27% from 2018, in case the “Partially Integrated Tax System” is applied.

The aforementioned Law establishes that since Hortifrut S.A. is a publicly traded company, as a general rule the “Partially Integrated Tax System” is applied to it.

Deferred tax assets and liabilities are compensated if the right to compensate the current tax assets and liabilities has been legally acknowledged and the deferred taxes refer to the same entity and tax authority.

### a) Current income tax

The Company and subsidiaries maintain as of September 30, 2016, an accumulated current income tax provision of KUS\$10,808 (KUS\$6,412 as of December 31, 2015), which is presented net of provisional payments and other credits for KUS\$7,236 (KUS\$ 6,052 as of December 31, 2015). In this manner, the balance under current tax liability is of KUS\$3,572(As of December 31, 2015, the balance is KUS\$360).

### b) Deferred taxes

Deferred taxes correspond to the amount of tax over profits that Hortifrut and subsidiaries will have to pay (liabilities) or recover (assets) in future periods, related with temporary differences between the fiscal or tax base and the accounting book value of certain assets and liabilities.

The main deferred tax asset corresponds to the tax loss of subsidiaries, which will be recovered in future periods. The main deferred tax liability payable in future periods, corresponds to the temporary differences originated by manufacturing expenses, revaluation of biological assets and the revaluation of Property, plant and equipment on the transition date to IFRS.

Deferred tax assets as of September 30, 2016 and December 31, 2015, refer to the following concepts:

Detail	30-sep-16		31-dec-15	
	Deferrred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	KUS\$	KUS\$	KUS\$	KUS\$
Manufacturing expenses	-	1,571	-	1,507
Valuation of biological assets	-	16,703	-	17,456
Land appraisal	-	34	-	34
Anticipated income	-	-	-	-
Tax loss	11,499	-	10,911	-
Provisions	2,056	-	1,848	-
Intangibles	-	1,121	-	1,175
Fixed asset	-	8,439	-	6,369
Forward hedging	-	17	340	-
Price adjustment	-	-	-	85
Others	2,653	-	929	-
Non realized earnings in investments	47	-	289	-
<b>Total</b>	<b>16,255</b>	<b>27,885</b>	<b>14,317</b>	<b>26,626</b>

Deferred tax for forward hedging forms part of the Other integral result.

Deferred taxes have not been acknowledged for the temporary differences between the tax and accounting value generated by investments in Subsidiaries, so, deferred tax due to adjustments in conversion directly recorded in net equity, exposed in the other integral income statement is also not acknowledged.

As of September 30, 2016, the deferred tax asset originated by tax loss reached KUS\$11,499 (KUS\$10,911 as of December 31, 2015) which is chargeable to the profits which can be generatd in the future in the companies that present sai condition, as per the following detail:

		30-sep-16 KUS\$	31-dec-15 KUS\$	Variation KUS\$
Hortifrut S.A.	Chile	577	-	577
Ag. Mataquito S.A.	Chile	1,132	1,144	(12)
Ag. El Avellano S.A.	Chile	1,574	1,424	150
Ag. El Pampino S.A.	Chile	-	135	(135)
Ag. Hortifrut S.A.	Chile	603	1,000	(397)
Colmenares Hortisur S.A.	Chile	26	9	17
Hortifrut S.A. de C.V.	Mexico	6,772	6,573	199
Berrygood Comercial Importadora	Brazil	577	480	97
Hortifrut Europa	Spain	64	62	2
HFE Berries Perú S.A.C.	Peru	103	11	92
Hortifrut Argentina S.A.	Argentina	70	63	7
Viveros Hortifrut Chile S.A.	Chile	-	10	(10)
<b>Total</b>		<b>11,499</b>	<b>10,911</b>	<b>588</b>

Regarding the statute of limitations of the tax loss susceptible to be charged to future profits, we can state that in the case of those generated in companies constituted in Chile, these do not prescribe. In Mexico, these have an expiry of 10 years.

Below is the activity of deferred tax assets:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Opening balance</b>	<b>14,317</b>	<b>14,018</b>
Provisions	208	632
Tax loss	588	(1,304)
Forward hedging	(340)	(14)
Others	1,724	898
Unrealized gain on investments	(242)	87
<b>Final balance</b>	<u><b>16,255</b></u>	<u><b>14,317</b></u>

Below is the activity of deferred tax liabilities:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Opening balance</b>	<b>26,626</b>	<b>21,211</b>
Manufacturing expenses	64	339
Fixed asset	2,070	1,282
Intangibles	(54)	(72)
Advanced income	-	(112)
Forward hedging	17	-
Valuation of biological assets	(753)	3,966
Price adjustment	(85)	50
Assets for sale	-	(38)
<b>Final balance</b>	<u><b>27,885</b></u>	<u><b>26,626</b></u>

Gains tax expense has the following detail:

<b>Detail</b>	<b>QUARTER</b>			
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>01-jul-16</b>	<b>01-jul-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
Current tax expense	9,794	6,141	630	(1,312)
Tax benefit for tax loss	(45)	-	-	57
Deferred tax effect	(1,205)	547	(531)	2,169
Adjustment previous year	(223)	(76)	10	(154)
Adjustment of conversion	77	167	165	104
<b>Total</b>	<u><b>8,398</b></u>	<u><b>6,779</b></u>	<u><b>274</b></u>	<u><b>864</b></u>

The following is the detail of the income tax expense conciliation, using the legal rate with the tax expense, using the effective rate:

	<b>30-sep-16</b>		<b>30-sep-15</b>	
	<b>KUS\$</b>	<b>%</b>	<b>KUS\$</b>	<b>%</b>
<b>Tax expense (income) using the legal rate</b>	<b>8,607</b>	<b>24.00%</b>	<b>3,623</b>	<b>22.50%</b>
Tax effect of rates in other jurisdictions	401	1.12%	326	2.02%
Tax effect of non taxable operating income	(1,846)	-5.15%	(389)	-2.42%
Tax effect of non deductible tax expense	648	1.81%	305	1.89%
Tax effect for fiscal currency different to functional currency	808	2.25%	3,527	21.91%
Tax effect of tax surplus foreseen in previous periods	(223)	-0.62%	(76)	-0.47%
Other increase (decrease) in charge for legal taxes	3	0.01%	(537)	-3.33%
<b>Total tax expense adjustment using the legal rate</b>	<b>(209)</b>	<b>-0.58%</b>	<b>3,156</b>	<b>19.60%</b>
<b>Tax expense using the effective rate</b>	<b>8,398</b>	<b>23.42%</b>	<b>6,779</b>	<b>42.10%</b>

	<b>QUARTER</b>			
	<b>01-jul-16</b>		<b>01-jul-15</b>	
	<b>30-sep-16</b>		<b>30-sep-15</b>	
	<b>KUS\$</b>	<b>%</b>	<b>KUS\$</b>	<b>%</b>
<b>Tax expense (income) using the legal rate</b>	<b>69</b>	<b>24.00%</b>	<b>(739)</b>	<b>22.50%</b>
Tax effect of rates in other jurisdictions	(118)	-41.15%	27	-0.82%
Tax effect of non taxable operating income	(228)	-79.51%	(544)	16.57%
Tax effect of non deductible tax expense	162	56.49%	282	-8.59%
Tax effect for fiscal currency different to functional currency	854	297.81%	2,560	-77.95%
Tax effect of tax surplus foreseen in previous periods	10	3.49%	(154)	4.69%
Other increase (decrease) in charge for legal taxes	(475)	-165.64%	(568)	17.29%
<b>Total tax expense adjustment using the legal rate</b>	<b>205</b>	<b>71.49%</b>	<b>1,603</b>	<b>-48.81%</b>
<b>Tax expense using the effective rate</b>	<b>274</b>	<b>95.49%</b>	<b>864</b>	<b>-26.31%</b>

**NOTE 21 – OTHER FINANCIAL LIABILITIES**

As of September 30, 2016 and December 31, 2015, Hortifrut and subsidiaries maintain financial loans which are detailed below:

**Other current financial liabilities**

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Obligations with Banks and financial institutions	99,122	97,236
Financial Leasing	2,541	1,015
Cross Currency Swap Operations	-	15
Forward currency operations	-	1,839
Currency option operations	-	34
<b>Total bank obligations with expiry before 12 months</b>	<b><u>101,663</u></b>	<b><u>100,139</u></b>

**Other non current financial liabilities**

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Obligations with banks and financial institutions	42,497	58,811
Financial Leasing	7,709	1,413
Forward currency operations	-	300
Cross Currency Swap Operations	1,502	1,401
<b>Total bank obligations with expiry over 12 months</b>	<b><u>51,708</u></b>	<b><u>61,925</u></b>

## Detail of balance and expiries

### a) Obligations with banks and financial institutions

Obligations with Banks and financial institutions grouped by expiry are detailed below, as of September 30, 2016 and December 31, 2015:

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Corrientes			Total corriente as of 30-09-2016	No corrientes					Total No corriente as of 30-09-2016
								Expiry up to 1 month	1 to 3 months	3 to 12 months		Expiry 1 to 2 years	Expiry 2 to 3 years	3 to 4 years	4 to 5 years	5 or more years	
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	6.06%	6.06%	-	-	217	217	210	-	-	-	-	210
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Rabobank Chile	US\$	Annual	5.52%	5.20%	-	-	155	155	150	150	-	-	-	300
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Rabobank Chile	US\$	Annual	6.26%	6.03%	-	-	19	19	-	-	1,500	-	-	1,500
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	1.41%	1.41%	502	-	-	502	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Rabobank Chile	US\$	Annual	5.58%	5.31%	-	-	89	89	85	85	89	-	-	259
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Rabobank Chile	US\$	Annual	6.23%	6.01%	-	-	11	11	-	-	900	-	-	900
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	22.13%	22.13%	-	-	54	54	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	28.48%	28.48%	-	-	46	46	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	0.00%	0.00%	-	-	86	86	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.88%	2.06%	1,358	-	1,250	2,608	2,500	2,500	1,250	-	-	6,250
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	0.95%	0.95%	-	-	3,001	3,001	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.12%	1.12%	15,011	-	-	15,011	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.42%	3.02%	-	-	3,332	3,332	2,685	3,000	3,000	3,000	9,000	20,685
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	0.78%	0.78%	10,015	-	-	10,015	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.00%	1.00%	-	-	6,001	6,001	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	0.70%	0.70%	-	3,003	-	3,003	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	0.82%	0.82%	-	5,005	-	5,005	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	1.26%	1.26%	-	-	14,001	14,001	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	1,295	-	1,200	2,495	2,400	4,000	-	-	-	6,400
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	0.86%	0.86%	-	15,022	-	15,022	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	0.81%	0.81%	-	-	3,003	3,003	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	0.97%	0.97%	3,002	-	-	3,002	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.40%	1.40%	74	149	224	447	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	2.96%	2.96%	114	230	1,040	1,384	1,403	1,423	719	-	-	3,545
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.38%	1.38%	8	25	68	101	101	76	-	-	-	177
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	5.42%	5.42%	8	-	-	8	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.50%	1.50%	13	37	100	150	150	64	-	-	-	214
Asturian Berries SL	0-E	Spain	Caja Badajoz	EUR	Monthly	5.90%	5.90%	3	2	-	5	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	4	18	24	40	-	-	-	-	40
Asturian Berries SL	0-E	Spain	Caja Rural Asturias	EUR	Monthly	5.00%	5.00%	2	6	15	23	32	-	-	-	-	32
Asturian Berries SL	0-E	Spain	Financiacal Services	EUR	Monthly	9.20%	9.20%	-	-	3	3	15	-	-	-	-	15
Berries Peru	0-E	Peru	Banco de Crédito Perú	SOL	Monthly	0.00%	0.00%	4	-	-	4	-	-	-	-	-	-
Hortifrut México S.A. de C.V.	0-E	Mexico	HSBC México S.A.	US\$	Annual	2.20%	2.20%	-	50	150	200	33	-	-	-	-	33
Hortifrut S.A.	96.896.990-0	Chile	Banco Santander Chile	US\$	Annual	3.91%	2.88%	-	-	8,947	8,947	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco de Chile	US\$	Annual	5.35%	7.38%	-	682	-	682	646	645	646	-	-	1,937
Hortifrut S.A.	96.896.990-0	Chile	Banco de Chile	US\$	Annual	-	-	-	466	-	466	-	-	-	-	-	-
<b>Total</b>								<b>31,411</b>	<b>24,681</b>	<b>43,030</b>	<b>99,122</b>	<b>10,450</b>	<b>11,943</b>	<b>8,104</b>	<b>3,000</b>	<b>9,000</b>	<b>42,497</b>

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total Current	Non Current					Total Non Current
								Expiry up to 1 month	1 to 3 months	3 to 12 months	as of 31-12-2015	Expiry 1 to 2 years	Expiry 2 to 3 years	3 to 4 years	4 to 5 years	5 or more years	as of 31-12-2015
								KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco Rabobank Chile	US\$	Annual	5.52%	5.20%	-	-	165	165	150	150	150	-	-	450
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco Rabobank Chile	US\$	Annual	6.26%	6.03%	-	-	36	36	-	-	-	-	1,500	1,500
Agricola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	1.65%	1.65%	-	500	-	500	-	-	-	-	-	-
Agricola Santa Rosa del Parque S.A	99.584.440-0	Chile	Banco Rabobank Chile	US\$	Annual	5.58%	5.31%	-	-	96	96	85	85	85	87	-	342
Agricola Santa Rosa del Parque S.A	99.584.440-0	Chile	Banco Rabobank Chile	US\$	Annual	6.23%	6.01%	-	-	25	25	-	-	-	-	900	900
Agricola Santa Rosa del Parque S.A	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	1.65%	1.65%	-	500	-	500	-	-	-	-	-	-
Agricola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	6.06%	6.06%	-	-	230	230	210	210	-	-	-	420
Agricola Vida Nueva S.A.	96.996.290-K	Chile	Banco Santander Chile	US\$	Annual	1.60%	1.60%	-	400	-	400	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	0.98%	0.98%	10,020	-	-	10,020	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.88%	2.06%	-	-	2,545	2,545	2,500	2,500	2,500	-	-	7,500
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	0.88%	0.88%	-	10,012	-	10,012	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.42%	3.02%	-	-	3,360	3,360	3,000	3,000	3,000	3,000	12,000	24,000
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	0.93%	0.93%	-	10,023	-	10,023	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	0.88%	0.88%	-	10,009	-	10,009	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	0.79%	0.79%	-	5,012	-	5,012	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	EUR	Annual	0.39%	0.39%	645	-	-	645	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	0.95%	0.95%	-	3,007	-	3,007	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	0.96%	0.96%	-	10,017	-	10,017	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	-	-	2,453	2,453	2,400	5,200	-	-	-	7,600
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	0.87%	0.87%	5,010	-	-	5,010	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	0.87%	0.87%	10,020	-	-	10,020	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	0.99%	0.99%	-	7,003	-	7,003	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A	EUR	Monthly	3.33%	3.33%	70	211	574	855	219	-	-	-	-	219
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A	EUR	Monthly	1.40%	1.40%	-	-	1,001	1,001	1,346	1,368	1,387	353	-	4,454
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A	EUR	Monthly	1.38%	1.38%	8	25	65	98	98	98	49	-	-	245
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A	EUR	Monthly	5.42%	5.42%	9	18	64	91	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Caja Badajoz	EUR	Monthly	5.90%	5.90%	2	7	18	27	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	La Caixa	EUR	Quarterly	1.23%	1.23%	11	-	-	11	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	6	16	24	23	23	10	-	-	56
Asturian Berries SL	0-E	Spain	Banesto	EUR	Monthly	5.00%	5.00%	2	5	15	22	24	25	-	-	-	49
Asturian Berries SL	0-E	Spain	Financial Services	EUR	Monthly	9.20%	9.20%	-	1	2	3	16	-	-	-	-	16
Hortifrut México S.A. de C.V.	0-E	Mexico	HSBC México S.A.	US\$	Annual	2.20%	2.20%	-	50	150	200	200	117	-	-	-	317
Hortifrut S.A.	96.896.990-0	Chile	Banco Santander Chile	US\$	Annual	3.91%	2.88%	-	-	2,265	2,265	8,800	-	-	-	-	8,800
Hortifrut S.A.	96.896.990-0	Chile	Banco de Chile	US\$	Annual	5.35%	4.80%	-	-	648	648	648	648	647	-	-	1,943
Hortifrut S.A.	96.896.990-0	Chile	Banco de Chile	US\$	Annual	6.20%	8.12%	-	-	903	903	-	-	-	-	-	-
<b>Total</b>								<b>25,799</b>	<b>56,806</b>	<b>14,631</b>	<b>97,236</b>	<b>19,719</b>	<b>13,424</b>	<b>7,828</b>	<b>3,440</b>	<b>14,400</b>	<b>58,811</b>



b) Financial Leasing Obligations

Obligations with Banks and financial institutions per financial leasing, grouped by expiry, detailed below, as of September 30, 2016 and December 31, 2015:

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total Current	Non current					Total Non Current			
								KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$	KUS\$
as of 30-09-2016																				
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	-	66	66	69	72	36	-	-	177			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	209	209	210	218	228	237	-	893			
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	4	6	6	6	5	-	-	17			
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Monthly	4.28%	4.28%	15	29	44	44	-	-	-	-	-	-			
Hortifrut Chile S.A.	99.524.450-0	Chile	BBC Tecnología Agrícola Ltda.	US\$	Annual	0.00%	0.00%	255	255	-	510	-	-	-	-	-	-			
Hortifrut Chile S.A.	99.524.450-0	Chile	BBC Tecnología Agrícola Ltda.	US\$	Annual	14.02%	14.02%	252	246	-	498	-	-	-	-	-	-			
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	2.79%	98	-	283	381	354	379	291	-	-	1,024			
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	14	28	102	144	209	197	159	-	-	565			
Top Berries & Fruit SpA	76.023.726-4	Chile	Banco Rabobank Chile	US\$	Quarterly	3.29%	3.29%	-	190	493	683	676	699	723	747	2,188	5,033			
<b>Total</b>								<b>635</b>	<b>749</b>	<b>1,157</b>	<b>2,541</b>	<b>1,524</b>	<b>1,571</b>	<b>1,442</b>	<b>984</b>	<b>2,188</b>	<b>7,709</b>			
as of 31-12-2015																				
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	-	28	28	67	70	72	37	-	246			
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Monthly	4.28%	4.28%	14	28	131	173	-	-	-	-	-	-			
Hortifrut Chile S.A.	99.524.450-0	Chile	BBC Tecnología Agrícola Ltda.	US\$	Annual	0.00%	0.00%	-	-	255	255	255	-	-	-	-	255			
Hortifrut Chile S.A.	99.524.450-0	Chile	BBC Tecnología Agrícola Ltda.	US\$	Annual	0.00%	0.00%	-	-	254	254	237	-	-	-	-	237			
Top Berries & Fruit SpA	76.023.726-4	Chile	Banco Rabobank Chile	US\$	Biannual	5.35%	5.35%	-	25	26	51	-	-	-	-	-	-			
Top Berries & Fruit SpA	76.023.726-4	Chile	Banco Rabobank Chile	US\$	Biannual	5.57%	5.57%	-	-	-	-	-	-	-	-	-	-			
Top Berries & Fruit SpA	76.023.726-4	Chile	Banco Rabobank Chile	US\$	Biannual	5.45%	5.45%	-	31	31	62	-	-	-	-	-	-			
Top Berries & Fruit SpA	76.023.726-4	Chile	Banco Santander Chile	US\$	Biannual	5.06%	5.06%	-	-	27	27	-	-	-	-	-	-			
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	13	27	125	165	176	189	203	107	-	675			
<b>Total</b>								<b>27</b>	<b>111</b>	<b>877</b>	<b>1,015</b>	<b>735</b>	<b>259</b>	<b>275</b>	<b>144</b>	<b>-</b>	<b>1,413</b>			

Additional information regarding financial liabilities

a.1) Hortifrut Chile S.A.

a.1.1) Dated November 05, 2015, BBVA Bank granted Hortifrut Chile S.A. a credit for US\$10 million.

The Company assumes the following obligations over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 6 times as of December 31 of each year;
  - lower or equal to 4.5 times as of June 30 of each year.
- 
- To maintain financial cost hedging (EBITDA divided net financial expenses of the last 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by Total Equity level
  - lower or equal to 1 time as of June 30 of each year.

a.1.2) Dated October 06, 2015, Banco del Estado de Chile bank granted Hortifrut Chile S.A. a credit for MCLP 6,855,000. For this credit, dollarization hedging was used.

The Company assumes the following obligations, over the base of its consolidated financial statements:

- To maintain a Net Financial Debt level divided by annual EBITDA
  - lower or equal to 4.5 times as of June 30, 2016;
  - lower or equal to 4 times as of June 30, 2017;
  - lower or equal to 3.5 times as of June 30, 2018.
- To maintain financial cost hedging (EBITDA divided net financial expenses of the last 12 months)
  - higher or equal to 4 times as of June 30 of each year.
- To maintain a Net Financial Debt divided by total equity level
  - not higher than 1 time as of June 30 of each year.

a.1.3) By public deed dated April 30, 2014, granted at the Notary of Santiago of Mr. José Musalem Faffie, Hortifrut Chile S.A. and Banco de Crédito e Inversiones bank subscribed a Financing Contract. In said instrument, Hortifrut S.A. was constituted as a jointly and severally liable co-debtor of the subsidiary Hortifrut Chile S.A., for a US\$ 30 million loan and a credit line approved with Banco de Crédito e Inversiones bank for the amount of US\$ 42 million.

Hortifrut S.A. maintains the security and co-debt for the loan with Banco de Crédito e Inversiones bank for US\$ 30 million, of which to date Hortifrut Chile S.A. owes US\$ 24.17 million.

The financing contract establishes certain obligations for Hortifrut S.A.'s consolidated financial statements that are normal in this type of operations, among which we count the following, under the specific terms and conditions stated in the corresponding credit contract:

- To maintain the Company's current corporate purpose and its legal existence; to maintain the assets necessary for the Company's normal business; to comply with the applicable laws and norms; to opportunely send the Company's financial information; to hire and maintain insurances that conveniently cover the risks as per what is the custom in the industry.

- To maintain a Net Financial debt level divided by EBITDA
  - lower or equal to 6 times as of December 31 of each year
  - and lower or equal to 5 times as of June 30, 2014 and 2015, considering the EBITDA of the last 12 months
  - and lower or equal to 4.5 times as of June 30, 2016 and onwards, considering the EBITDA of the last 12 months
  - Maintain financial cost hedging (EBITDA divided net financial expense of the last 12 months) equal to or higher than 4 times as of June 30 of each year.
- To maintain a Net Financial Debt level divided by Total Equity
  - lower or equal to 1 time as of June 30 of each year
- Prohibition to tax assets, except under the terms agreed in the contract and to perform operations with related people mainly at market prices

a.2) Hortifrut S.A.

Dated December 26, 2011, Banco de Chile bank granted Hortifrut S.A. the following credits:

- Credit documented in promissory note number 1232 for the original amount of KCLP\$ 1,131,000.
- Credit documented in promissory note number 1230 for the original amount of KCLP\$ 1,152,180.
- Credit documented in promissory note number 1248 for the original amount of KCLP\$ 1,557,420.

As of September 30, 2016, the total owed amount of these credits is KCLP1,344,210.

For these credits, dollarization hedging was used.

The Company assumes the following obligations, over the base of its consolidated financial statements accumulated at 12 months:

- Provide Consolidated Financial Statements to Banco de Chile bank, with their corresponding notes, at least twice a year, for the balances closed on December 31 and June 30 of each period, in a term lower than 120 days from said dates. The individual and consolidated Financial Statements, must be audited by Independent Auditors, and given with the opinion of these auditors.
- Maintain a net financial debt divided by annual EBITDA lower or equal to 3 times as of June 30 of each year considering the annual EBITDA
- Maintain financial cost hedging (EBITDA divided by net financial costs of the last 12 months) equal to or higher than 4 times as of June 30 of each year.
- Maintain a total Equity of at least US\$ 25 million as of June 30 and December 31 of each year.

### a.3) Compliance of Covenants

#### a.3.1) Net financial debt divided by annual EBITDA.

	<u>30-jun-16</u> KUS\$	<u>31-dec-15</u> KUS\$	<u>30-jun-15</u> KUS\$	<u>01-jul-15</u> <u>30-jun-16</u> KUS\$
EBITDA	43,315	45,764	34,332	54,747
Net financial costs	1,812	3,285	1,998	3,099
<b>ANNUAL EBITDA / Net financial cost</b>	<b>23.9</b>	<b>13.9</b>	<b>17.2</b>	<b>17.7</b>
<b>Net Financial Debt</b>	<b>92,974</b>	<b>137,465</b>	<b>104,604</b>	<b>92,974</b>
<b>Net Financial Debt / EBITDA</b>	<b>2.15</b>	<b>3.00</b>	<b>3.05</b>	<b>1.70</b>

Net financial debt divided by annual EBITDA was 1.70 for the 12 month periods ending June 30, 2016, (lower than the 5 times requested by BCI, 4.5 times requested by BBVA and 3 times requested by Banco de Chile).

The net financial debt divided by annual EBITDA was 3.00 for the 12-month period ending December 31, 2015, (lower than the 6 times requested by BCI and BBVA).

The EBITDA, corresponding to the periods ending June 30, 2015, 2016 and for the 12-month period from July 01, 2015 to June 30, 2016 was:

	<u>30-jun-16</u> KUS\$	<u>31-dec-15</u> KUS\$	<u>30-jun-15</u> KUS\$	<u>12 month period</u>	
				<u>01-jul-15</u> KUS\$	<u>01-jul-14</u> KUS\$
<b>DETERMINING EBITDA</b>					
Income from operating activities	236,746	348,880	213,770	371,856	344,522
Other income, per function, excluding the increase in value to fair value of the biological assets	391	174	81	484	1,781
<b>Total Income</b>	<b>237,137</b>	<b>349,054</b>	<b>213,851</b>	<b>372,340</b>	<b>346,303</b>
Cost of sales	(190,602)	(295,084)	(177,817)	(307,869)	(288,537)
Administration expenses	(13,619)	(23,544)	(10,436)	(26,727)	(22,198)
Other expenses, per function, excluding impairment in value to fair value of the biological assets	(550)	(1,615)	(1,055)	(1,110)	(2,017)
<b>Total Costs and Expense</b>	<b>(204,771)</b>	<b>(320,243)</b>	<b>(189,308)</b>	<b>(335,706)</b>	<b>(312,752)</b>
<b>Operating Result</b>	<b>32,366</b>	<b>28,811</b>	<b>24,543</b>	<b>36,634</b>	<b>33,551</b>
Depreciation and amortization	10,949	16,953	9,789	18,113	16,256
<b>EBITDA</b>	<b>43,315</b>	<b>45,764</b>	<b>34,332</b>	<b>54,747</b>	<b>49,807</b>

## DETERMINING NET FINANCIAL DEBT

<b>Determining net financial debt</b>	<b>30-sep-16</b>	<b>31-dec-15</b>	<b>30-sep-15</b>
<u>Items</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Other current financial liabilities	101,663	100,139	82,333
Other non current financial liabilities	51,708	61,925	48,620
<b>Total financial liability</b>	<b>153,371</b>	<b>162,064</b>	<b>130,953</b>
<b>Minus:</b>			
Cash and cash equivalents	33,795	24,599	26,349
<b>Total net financial debt</b>	<b>119,576</b>	<b>137,465</b>	<b>104,604</b>

a.3.2) Financial cost hedging (EBITDA divided net financial expenses of the last 12 months).

Financial cost hedging for a 12 month period, was 17.7 times, higher than the 4 required as of June 30, 2016 by BCI, BBVA, Banco del Estado and Banco de Chile.

Financial cost hedging as of June 30, 2016, as detailed below is:

	<b>30-jun-16</b>	<b>31-dec-15</b>	<b>30-jun-15</b>	<b>01-jul-15</b>
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
EBITDA	43,315	45,764	34,332	54,747
Net Financial Costs	1,812	3,285	1,998	3,099
<b>ANNUAL EBITDA / Net Financial Cost</b>	<b>23.9</b>	<b>13.9</b>	<b>17.2</b>	<b>17.7</b>

a.3.3) Net Financial Debt divided by Total Equity

- As of June 30, 2016 it was 0.39 times, (lower than 1 time required by BCI, BBVA and Banco del Estado)

a.3.4) Total equity higher than US\$ 25 million as of June 30 and December 31 of each year.

Total equity was US\$235.70 million as of September 30, 2016 (higher than the requested US\$25 million), and US\$ 205.07 million as of December 31, 2015.

a.4) Financial risk management policies

The Company, following the financial risk management policy described in note 3, contracts financial derivatives to cover its exposure to the exchange rate and interest rate fluctuations.

The derivatives to cover the exposure of the exchange rate fluctuations which Hortifrut S.A. and subsidiaries currently maintain correspond to derivative instruments classified as Cross Currency Swaps (CCS), Currency Forwards and Options. The first are used to hedge the variable interest rate of the financial debt, the others are used to assure exchange rate levels for future transactions.

## c) Cross Currency Swap Operations:

The detail of the derivative instruments is as follows:

<b>LIABILITIES</b>			<b>MtoM Value</b>		
<b>Hedging instruments</b>			<b>Capital</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
			<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
<u>Entities</u>	<u>Instruments</u>	<u>Type</u>			
Banco Penta / (deuda en Banco de Chile)	Cross Currency Swaps CLP/USD	Tasa	902	-	15
<b>Total current</b>			<b>902</b>	<b>-</b>	<b>15</b>
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	24,000	1,243	1,050
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	1,395	14	-
Banco Bilbao Viscaya	Cross Currency Swaps - USD	Rate	8,750	1	14
Banco Estado	Cross Currency Swaps CLP/USD	Rate	8,800	113	115
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	5,687	85	-
Banco Santander Santiago	Cross Currency Swaps - USD	Rate	8,800	(7)	54
Banco de Chile	Cross Currency Swaps CLP/USD	Rate	2,590	63	113
Banco Penta	Cross Currency Swaps CLP/USD	Rate	458	(23)	-
Banco Bilbao Viscaya	Cross Currency Swaps CLP/USD	Currency	910	13	55
<b>Total non current</b>			<b>61,390</b>	<b>1,502</b>	<b>1,401</b>

The total of the market valuation of these derivative instruments is acknowledged in the other integral results.

Swaps cover the significant variations in cash flows associated to the market risk implicit in the increase in the 6 month LIBOR interest rate for long term credits originated by investments. These contracts are recorded as cash flow hedging contracts.

#### d) Currency Forwards Operations

The detail of the currency option operations kept by Hortifrut and subsidiaries as of December 31, 2015, is as follows:

Company	Bank	Contract Modality	Fees Type	Currency	Liabilities		Closing Value Amount	Net Effect Offsetting	MTM					Total Current 12/31/2015	Expiry up to		Total non current 12/31/2015	
					Amount	Currency			Expiry up to						12/31/2015	1 to 2 years		2 to 3 years
									KUS\$									
									1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	12/31/2015					
Hortifrut Chile S.A. BBVA	Offsetting	Sale	USD	9,140	CLP	9,104	36	223	53	6	11	293	46	28	74			
Hortifrut Chile S.A. BCI	Offsetting	Sale	USD	14,669	CLP	14,987	(318)	124	29	4	9	166	55	50	105			
Hortifrut Chile S.A. Santander	Offsetting	Sale	USD	2,614	CLP	2,708	(94)	-	-	-	1	4	-	-	4			
Hortifrut Chile S.A. Scotiabank	Offsetting	Sale	USD	7,687	CLP	7,728	(41)	58	12	1	4	75	7	-	7			
Hortifrut Chile S.A. Scotiabank	Offsetting	Sale	EUR	3,273	USD	3,208	65	43	31	-	-	74	-	-	-			
Hortifrut Chile S.A. Corpbanca	Offsetting	Sale	USD	82	CLP	75	7	-	8	-	-	8	-	-	-			
Hortifrut Chile S.A. Estado	Offsetting	Sale	USD	566	CLP	526	40	28	15	-	-	43	-	-	-			
Hortifrut Chile S.A. Estado	Offsetting	Sale	EUR	3,273	USD	3,208	65	39	26	-	-	65	-	-	-			
Hortifrut Chile S.A. Security	Offsetting	Sale	EUR	6,549	USD	6,478	71	55	36	-	-	91	-	-	-			
Hortifrut S.A. BBVA	Offsetting	Sale	USD	6,610	CLP	6,448	162	245	65	3	4	317	23	20	43			
Hortifrut S.A. BCI	Offsetting	Sale	USD	9,518	CLP	9,549	(31)	180	58	3	4	245	22	31	53			
Hortifrut S.A. Santander	Offsetting	Sale	USD	1,535	CLP	1,589	(54)	-	-	-	-	-	5	-	5			
Hortifrut S.A. Scotiabank	Offsetting	Sale	USD	4,776	CLP	4,581	195	211	52	1	3	267	9	-	9			
Hortifrut S.A. Corpbanca	Offsetting	Sale	USD	714	CLP	651	63	62	5	-	-	67	-	-	-			
Hortifrut S.A. Estado	Offsetting	Sale	USD	1,790	CLP	1,677	113	88	39	-	-	127	-	-	-			
<b>Total</b>	<b>12/31/2015</b>			<b>72,796</b>		<b>72,517</b>	<b>279</b>	<b>1,356</b>	<b>429</b>	<b>18</b>	<b>36</b>	<b>1,839</b>	<b>171</b>	<b>129</b>	<b>300</b>			

Forwards, cover the significant variations in cash flows associated to the implicit market risk in the changes in the price of futures purchase costs.

The type of fees indicated in the forwards, are presented from the perspective of the Company, for banks it is the opposite.

#### e) Currency Option Operations

The detail of the currency option operations kept by Hortifrut S.A. and subsidiaries as of December 31, 2015, is as follows:

Company	Bank	Contract Modality	Fees Type	Liabilities		Closing Value Amount	Net Effect Offsetting	MTM Closing		
				Currency	Amount			Exch. Rate	Expiry Date	
										KUS\$
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	379	USD	360	19	19	20-01-2016
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	197	USD	188	9	9	19-02-2016
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	57	USD	55	2	3	21-03-2016
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	25	USD	24	1	1	20-04-2016
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	18	USD	18	-	1	20-05-2016
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	20	USD	20	-	1	20-06-2016
<b>Total</b>			<b>31-dec-15</b>		<b>696</b>		<b>665</b>	<b>31</b>	<b>34</b>	

**NOTE 22 – CURRENT AND NON CURRENT TRADE ACCOUNTS AND OTHER ACCOUNTS PAYABLE.**

The concepts that make up this item are the following:

<u><b>Current</b></u>	<b>30-sep-16</b> <u><b>KUS\$</b></u>	<b>31-dec-15</b> <u><b>KUS\$</b></u>
Suppliers	9,045	36,379
Payable documents	780	990
Retentions and tax payable	2,561	6,444
Payable dividend	10,891	2,873
<b>Total</b>	<b><u>23,277</u></b>	<b><u>46,686</u></b>

<u><b>Non Current</b></u>	<b>30-sep-16</b> <u><b>KUS\$</b></u>	<b>31-dec-15</b> <u><b>KUS\$</b></u>
Payable documents	-	756
<b>Total</b>	<b><u>-</u></b>	<b><u>756</u></b>

Accounts payable per currency are as follows:

<u><b>Current</b></u>	<b>30-sep-16</b> <u><b>KUS\$</b></u>	<b>31-dec-15</b> <u><b>KUS\$</b></u>
United States Dollar	16,523	22,395
Chilean Peso	2,916	18,919
Euro	1,943	2,043
Mexican Peso	916	2,148
Argentine Peso	107	560
Nuevo Sol	236	-
Brazilian Real	636	621
<b>Total</b>	<b><u>23,277</u></b>	<b><u>46,686</u></b>

<u><b>Non Current</b></u>	<b>30-sep-16</b> <u><b>KUS\$</b></u>	<b>31-dec-15</b> <u><b>KUS\$</b></u>
United States Dollar	-	756
<b>Total</b>	<b><u>-</u></b>	<b><u>756</u></b>



**Suppliers with payments up to date, as of September 30, 2016**

Type of Supplier Goods/Services/ Others	Amounts in thousands of dollars, as per payment terms						Total KUS\$	Average payment period(days)
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 plus		
Goods	3,909	3,268	340	333	831	-	8,681	79
Services	1,830	199	6	1	-	-	2,036	33
Others	6.012	511	591	-	5,446	-	12,560	179
<b>Total as of 30-09-2016</b>	<b>11,751</b>	<b>3,978</b>	<b>937</b>	<b>334</b>	<b>6,277</b>	<b>-</b>	<b>23,277</b>	

**Suppliers with payments up to date, as of December 31, 2015**

Type of Supplier Goods/Services/ Others	Amounts in thousands of dollars, as per payment terms						Total KUS\$	Average payment period (days)
	Up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365	366 plus		
Goods	16,550	7,270	6,602	1,211	441	756	32,830	64
Services	10,750	89	82	16	-	-	10,937	31
Others	802	-	-	2,873	-	-	3,675	100
<b>Total as of 31-12-2015</b>	<b>28,102</b>	<b>7,359</b>	<b>6,684</b>	<b>4,100</b>	<b>441</b>	<b>756</b>	<b>47,442</b>	

The main suppliers are the following:

- Envases Impresos S.A.	- Autoadhesivos PyR Ltda.
- Coemba Chile S. A	- Impresos Autoadhesivos Ltda.
- Ultrapac Sudamérica S.A.	- Ind. y Cia. Solucorp Ltda.
- Typack S.A.	- Cartocor Chile S. A.
- Bo Packaging S.A.	- Sof South Organic Fruits
- Madeex Pallets Chile S.A.	- Wenco S.A.

The average payment term of the main suppliers is 61 days. Prices are mostly agreed in dollars and there are no interests associated to the credit.

**Producing Suppliers**

The Company currently maintains over 700 producers in the countries where it has its operations. Due to the level of atomization of said producers, none of them surpasses 2% of the volume purchased from third parties.

**NOTE 23 – PROVISIONS FOR EMPLOYEE BENEFITS AND OTHER PROVISIONS**

The concepts that make up this item are the following:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Current provisions</b>		
<b>Other provisions</b>		
Cost provisions	31	113
<b>Other provisions</b>	<u><b>31</b></u>	<u><b>113</b></u>
<b>Provision for employee benefits</b>		
Vacations	662	562
Substitute retirement benefits	428	363
Otros Benefits for personnel (bonus)	375	323
<b>Provisión for employee benefits</b>	<u><b>1,465</b></u>	<u><b>1,248</b></u>
<b>Total</b>	<u><u><b>1,496</b></u></u>	<u><u><b>1,361</b></u></u>

The movement of provisions during the period ending September 30, 2016 and the period ending December 31, 2015, is as follows:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Movement</b>		
Opening balance	1,361	1,318
Increase in provisions	1,133	854
Used provisions	(998)	(811)
<b>Total</b>	<u><u><b>1,496</b></u></u>	<u><u><b>1,361</b></u></u>

## NOTE 24 – ISSUED CAPITAL

The objectives of Hortifrut and subsidiaries when administering capital are to safeguard the capacity to continue as a going concern, in order to generate returns for its shareholders, benefits to other interest groups and to maintain an optimum structure to reduce the cost of capital.

Consistent with the industry, Hortifrut and subsidiaries monitor their capital with the leverage ratio base. This ratio is calculated by dividing the net debt between the total capital. The net debt corresponds to the total debt (including current and non current debt) minus cash and cash equivalents. The total capital corresponds to equity just as is shown in the consolidated statement of position plus net debt.

In this aspect Hortifrut and subsidiaries have combined different sources of financing such as: operation flows, bank credits, among others.

a) Subscribed, paid, to be subscribed capital and number of shares

Subscribed and paid capital as of September 30, 2016, reaches KUS\$136,411 equal to 435,520,079 shares of a single series and without nominal value.

b) Movements of 2016

No movements in capital have taken place in the period ending September 30, 2016 and in the period ending December 31, 2015.

### Number of Subscribed Shares

<u>Weighted average of ordinary Shares in circulation</u>	<u>N° of days in circulation</u>	<u>N° Shares</u>	<u>% Weighting</u>	<u>Weighted average of Ordinary shares in circulation</u>	
				<u>30-sep-16</u>	<u>30-sep-15</u>
Opening Balance	270	435,520,079	100%	435,520,079	435,520,079
	<b>270</b>	<b>435,520,079</b>		<b>435,520,079</b>	<b>435,520,079</b>

- Capitalization share issuance premiums (issuance expenses)

The movements of the share issuance Premium during the period ending September 30, 2016 and the period ending December 31, 2015, are detailed below:

	<u>30-sep-16</u>	<u>31-dec-15</u>
	<u>KUS\$</u>	<u>KUS\$</u>
<b><u>Movement of Capital</u></b>		
Capital	<u>136,411</u>	<u>136,411</u>
<b>Capital</b>	<b><u>136,411</u></b>	<b><u>136,411</u></b>
<b><u>Capital issuance premium</u></b>		
Capital issuance expenses	<u>(1,262)</u>	<u>(1,262)</u>
<b>Share issuance Premium (issuance expenses)</b>	<b><u>(1,262)</u></b>	<b><u>(1,262)</u></b>

There have not been any movements in the stated period.

**NOTE 25 – ACCUMULATED PROFIT (LOSS)**

The detail of the Accumulated Result account is as follows:

<u>Movement</u>	<b>30-sep-16</b> <b>KUS\$</b>	<b>31-dec-15</b> <b>KUS\$</b>
Opening balance	25,302	37,155
Profit (loss), attributable to the parent company	23,331	19,876
Minimum dividend provision	(10,891)	(2,873)
Reversal of dividend provision minimum previous year	2,873	2,939
Definite dividends	(2,873)	(2,939)
Provisional dividends	-	(3,920)
Adjustment at Opening (IAS 41)	-	(19,247)
Reclassification revaluations plants to reserves	-	(6,378)
Reclassification amortization Revaluations Plants	1,399	689
<b>Total</b>	<b><u>39,141</u></b>	<b><u>25,302</u></b>

Changes to the Accumulated Results due to application of amendment to IAS 41

	<b>31-dec-15</b> <b>Note 25</b> <b>Parent Company</b> <b>KUS\$</b>
<b>Accumulated profit (loss)</b>	
Balance presented in report as of 31-12-2015	50,238
Adjustment fair value due to change in policy	(3,267)
Biological Amortization	(3,111)
Biological Valuation Amortization	689
Biological Valuation as of 01-01-2015	(19,247)
<b>Total as of 31-12-2015 corrected</b>	<b><u>25,302</u></b>

a) Dividend policy

To determine the Company's distributable net profit to be considered to calculate dividends, the following will be excluded from the gains that can be attributed to the equity holders of the parent company:

- 1) Non realized results linked with the fair value record of the biological assets regulated by "IAS 41" accounting norm, reintegrating them to the net profit at the moment of its realization. For these effects, the portion of said increases in fair value corresponding to the assets sold or allocated by another means will be understood to be realized.
- 2) Non realized results generated in the acquisition of other entities and, in general, those non realized results that are produced due to the application of paragraphs 34, 42, 39 and 58 of the "International Financial Reporting Standards N° 3", amended accounting norm, that refers to business combination operations. These results are also reintegrated to the net profit at the moment of their realization. For these effects, results are understood to be realized when the acquired entities generate profit after their acquisition, or when said entities are disposed of.

3) Deferred tax effects associated to the concepts indicated in 1) and 2) will be treated the same as the item that originated them.

b) Dividend Provision

In the January 01 to September 30, 2016 period, the Company recorded a minimum dividend provision of US\$10,891 (KUS\$1,820 as of September 30, 2015).

Below is the calculation of the accrued dividend for the period ending September 30, 2016 and the period ending September 30, 2015.-

<u>Concept</u>	<u>30-sep-16</u> <u>KUS\$</u>	<u>30-sep-15</u> <u>KUS\$</u>
Gains attributable to the equity owners of the parent company	23,331	7,065
<b><u>Minus:</u></b>		
Increase biological assets to fair value net of tax - PEV	(1,550)	(3,426)
Deferred tax	-	-
<b>Result to be distributed</b>	<b><u>21,781</u></b>	<b><u>3,639</u></b>
Minimum dividend %	50.00%	50.00%
<b>Minimum dividend provision</b>	<b>10,891</b>	<b>1,820</b>

**Paid dividends**

Below is a detail of the dividends paid in previous years.

<u>Month and year of payment</u>	<u>Type</u>	<u>Last 3 years</u> <u>KUS\$</u>
may-14	Definite	3,789
oct-14	Provisional	3,920
	<b>Total year 2014</b>	<b><u>7,709</u></b>
may-15	Definite	2,939
oct-15	Provisional	3,920
	<b>Total year 2015</b>	<b><u>6,859</u></b>
may-16	Definite	2,873
	<b>Total year 2016</b>	<b><u>2,873</u></b>

**NOTE 26 – OTHER RESERVES**

The detail of Other Reserves account and its movement is as follows:

<u>Movement</u>	<b>30-sep-16</b> <u>KUS\$</u>	<b>31-dec-15</b> <u>KUS\$</u>
<b>Opening balance</b>	14,403	(3,393)
Reserves Revaluation Bearer Plants	8,158	24,936
Reserves for cash flow hedging	5,223	(1,054)
Reserves for Exchange rate fluctuations	398	(6,086)
<b>Total</b>	<b><u>28,182</u></b>	<b><u>14,403</u></b>

Changes to Other Reserves due to application of amendment to IAS 41

	<b>31-dec-15</b> <u>KUS\$</u>
<b>Other reserves</b>	
Balance presented in report as of 31-12-2015	(10,533)
Recalculation revaluation of bearer plants 2015	6,378
Biological Valuation Amortization	(689)
Biological Valuation as of 01-01-2015	19,247
<b>Total corrected as of 31-12-2015</b>	<b><u>14,403</u></b>

The movement of cash flow hedging reserves for the period ending September 30, 2016 and the period ending December 31, 2015 is as follows:

<b>Movement</b>	<b>30-sep-16</b> <u>KUS\$</u>	<b>31-dec-15</b> <u>KUS\$</u>
<b>Cash flow hedging reserves</b>		
<b>Opening balance</b>	(2,851)	(1,797)
Other integral result	5,223	(1,054)
<b>Total</b>	<b><u>2,372</u></b>	<b><u>(2,851)</u></b>

The cash flow hedging reserve is net of deferred tax.

(\*) Income tax included in cash flow hedging reserves are detailed in the following table:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
Cash flow hedging reserves	3,063	(3,587)
Income tax	(691)	736
<b>Total</b>	<u><b>2,372</b></u>	<u><b>(2,851)</b></u>

The movement of Reserves for Exchange rate fluctuations in the period ending September 30, 2016 and the period ending December 31, 2015 is as follows:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Movement reserves for differences in exchange rate conversion</b>		
<b>Opening balance</b>	(7,682)	(1,596)
Other integral result	398	(6,086)
<b>Total</b>	<u><b>(7,284)</b></u>	<u><b>(7,682)</b></u>

The movement of Bearer Plant Revaluation Reserves in the period ending September 30, 2016 and the period ending December 31, 2015 is as follows:

	<b>30-sep-16</b>	<b>31-dec-15</b>
	<u><b>KUS\$</b></u>	<u><b>KUS\$</b></u>
<b>Bearer Plant Revaluation Reserves</b>		
<b>Opening balance</b>	24,936	-
Transfer biological fair value January 01, 2015	-	19,247
Revaluation bearer plants	-	6,378
Revaluation bearer plants Associated	9,557	-
Amortization revaluation bearer plants	(1,399)	(689)
<b>Total</b>	<u><b>33,094</b></u>	<u><b>24,936</b></u>

The related company Hortifrut Tal S.A.C., applying the valuation criteria for bearer plants, adopted by Hortifrut (see note 2.6 paragraph 4), valued its 294 hectares that are under production at revalued cost. The net interest in said adjustment on behalf of Hortifrut is KUS\$9,557 and is recorded under reserves of Revaluation of bearer plants.

This effect has been recorded during 2016, moment where the “bearer plants” have reached a production volume of 50%.

**NOTE 27 – NON PARENT COMPANY INTERESTS**

Corresponds to the acknowledging of equity value and the result of the subsidiaries that correspond to minority investors.

a) The detail of the interests of non parent companies is as follows:

<u>Subsidiaries</u>	<u>Interest percentage of non parent companies</u>		<u>Interest in equity of non parent companies</u>		<u>Interest of non parent companies in income result (loss -)</u>	
	<u>30-sep-16</u>	<u>31-dec-15</u>	<u>30-sep-16</u>	<u>31-dec-15</u>	<u>30-sep-16</u>	<u>30-sep-15</u>
	<u>%</u>	<u>%</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>
Agrícola El Avellano S.A.	60.0%	60.0%	3,128	3,053	75	(202)
Agrícola El Carmen S.A.	75.0%	75.0%	-	-	-	-
Agrícola El Pampino S.A.	80.0%	80.0%	814	662	152	13
Agrícola Santa Rebeca Ltda.	75.0%	75.0%	395	401	6	(2)
Agrícola Vida Nueva S.A.	50.0%	50.0%	4,553	4,515	380	470
Viveros Hortifrut Chile S.A.	49.0%	49.0%	143	156	(24)	3
Hortifrut Argentina S.A.	1.0%	1.0%	2	9	(7)	5
Agrofrutas, SRL. de C.V.	1.0%	1.0%	(2)	(4)	2	4
Hortifrut España Southern Sun S.L.	50.0%	50.0%	16,703	13,883	2,421	1,364
Agrícola Santa Rosa del Parque S.A.	70.0%	70.0%	2,551	2,792	976	535
Agrícola Mataquito S.A.	50.0%	50.0%	3,428	3,445	(17)	27
Euroberry Marketing S.A.	50.0%	50.0%	1,031	832	177	102
Asturian Berries S.A.	49.0%	49.0%	484	469	(8)	(60)
<b>Total</b>			<b><u>33,230</u></b>	<b><u>30,213</u></b>	<b><u>4,133</u></b>	<b><u>2,259</u></b>

b) The movement for the period ending September 30, 2016 and the period ending December 31, 2015, of non parent Company interests is as follows:

	<u>30-sep-16</u>	<u>31-dec-15</u>
	<u>KUS\$</u>	<u>KUS\$</u>
<u>Movement</u>		
<b>Opening balance</b>	30,213	26,934
Profits	4,133	7,347
Reserves for exchange rate fluctuations	488	(281)
Capital increase (Dividends) at subsidiaries	(1,604)	(2,386)
Adjustment at opening (IAS 41)	-	(1,401)
<b>Total</b>	<b><u>33,230</u></b>	<b><u>30,213</u></b>

Changes to interests of non parent companies, due to application of amendment to IAS 41.

	<u>Minority</u>
	<u>KUS\$</u>
<b>Non parent Company interests</b>	
Balance presented in the report as of 31-12-2015	30,213
Adjustment to fair value due to change in policy	(3,277)
Biological amortization	(834)
Biological valuation as of 31-12-2015	4,111
<b>Total as of 31-12-2015 corrected</b>	<b><u>30,213</u></b>



## NOTE 28 – PROFITS PER SHARE AND DISTRIBUTABLE NET PROFIT

### 28.1. Profits per share

The calculation of profits per basic share has been performed by dividing the amount of profits attributable to the shareholders by the weighted average of the number of shares of the single series. Hortifrut has not issued a convertible debt or other equity values. As a result, there are no potentially diluting effects in the Company's income per share.

The detail of profits per share is as follows:

<u>Basic profit (loss) per share</u>	<u>Measuring unit</u>	<u>30-sep-16</u>	<u>30-sep-15</u>
Profit (loss) from activities continued after tax	<b>KUS\$</b>	23,331	7,065
Basic weighted average of number of shares	<b>Unit</b>	435,520,079	435,520,079
Basic profit per share from continued operations	<b>(US\$ per share)</b>	<b>0.053570</b>	<b>0.016222</b>

The calculation of the weighted average of the number of shares in circulation, is detailed below:

<u>Weighted average of ordinary Shares in circulation</u>	<u>N° of days in circulation</u>	<u>N° of shares</u>	<u>Weighting %</u>	<u>30-sep-16</u>	<u>30-sep-15</u>
Opening balance	270	435,520,079	100%	435,520,079	435,520,079
	<b>270</b>	<b>435,520,079</b>		<b>435,520,079</b>	<b>435,520,079</b>

### 28.2. Distributable net profit

The dividend policy consists on distributing as dividend 50% of the period's net profit, and through the distributing of a final dividend, which must be agreed by the Ordinary Shareholders Meeting, payable on the date that said meeting designates.

In virtue of what is stated in SVS regulation (circular) N° 1945, dated September 29, 2009, the Board agreed to establish as a general policy that the net profit, for the payment of the minimum 30% obligatory dividend, established in article 79 of Law 18.046, will be determined over the base of the refined profit of the relevant variations in the fair value of the assets and liabilities that are not realized, which must be re-entered into the calculation of the net profit of the period when said variations are performed.

Additional dividends will be determined based on the mentioned criteria, as per the agreement that the Shareholder's Meeting adopts.

Below is the calculation of the Result to be Distributed for the period ending September 30, 2016 and the period ending December 31, 2015, as per the dividend policy described in note 26 a):

<b><u>Concept</u></b>	<b>30-sep-16</b>	<b>30-sep-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
Profit attributable to the parent company's equity holders	23,331	7,065
<b><u>Minus:</u></b> Increase biological assets to fair value, net of tax - PEV	(1,550)	(3,426)
<b>Result to be Distributed</b>	<b><u>21,781</u></b>	<b><u>3,639</u></b>

In the periods where the biological asset is increased to fair value, the adjustment performed over the Increase attributable to the equity owners of the parent company is applied.

**NOTE 29 – OPERATING REVENUE AND OTHER REVENUE PER FUNCTION**

The detail is as follows:

Concept	30-sep-16 KUS\$	30-sep-15 KUS\$	Quarter	
			01-jul-16	01-jul-15
			30-sep-16 KUS\$	30-sep-15 KUS\$
Revenue from operating activities	274,514	231,472	37,768	17,702
Other revenue per function, excluding income from value to fair value of the biological assets	740	165	349	84
<b>Total</b>	<b>275,254</b>	<b>231,637</b>	<b>38,117</b>	<b>17,786</b>

The detail of the Group's income considers the Income from operating activities plus Other income per function.

Other revenue per function	30-sep-16 KUS\$	30-sep-15 KUS\$	Quarter	
			01-jul-16	01-jul-15
			30-sep-16 KUS\$	30-sep-15 KUS\$
Profit from the sale of fixed assets and materials	740	165	349	84
<b>Total</b>	<b>740</b>	<b>165</b>	<b>349</b>	<b>84</b>

Therefore, the detail per segment for the periods ending September 30, 2016 and 2015 is as follows:

Product	30-sep-16 KUS\$	30-sep-15 KUS\$	Quarter	
			01-jul-16	01-jul-15
			30-sep-16 KUS\$	30-sep-15 KUS\$
Blueberries	195,406	160,219	25,607	10,227
Raspberries	15,444	16,493	1,529	908
Blackberries	21,402	19,229	880	738
Strawberries	9,938	11,728	867	761
Cherries	1,765	3,169	-	-
Value added products	31,299	20,799	9,234	5,152
<b>Total</b>	<b>275,254</b>	<b>231,637</b>	<b>38,117</b>	<b>17,786</b>

The Group's operating income is mainly constituted by the sale of products derived from the harvesting of biological assets.

**NOTE 30 – DETAIL OF RELEVANT RESULTS**

The items in the income statement per function for the periods ending September 30, 2016 and 2015, are detailed as indicated below:

**1) Cost of sales**

Below are the main sales costs that the Company maintains to the closing of the periods:

	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>Quarter</b>	
			<b>01-jul-16</b>	<b>01-jul-15</b>
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>30-sep-16</b>	<b>30-sep-15</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
<b>Cost of sales</b>				
Cost of sales	109,219	91,898	16,853	3,970
Materials	26,177	21,331	1,538	457
Remunerations	30,732	28,729	5,207	2,626
Depreciations and amortizations	13,595	11,835	3,420	2,998
Other general expenses	14,881	11,334	1,773	2,870
Freight	14,423	16,707	1,419	700
Lease of properties, machinery, etc.	4,411	4,418	636	1,167
Third party services	10,439	5,684	1,633	502
<b>Total Cost of Sales</b>	<b>223,877</b>	<b>191,936</b>	<b>32,479</b>	<b>15,290</b>

**2) Administrative expenses**

Below are the main administrative expenses that the Company has to the closing of the periods:

	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>Quarter</b>	
			<b>01-jul-16</b>	<b>01-jul-15</b>
	<b>30-sep-16</b>	<b>30-sep-15</b>	<b>30-sep-16</b>	<b>30-sep-15</b>
	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
<b>Administrative expenses</b>				
Remunerations	9,933	8,274	3,830	3,485
Depreciations and amortizations	1,302	1,414	536	469
Other general expenses	4,419	4,526	838	1,066
Leasing of properties, machinery, etc.	720	326	381	113
Third party services	3,089	3,142	1,055	942
<b>Total Administrative Expenses</b>	<b>19,463</b>	<b>17,682</b>	<b>6,640</b>	<b>6,075</b>

**3) Other expenses, per function**

	30-sep-16	30-sep-15	Quarter	
			01-jul-16	01-jul-15
	<u>KUS\$</u>	<u>KUS\$</u>	<u>30-sep-16</u>	<u>30-sep-15</u>
<b>Other expenses per function</b>				
<b>Investigation expenses</b>				
Materials	5	10	(1)	7
Remunerations	298	169	111	92
Depreciations and amortizations	12	9	4	2
Other general expenses	181	206	2	62
Freight	9	11	(18)	7
Leasing of real estate, machineries, etc.	13	9	2	3
Third party services	171	260	79	68
Received contributions	(59)	(66)	-	(3)
<b>Sub-total Investigation Expenses</b>	<u><b>630</b></u>	<u><b>608</b></u>	<u><b>179</b></u>	<u><b>238</b></u>
<b>Other expenses</b>				
Loss from sale of assets and materials	118	399	41	2
Asset write off	167	310	145	22
<b>Sub-total Other expenses</b>	<u><b>285</b></u>	<u><b>709</b></u>	<u><b>186</b></u>	<u><b>24</b></u>
<b>Total Other expenses per function</b>	<u><u><b>915</b></u></u>	<u><u><b>1,317</b></u></u>	<u><u><b>365</b></u></u>	<u><u><b>262</b></u></u>

**NOTE 31 – FINANCIAL EXPENSES**

Financial expenses for the period ending September 30, 2016 and 2015, are detailed below:

**NOTE 32 – EXCHANGE RATE DIFFERENCES**

The detail of the Exchange rate difference for the periods ending September 30, 2016 and 2015, are detailed as follows:

	<b>Currency</b>	<b>Quarter</b>			
		<b>30-Sep-16</b>	<b>30-Sep-15</b>	<b>7/1/2016</b>	<b>7/1/2015</b>
		<b>KUS\$</b>	<b>KUS\$</b>	<b>9/30/2016</b>	<b>9/30/2015</b>
<b>Assets</b>					
Cash and cash equivalents	CLP	138	(65)	15	(116)
Cash and cash equivalents	USD	(42)	409	(4)	352
Cash and cash equivalents	EUR	(4)	(189)	5	1
Cash and cash equivalents	GBP	-	(2)	-	-
Cash and cash equivalents	MXN	(79)	(50)	7	(71)
Trade debtors and other accounts receivable	CLP	161	(232)	44	(117)
Trade debtors and other accounts receivable	USD	(51)	1	(56)	(2)
Trade debtors and other accounts receivable	EUR	48	(53)	(1)	2
Trade debtors and other accounts receivable	MXN	(395)	(637)	(167)	(453)
Trade debtors and other accounts receivable	GBP	-	-	-	-
Accounts receivable from related entities	EUR	346	(841)	(58)	(540)
Accounts receivable from related entities	USD	-	-	-	52
Current tax assets	CLP	1,436	(781)	33	(523)
Current tax assets	MXN	187	(108)	187	31
Current tax assets	EUR	-	-	17	-
Current tax assets	USD	(50)	10	1	10
<b>Sub-total</b>		<b>1,695</b>	<b>(2,538)</b>	<b>23</b>	<b>(1,374)</b>
<b>Liabilities</b>					
Other financial liabilities	CLP	18	(67)	3	(39)
Other financial liabilities	EUR	27	-	(1)	-
Other financial liabilities	MXN	(5)	(8)	(1)	(4)
Other financial liabilities	USD	(19)	(14)	(81)	(14)
Trade accounts and other accounts payable	CLP	119	(218)	324	(497)
Trade accounts and other accounts payable	USD	(159)	195	(150)	202
Trade accounts and other accounts payable	EUR	-	(1)	67	1
Trade accounts and other accounts payable	MXN	4	127	(603)	(192)
Accounts payable to related entities	CLP	761	186	735	157
Accounts payable to related entities	USD	298	(2,558)	(418)	(885)
Accounts payable to related entities	MXN	(828)	(340)	(148)	(99)
<b>Sub-total</b>		<b>216</b>	<b>(2,698)</b>	<b>(273)</b>	<b>(1,370)</b>
<b>Total exchange rate difference</b>		<b>1,911</b>	<b>(5,236)</b>	<b>(250)</b>	<b>(2,744)</b>

**NOTE 33 – FOREIGN CURRENCY**

**NOTE 33-1 – FOREIGN CURRENCY TOTAL CURRENT ASSETS**

<b>Current Assets</b>	<b>30-Sep-16</b>	<b>31-Dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
<b>Cash and Cash Equivalents</b>		
Dollar	27,298	11,888
Euros	5,184	10,739
Chilean Pesos	903	1,263
Mexican Pesos	329	248
Other currencies	81	461
<b>Other current financial assets</b>		
Dollar	2,871	3
<b>Other current non financial assets</b>		
Dollar	63	17
Euros	117	1,511
Chilean Pesos	2,898	4,475
Mexican Pesos	887	632
Other currencies	106	8
<b>Current trade debtors and other accounts receivable</b>		
Dollar	11,121	15,410
Euros	5,437	11,603
Chilean Pesos	4,023	11,122
Mexican Pesos	3,744	4,492
Other currencies	760	1,885
<b>Current Accounts Receivable from Related Entities</b>		
Dollar	24,611	30,522
Euros	7,212	7,116
Chilean Pesos	889	917
<b>Stock</b>		
Dollar	20,845	39,186
Euros	935	781
Chilean Pesos	1,232	668
Other currencies	539	1,044
<b>Current biological assets</b>		
Dollar	4,734	4,864
Euros	700	1,346
Chilean Pesos	746	682
Other currencies	481	290
<b>Total Current Assets</b>	<b>128,746</b>	<b>163,173</b>

**NOTE 33-2 – FOREIGN CURRENCY NON CURRENT ASSETS**

<b>Non current assets</b>	<b>30-sep-16 KUS\$</b>	<b>31-dec-15 KUS\$</b>
<b>Other non current financial assets</b>		
Dollar	1,737	-
<b>Other non current non financial assets</b>		
Dollar	1,317	-
Euros	17	3
Chilean Pesos	165	7
Other currencies	19	1
<b>Non current fees receivable</b>		
Dollar	2,688	1,286
<b>Non current accounts receivable from Related Entities</b>		
Dollar	1,952	6,040
Euros	5,608	3,629
<b>Investments recorded using the equity method</b>		
Dollar	40,112	24,595
<b>Intangible assets different to appreciation</b>		
Dollar	25,188	29,181
<b>Appreciation</b>		
Dollar	26,769	26,769
<b>Properties, Plant and Equipment</b>		
Dollar	203,944	180,351
Euros	15,372	16,146
Chilean Pesos	3,694	3,062
Other currencies	3,404	2,343
<b>Deferred tax assets</b>		
Dollar	16,255	14,317
<b>Total non current assets</b>	<b>348,241</b>	<b>307,730</b>
<b>Total assets</b>	<b>476,987</b>	<b>470,903</b>
<b>Dollar</b>	411,505	384,429
<b>Euros</b>	40,582	52,874
<b>Chilean Pesos</b>	14,550	22,196
<b>Mexican Pesos</b>	4,960	5,372
<b>Other currencies</b>	5,390	6,032
<b>Total currency assets</b>	<b>476,987</b>	<b>470,903</b>



**NOTE 33-3 – FOREIGN CURRENCY CURRENT LIABILITIES**

<b>Current Liabilities</b>	<b>30-sep-16 KUS\$</b>	<b>31-dec-15 KUS\$</b>
<b>Other current financial liabilities</b>		
Dollar	99,518	97,449
Euros	2,145	2,690
<b>Current trade accounts and other accounts payable</b>		
Dollar	16,759	29,485
Euros	1,943	2,043
Chilean Pesos	2,916	11,829
Mexican Pesos	916	2,148
Other currencies	743	1,181
<b>Current Accounts Payable to Related Entities</b>		
Dollar	15,902	1,166
Euros	75	66
Chilean Pesos	598	1,021
<b>Other current provisions</b>		
Dollar	31	113
<b>Current tax liabilities</b>		
Dollar	3,572	360
<b>Current provisions for employee benefits</b>		
Dollar	517	300
Chilean Pesos	441	441
Mexican Pesos	507	507
<b>Other current non financial liabilities</b>		
Dollar	2,833	2,489
Euros	431	431
<b>Total current liabilities</b>	<b>149,847</b>	<b>153,719</b>

**NOTE 33-4 – FOREIGN CURRENCY NON CURRENT LIABILITIES**

<b>Non current liabilities</b>	<b>30-sep-16</b>	<b>31-dec-15</b>
	<b><u>KUS\$</u></b>	<b><u>KUS\$</u></b>
<b>Other non current financial liabilities</b>		
Dollar	47,685	57,007
Euros	4,023	4,918
<b>Other non current accounts payable</b>		
Dollar	-	756
<b>Non current accounts payable to Related Entities</b>		
Dollar	-	12,010
Euros	10,340	10,316
Chilean Pesos	1,429	408
<b>Other non current provisions</b>		
Dollar	76	76
<b>Deferred tax liability</b>		
Dollar	27,885	26,626
<b>Total non current liabilities</b>	<b>91,438</b>	<b>112,117</b>
<b>Total liabilities</b>	<b>241,285</b>	<b>265,836</b>
<b>Dollar</b>	214,778	227,837
<b>Euros</b>	18,957	20,464
<b>Chilean Pesos</b>	5,384	13,699
<b>Mexican Pesos</b>	1,423	2,655
<b>Other currencies</b>	743	1,181
<b>Total liabilities per currencies</b>	<b>241,285</b>	<b>265,836</b>
<b>Summary of thousands of net dollars per currency</b>		
<b>Dollar</b>	196,727	156,592
<b>Euros</b>	21,625	32,410
<b>Chilean Pesos</b>	9,166	8,497
<b>Mexican Pesos</b>	3,537	2,717
<b>Other currencies</b>	4,647	4,851
<b>Total net currencies</b>	<b>235,702</b>	<b>205,067</b>

**NOTE 34- CONTINGENCIES**

a) Pledged shares

To the closing of the current financial statement, the Company does not present pledged shares.

b) Direct guarantees

At the subsidiaries Agrícola Santa Rosa del Parque S.A, Agrícola Mataquito S.A., Agrícola El Pampino S.A. and Agrícola Hortifrut S.A. there are restrictions (guarantees and/or mortgages) over its biological assets.

Below is a detail of the book value of the assets given in guarantee, as well as the debt associated to these assets:

<u>Company</u>	<u>Biological</u>	<u>Properties</u>	<u>Associated</u>	
	<u>Assets</u>		<u>Debt</u>	
	<u>KUS\$</u>	<u>KUS\$</u>	<u>KUS\$</u>	<u>Bank</u>
Agrícola Santa Rosa del Parque S.A	3,493	5,711	1,259	Banco Rabobank Chile
Agrícola Mataquito S.A.	9,363	13,633	1,974	Banco Rabobank Chile
Agrícola El Pampino S.A.	3,134	4,116	427	Banco Santander Chile
Agrícola Hortifrut S.A.	17,215	24,531	3,085	Banco de Chile
Berries de Panguipulli SpA	-	2,304		
Top Berries & Fruit SpA	-	4,428		
Hortifrut S.A.	-	865	24,017	Banco de Crédito e Inversiones
Hortifrut Comercial S.A.	-	2,168		
Hortifrut Chile S.A.	-	12,346		
<b>Total</b>	<b>33,205</b>	<b>70,102</b>	<b>30,762</b>	

c) Indirect Guarantees

Below we detail the Guarantees directly managed by the subsidiaries

<u>Creditor of the Guarantee</u>	<u>Debtor Name</u>	<u>Relationship</u>	<u>Type of Guarantee</u>	<u>KUS\$</u>
Banco Rabobank (Curacao) (1)	Hortifrut Chile S.A.	Subsidiary	Surety	10,000
Banco Santander (2)	Hortifrut España Southern Sun S.L	Subsidiary	Surety	185
Banco Santander (3)	Hortifrut España Southern Sun S.L	Subsidiary	Surety	213
Banco Santander (4)	Hortifrut España Southern Sun S.L	Subsidiary	Surety	425

(1) Surety granted by Hortifrut Chile S.A to guarantee 50% of the loan granted to HF TAL S.A.C., for the total amount of US\$20 million, of which to date US\$17 million have been used.

(2) Surety granted for the loan denominated “Bank Line European Investment Fund for I+D financing”, granted for Euro 900,000

(3) Surety issued for loans granted for the amount of Euro 1,400,000.

(4) Surety granted for the contracted obligations, by Hortifrut Berries Perú S.A.C., for the contract for the providing of water collection services, which the Company contracted with the company H2 Olmos.

Points (2) and (3), correspond to guarantees granted in favor of the company S.A.T. Hortifrut H-0030, in proportion to its 33% interest.

d) Guarantees obtained from third parties

To the closing of the current financial statement, the Company has not received relevant guarantees from third parties.

e) Restrictions

Management restrictions or limit of financial indicators are presented detailed in Note 22- a.1)

f) Other contingencies

The Company, to the closing of these Financial Statements, does not maintain other contingencies that could significantly affect the current financial statements.

### **NOTE 35 - ENVIRONMENT**

Hortifrut is a Company that is concerned for the environment. Most of its production has been converted into organic production, thus becoming the largest organic blueberry producer in the world.

For the period ending September 30, 2016, the Company has not performed disbursements related with protecting the environment, and there are no future commitments regarding this matter.

In the future, the Company and its subsidiaries will reiterate their commitment for taking care of the environment by performing new investments, constantly training its workers and subscribing new agreements that allow it to advance towards sustainable development in order to obtain a harmonic progress between its operations and its surroundings.

**NOTE 36 – OPERATING AND FINANCIAL LEASES**

The main operating lease contracts are:

Lessee Company	Lessor	Description	Surface (has.)	Contract Date	Term	Value of annual instalment KUS\$	Up to 1	1 to 5	5 or more
							year	years	years
							KUS\$	KUS\$	KUS\$
Hortifrut S.A.	Inversiones IMG Ltda.	Part of a piece of three, Predio Virquenco, Santa Fe, Fundo Los Robles, Los Angeles	22.50	10/14/1999	25 years	14	14	56	31
Hortifrut S.A.	Inversiones IMG Ltda.	Lot N°1 and N°2, Farm N°67, Proyecto Parcelación Virquenco, Los Angeles	8.25	12/30/2009	10 years	5	5	6	-
Agrícola El Avellano S.A.	Sociedad Agrícola y Ganadera El Otonal Ltda.	El Avellano Estate, Osorno	130.00	6/30/2000	32 years	40	40	160	370
Hortifrut S.A.	Agrícola e Inmobiliaria Lumaco S.A.	Farm N°68, Proyecto Parcelación Virquenco, Los Angeles	10.00	7/1/2012	10 years	6	6	24	8
Hortifrut S.A.	García Salas, Silvia and Others	Farm N°20, Parcelación Por la Razón o la Fuerza Project, Mulchén, Los Angeles	11.00	5/1/2002	18 years	6	6	6	-
Hortifrut S.A.	Alfredo Demian Asfura	Farm N°4 and N°6, Parcelación Por la Razón o la Fuerza Project, Mulchén	33.40	5/3/2006	17 years	53	53	212	8
Hortifrut S.A.	Miguel Angel Muñoz Hidalgo and Others	Piece of property called Las Mercedes, Chanco (La Laguna)	21.67	5/23/2007	13 years	14	14	13	-
Hortifrut S.A.	Sergio Meza Pérez and Other	Piece of San Baldomero Estate, Chanco	50.00	3/1/2010	10 years	22	22	26	-
Hortifrut S.A.	Pedro Peñailillo Peralta	Piece of PuncHEMA property, Chanco	5.49	3/10/2015	5 years	4	4	12	-
Hortifrut S.A.	Francisco Cancino Tapia	Rural property, Sector PuncHEMA, Chanco	8.05	6/24/2005	15 years	6	6	6	-
Hortifrut S.A.	Manuel Retamal Chamorro	Part of property called El Recreo, Reloca, Chanco	1.00	7/4/2008	9 years	1	1	-	-
Hortifrut S.A.	María Angélica Osorio Cortés	Part of Farm N°136, Colonia Gabriel González Videla, La Serena (Includes water rights)	22.50	3/27/2010	7 years	13	13	3	-
Hortifrut S.A.	Sara Letelier Letelier	Resto Hijueta 2da, Ponunquén Estate and Lot A of Plano de Hijuelación, Fundo Ponunquén, Curepto	76.37	5/1/2007	20 years	51	51	204	192
Agrícola Vida Nueva	Inversiones Canihua S.A.	Part of Farm N°33, Proyecto Parcelación Vida Nueva, Villarrica	29.70	5/1/2002	21 years	10	10	40	3
Agrícola Vida Nueva	Inversiones IMG Ltda.	Las Encinas Estate, Sector Santa Fe, Los Angeles.	41.40	5/1/2005	25 years	13	13	52	94
Agrícola Vida Nueva	Rosa Villablanca Franco	Farm N°33 Vida Nueva, Villarrica.	10.00	1/2/2007	25 years	2	2	8	18
Agrícola Mataquito S.A.	Alena Sneider Gonzalez	El Tartaro y lo Vicuña PC 81, 82, 83, 88, 96 Putaendo, San Felipe	42.21	4/26/2016	15 years	104	104	416	962
Agrícola Hortifrut S.A.	Juan Ibáñez Pardo and María Ibáñez Pardo	Las Casas del Fundo, Comuna Molina, Curico Province	18.00	8/1/2016	8 years	9	9	36	20
Hortifrut S.A.	Inversiones IMG Ltda.	Farm N°50 Parcelación Virquenco, Los Angeles.	12.60	7/1/2008	15 years	6	6	24	2
Hortifrut S.A.	Agrícola e Inmobiliaria Lumaco S.A.	Farm N°51 and 64 Parcelación Virquenco, Los Angeles.	13.50	7/1/2008	15 years	6	6	24	2
Hortifrut S.A.	Inversiones IMG Ltda.	Farm N°74 Parcelación Virquenco, Los Angeles.	17.50	6/1/2003	25 years	6	6	24	32
Hortifrut S.A.	Agrícola e Inmobiliaria Lumaco S.A.	Farm N°75 Parcelación Virquenco, Los Angeles.	17.50	6/1/2003	25 years	6	6	24	32
Hortifrut S.A.	Olga Alvarez S. and Claudio Alvarez S.	Petrenco Farm Lot C, Gorbea Temuco	19.30	7/1/2014	10 years	12	12	48	27
Hortifrut S.A.	Inés Aravena Guzmán	Farm N° 51, 52, and 53 Parcelación Colín	31.78	6/30/2016	1 year	34	26	-	-
Hortifrut Chile S.A.	Satel Inversiones Inmobiliarias S.A.	Office at Avenida del condor 600, Huechuraba, Santiago n°31 and 33 Parking N° 71 to 76, Warehouse n°28	291 mts2	4/1/2014	5 years	57	57	61	-
Hortifrut Chile S.A.	Agrícola Santa Carmen Ltda.	Part of Farms N°42 and N°43, of sub-division of Lot 65-A, 66 and 67 of sub-division of Ex Hacienda Curacaví, Curacaví	4000 mts2	5/26/2011	20 years	1	1	4	8
Hortifrut Chile S.A.	SOF South Organic Fruits S.A. (property leased to Frigorífico Santa Rosa)	1,200 m2 warehouse and 140 m2 office, 340 m2 space and refrigeration chamber 1 of 826 m2; refrigeration chamber 2 of 268 m2 and refrigeration chamber 3 of 356 m2, Chillán	3130 mt2	10/1/2009	8 years	58	15	-	-

Lessee Company	Lessor	Description	Surface (has.)	Contract Date	Term	Value of annual instalment KUS\$	Up to 1 year	1 to 5 years	5 or more years	
							KUS\$	KUS\$	KUS\$	
Hortifrut ABA S.A. de C.V.	Guillermo Cortés Santiago	Guayabos Field, Zapotiltic, Jalisco, Mexico	9.48	5/10/2008	12 years	7	7	9	-	
Hortifrut ABA S.A. de C.V.	Abraham Mendoza Gudiño and M° Refugio Preciado Barragan	Guayabos Field, Zapotiltic, Jalisco, Mexico	12.39	1/1/2009	12 years	10	10	23	-	
Hortifrut ABA S.A. de C.V.	Juan José Vargas Mendoza and others	Guayabos Field, Zapotiltic, Jalisco, Mexico	70.09	6/10/2005	12 years	43	32	-	-	
Hortifrut ABA S.A. de C.V.	Pedro Mendoza Ocegüera	Guayabos Field, Zapotiltic, Jalisco, Mexico	5.02	1/1/2013	18 years	9	9	36	74	
Hortifrut ABA S.A. de C.V.	Alfonso Esparza Sánchez and others	Ocote Cuate Field, Zapotiltic, Jalisco, Mexico	60.80	1/1/2013	20 years	91	91	364	933	
Hortifrut S.A. de C.V.	Productores Ziracuaretiro	Ziracuaretiro Stocking, Michoacán, Mexico		8/21/2016	1 year	38	35	-	-	
Hortifrut S.A. de C.V.	Consultores y Servicios S.A. De C.V.	Commercial Warehouse, Lot land n°1, Municipio Jocotepec, Jalisco Mexico		4/3/2014	4 years	6	6	4	-	
Hortifrut ABA S.A. de C.V.	Valentín García Elizondo	Ocote Cuate Field, Zapotiltic, Jalisco, Mexico	9.02	1/30/2009	12 years	5	5	11	-	
HF SARBANAND, S. de R.L. De C.V.	Juan Carlos Caballos Espinoza and Adriana Gutiérrez Gutiérrez	Fresnos I Field, Zapotiltic, Jalisco, Mexico	45.00	5/11/2009	12 years	81	81	182	-	
HF SARBANAND, S. de R.L. De C.V.	Raúl Silva Mendoza, Angélica Gutiérrez and others	Fresnos II Field, Zapotiltic, Jalisco, Mexico	77.51	7/15/2009	12 years	171	171	385	-	
HF SARBANAND, S. de R.L. De C.V.	PROMOCIONES BIOGENÉTICAS, S.A. De C.V./Arturo Silva Mendoza	El Gato y La Tuza Field, Zapotiltic, Jalisco, Mexico	30.00	2/4/2011	12 years	66	66	264	17	
HF SARBANAND, S. de R.L. De C.V.	Arturo Silva Mendoza	El Gato y La Tuza Field, Zapotiltic, Jalisco, Mexico	7.00	7/15/2009	12 years	15	15	34	-	
HF SARBANAND, S. de R.L. De C.V.	M° Trinidad García Aguayo and/or Héctor Quintanar García	El Gato y La Tuza Field, Zapotiltic, Jalisco, Mexico	9.79	1/1/2011	12 years	18	18	72	5	
Hortifrut ABA S.A. de C.V.	Eduardo Morales Valencia	La Cañada Field, Comala, Colima, Mexico	5.01	8/24/2012	5 years	10	10	3	-	
Hortifrut ABA S.A. de C.V.	Georgina del Toro Bayardo, José del Toro Bayardo and José de Jesús del Toro Bayardo	San José Field, Zapotiltic, Jalisco, Mexico	77.57	2/28/2013	20 years	167	167	668	1,712	
Agrícola Los Reyes S. de R.L. de C.V.	J. Jesus Barragán Plascencia	Farm number 99-Z P1/2, Municipio de Los Reyes, Michoacán, Mexico	2.50	4/24/2014	10 years	6	6	24	8	
Agrícola Los Reyes S. de R.L. de C.V.	Pablo Martínez González	Farm number 101 Z-1 P1/2, Municipio de Los Reyes, Michoacán, Mexico	14.65	12/18/2014	5 years	25	25	56	-	
Agrícola Los Reyes S. de R.L. de C.V.	Adelina Ceja Zaragoza	Fraction of Farm number 191-Z1 P1/2, Municipio de Los Reyes, Michoacán, Mexico	1.00	2/10/2007	10 years	1	1	0	-	
Agrícola Los Reyes S. de R.L. de C.V.	Manuel Barragán Macías	Farm number 107 Z-1 P1/2, Municipio de Los Reyes, Michoacán, Mexico	7.39	5/1/2015	3 years	11	11	2	-	
Agrícola Los Reyes S. de R.L. de C.V.	Salvador Nuñez Figueroa	Farm number 102 Z-1 P1/2, Núcleo agrario "Los Limones", Municipio de Los Reyes, Michoacán, Mexico	6.33	3/15/2006	12 years	7	7	2	-	
Agrícola Los Reyes S. de R.L. de C.V.	J. Jesus Barragán Osegüera	Farm ejidal number 104 Z-1 P1/2, Municipios de Los Reyes, Michoacán, Mexico	4.40	3/2/2014	6 years	6	6	8	-	
Agrícola Los Reyes S. de R.L. de C.V.	J. Jesus Barragán Osegüera	Farm number 220 Z-1 P1/2, Núcleo agrario "Los Limones", Municipio de Los Reyes, Michoacán, Mexico	4.47	3/2/2014	6 years	15	15	19	-	
Hortifrut España Southern Sun S.L.	Destro S.A. (CIF A461 05532)	El Alamillo Farm, Sevilla, Spain	200.00	12/15/2005	18 years	448	448	1,792	560	
Asturian Berries S.L	Ayuntamiento de Villaviciosa de Asturias	Communal property Monte la Rasa de Selorio, Spain	13.00	10/26/2006	25 years	2	2	8	18	
BerryGood Comercial Importadora y Distribuidora de Frutas Ltda.	Hudson Nogueira Luz	Refrigeration installations Rua Joao n°332, Senador Amaral, Minas Gerais, Brazil	1.00	4/1/2012	10 years	8	8	26	-	
BerryGood Comercial Importadora y Distribuidora de Frutas Ltda.	Espólio de Gilberto Silvério de Rezende	Area B2, Sitio Lagoa Grande, Senador Amaral, Minas Gerais, Brazil	6.79	1/7/2013	8 years	7	7	18	-	
BerryGood Comercial Importadora y Distribuidora de Frutas Ltda.	Maria Silvério de Mendonza	Correntinho Property, Senador Amaral, Minas Gerais, Brazil	42.35	2/6/2013	8 years	61	61	107	-	
BerryGood Comercial Importadora y Distribuidora de Frutas Ltda.	Espólio de Joao Alves de Rezende	Sitio Lagoa Grande and Sitio Senador Amaral	18.00	7/25/2011	9 years	20	20	45	-	
<b>Total</b>							<b>1,847</b>	<b>5,648</b>	<b>5,134</b>	

The flows were determined based on the contractually agreed lease terms, without considering the negotiations that are maintained to date to extend the validity term of said contracts.

The minimum payable amounts as per the contracts are:

<b>Short Term Portion</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
<b>1,847</b>	<b>5,648</b>	<b>5,134</b>	<b>12,629</b>

The expense of used lease as of September 30, 2016 is KUS\$1,423

The main leasing contracts are:

<b>Banco or financial institution</b>	<b>Description of goods on Leasing</b>	<b>Minimum payment</b>			<b>Total</b>
		<b>Up to one year</b>	<b>Between one and five years</b>	<b>Over five years</b>	
		<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Banco Santander Chile	Macro-tunnels	75	188	-	263
Banco de Crédito e Inversiones	Greenhouse	248	990	-	1,238
Banco de Crédito e Inversiones	Van	7	18	-	25
Banco Santander Chile	Processing Line	44	-	-	44
BBC Tecnología Agrícola Ltda.	BBC1	510	-	-	510
BBC Tecnología Agrícola Ltda.	BBC2	511	-	-	511
Banco de Crédito e Inversiones	UNITEC	393	1,082	-	1,475
Banco Bilbao Vizcaya Argentaria	Offices and parking	199	617	-	816
Banco Rabobank Chile	Molina Plant	836	3,344	2,299	6,479
	<b>General Total</b>	<b>2,823</b>	<b>6,239</b>	<b>2,299</b>	<b>11,361</b>

<b>Bank or financial institution</b>	<b>Descripción of goods on Leasing</b>	<b>Future financial burden</b>			<b>Total</b>
		<b>Up to One year</b>	<b>Between one and five years</b>	<b>Over five years</b>	
		<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>	<b>KUS\$</b>
Banco Santander Chile	Macro-tunnels	9	10	-	19
Banco de Crédito e Inversiones	Greenhouse	37	98	-	135
Banco de Crédito e Inversiones	Van	1	1	-	2
Banco Santander Chile	Processing Line	1	-	-	1
BBC Tecnología Agrícola Ltda.	BBC1	-	-	-	-
BBC Tecnología Agrícola Ltda.	BBC2	7	-	-	7
Banco de Crédito e Inversiones	UNITEC	38	45	-	83
Banco Bilbao Vizcaya Argentaria	Offices and parking	49	62	-	111
Banco Rabobank Chile	Molina Plant	182	498	111	791
	<b>General Total</b>	<b>324</b>	<b>714</b>	<b>111</b>	<b>1,149</b>



## **NOTE 37 – EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL STATEMENTS**

### **1.- Dated October 04, 2016, the following Essential Fact was informed:**

At Ordinary Session of the Company Board, held on October 04, this year, and as per what is stated in second subsection of article 79 of Closely-held corporation Law N° 18.046, the Board agreed to pay the shareholders a provisional dividend of US\$5,661,761 at a rate of US\$0.0130 for each subscribed and paid share, charged to profits in 2016, at its equivalent in pesos, as per the observed dollar exchange rate published in the Official Newspaper (Diario Oficial) on October 17, 2016. The payment of this provisional dividend took place from October 21, 2016, at the offices of the Central Values Warehouse (Depósito Central de Valores - DCV), located at Huérfanos 770, 22<sup>nd</sup> floor, Santiago, open from 9:00am to 5:00pm, from Monday to Friday.

The shareholders who requested it in writing before October 14, 2016, received the payment of the stated dividend through a deposit into their current account or savings account at the Financial Institution indicated by them, or they were sent a nominative check by certified mail to the address recorded at the Company.

The shareholders that were inscribed in the Company's Shareholder's Registry before midnight on October 15, 2016, were entitled to the aforementioned dividend.

The notification referred to in article 10 of the Closely-held Corporation Ruling will be published in the Diario Financiero, within the term established in the norm.

The dividend corresponding to this notification constitutes income for the shareholders. The Company will opportunely determine and communicate the credit that due to the stated dividend corresponds to the shareholders that pay global complementary tax and additional tax.

### **2.- Dated October 14, 2016, the following Essential Fact was informed:**

- By Essential Fact date August 17, 2016, the Company informs the subscription of a partnership agreement (the "Joint Venture") with the Munger family, led by David and Kable Munger ("Munger Farms") to develop and expand the berries business in the United States, with equal participation of 50% each.
- The implementing of the Joint Venture will take place through a limited liability company constituted in the state of Delaware, United States, denominated Munger Hortifrut North America, LLC ("JVCo"), to which diverse agricultural assets will be contributed in the states of California and Oregon, United States.
- The contributions, transfers and other transactions destined to be implemented to the Joint Venture were fully materialized on October 12, 2016, with the transfer of goods, properties and agreed payments, reaching a final value of approximately US\$ 50 million, which were contributed half each, by Hortifrut Imports, Inc. and Munger Bros., LLC. The amount is US\$8 million less than the originally announced, due to the quality of the agricultural assets currently owned by JVCo, which expects to finance its work capital with third party credits.
- This association with Munger Farms is consistent with the Company's previous decision to expand its operations in the northern hemisphere in order to have fresh fruit available during the whole year, and contemplates that JVCo materializes capital investments in the next three years, as per the already defined plans, to increase the production capacity of the fields that form part of the Joint Venture.

To date it is not possible to determine the financial effects that the aforementioned matters could have on assets, liabilities or the Company's results. The Company will keep your Superintendence duly informed regarding all relevant developments that take place in relation to the revealed facts.

Between September 30, 2016 and the date of issuance of these consolidated financial statements, no other events of a financial characteristic or others have occurred, which significantly affect the interpretations of these.

**NOTE 38 – OTHER INFORMATION**

The number of Hortifrut and subsidiaries employees per category is as follows:

	<u><b>30-sep-16</b></u>	<u><b>31-dec-15</b></u>
Indefinite Contracts	721	690
Temporary Contracts	3,328	6,201
<b>Total Contracts</b>	<u><b>4,049</b></u>	<u><b>6,891</b></u>

**Breakdown by country**

<u><b>Indefinite contracts</b></u>	<u><b>30-sep-16</b></u>	<u><b>31-dec-15</b></u>
Chile	483	470
United States	9	8
Mexico	138	136
Spain	30	26
Brazil	40	36
Argentina	13	12
Peru	8	2
<b>Total</b>	<u><b>721</b></u>	<u><b>690</b></u>

<u><b>Temporary contracts</b></u>	<u><b>30-sep-16</b></u>	<u><b>31-dec-15</b></u>
Chile	1,150	4,958
Mexico	1,702	1,128
Spain	166	81
Brazil	39	31
Peru	271	3
<b>Total</b>	<u><b>3,328</b></u>	<u><b>6,201</b></u>