



**MATERIAL FACT**  
**Hortifrut S.A.**  
**Security Registry N° 1096**

Santiago, October 3 2017

Mr.  
Carlos Pavez Tolosa  
Superintendente  
Superintendencia de Valores y Seguros  
Present

Dear Sir:

In accordance with Article 9 and 10 of the Securities Market Law, and in order to the General Regulation N°30, duly authorized by the Board on an ordinary meeting of this dated, inform to your *Superintendencia*, like a MATERIAL FACT of Hortifrut S.A. (“Hortifrut” or the “Company”), the inscription in the Security Register N°1096, the following:

- To expand and strengthen its position as a global supplier that supplies markets with fruit on a continuous basis, the Company has subscribed with the controllers of the Peruvian companies Tal S.A. and El Rocío S.A. (collectively, the "Grupo Rocío' Shareholders") a memorandum of understanding ("MoU") with respect to a transaction (the "Transaction") for the purchase, through a sale and merger, of the blueberries business ( the "Blueberries Business") that are, directly or indirectly, owned by the Grupo Rocio' Shareholders, one of the most important producers, exporters and distributors of blueberries in the Southern Hemisphere.
- Blueberries Business operations, including new and productive plantations, facilities and equipment, and two packing units with cold lines, which are located in the Chao District, Viru Province, *Departamento de la Libertad*, Republic of Peru, and have an added extension of approximately 1,450 cultivable hectares. The Blueberries Business also includes (a) 50% of the shares of the related Peruvian company Hortifrut-Tal S.A.C. (which would become a 100% subsidiary of the Company); and (b) net financial liabilities of cash for US\$ 65.5 million approximately.
- As consideration for the entire Blueberries Business, Grupo Rocío' Shareholders will receive (x) a cash payment of US\$ 160 million, (y) 17.13% of the Hortifrut' shares, on fully diluted basis, and (z) a future payment conditioned to the results of the Blueberries Business between 2017 and 2021.



- The structure of the Transaction contemplated in the MoU is as follows:
  - Share Purchase. The purchase of a percentage of the shares of a new company to be incorporated in Peru by the Grupo Rocío' Shareholders ("Peru OpCo"), which will bring together all the assets and liabilities related to the Blueberries Business, for a total price of US\$ 160 million ("Sale Price").
  - Merge. The merger (the "Merger") of the Company with a new company to be incorporated in Chile by the Grupo Rocío' Shareholders ("Chile MergerCo") to which the remaining shares of Peru OpCo will be contributed (those not directly acquired by the Company).
    - As a result of the Merger, the Company will absorb Chile MergerCo, becoming its legal successor and holder of the remaining shares of Peru OpCo, thereby becoming a wholly-owned subsidiary of the Company.
    - As compensation and result of the agreed exchange ratio, for the 100% of Chile MergerCo shares, Grupo Rocío' Shareholders will receive shares of the Company which, after the Merger, represent 17.13% of its share capital (the "17.13% of the Company's Shares").
  - Earn-Out. Finally, it was agreed that, due to the contribution of the Blueberries Business, the Grupo Rocío' Shareholders, together with receiving 100% of the shares of Peru OpCo - which will then sell a portion to the Company and contribute the remainder to Chile MergerCo -, will have the right to a contingent payment by Peru OpCo (the "Contingent Payment") consisting of the excess, after taxes, of US\$ 281 million of the accumulated operational net cash flow (defined as the Cumulative EBITDA of the Blueberries Business over a period of five years, excluding expenses for the participation of workers in Peru, capital investments and maintenance).
- In the end, if the Transaction is implemented, (a) the Company will become the owner of 100% of Peru OpCo, that is, of the Blueberries Business; and (b) the Grupo Rocío' Shareholders will receive (x) the Purchase Price; (and) 17.13% of the Company's Shares; and (z) the Contingent Payment.
- The Transaction is subject to the usual conditions of operations of this nature, including (a) the Company's legal, operational and financial review by Grupo Rocío' Shareholders and the Blueberries Business by the Company (the "Due Diligence"); (b) the negotiation and signing of definitive agreements (the "Definitive Agreements"); (c) the approval of the National



Economic Prosecutor; and (d) the applicable third party and corporate authorizations, in particular the approval of the Definitive Contracts by the Company's Board of Directors and the approval of the Merger by the shareholders of the Company gathered in Extraordinary Meeting.

- In parallel to the Due Diligence, the parties will negotiate the Definitive Contracts, having fixed in the MoU a period of exclusivity and signature date that extends until November 30, 2017. The Company expects to make the implementation of the Transaction during the second quarter of 2018.
- The Company has been informed that at the close of the Transaction the current members of the controlling group of the Company will sign a new shareholders' agreement to which the Grupo Rocío' Shareholders are incorporated.
- With this date, the reservation of communications sent out in the form of a Reserved Material Fact on July 7, 2017 and August 8, 2017, which content is consolidated in the result of the negotiations and Transaction reported with this statement.

At this date, it is not possible to determine the financial effects that the Transaction may have on the assets, liabilities or results of the Company. It is expected to have this information to the signature of the Definitive Contracts.

The Company will keep its *Superintendencia* duly informed of any relevant developments that may occur in relation to the facts it reveals.

Best regards,

Víctor Moller Schiavetti  
President  
Hortifrut S.A.