



INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the periods ending March 31, 2018 and 2017

HORTIFRUT S.A. AND SUBSIDIARIES
Thousands of United States Dollars (ThUS\$)

FINANCIAL STATEMENTS

Interim consolidated financial statements
Interim consolidated statement of financial position
Interim consolidated integral income statement
Interim consolidated statement of changes in net equity
Interim consolidated cash flow statement
Interim consolidated financial statement notes

HORTIFRUT S.A. AND SUBSIDIARIES

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HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of March 31, 2018 and December 31, 2017

Statement of Financial Position	-+	31-Mar-18	31-Dec-17
	Note	ThUS\$	ThUS\$
Assets			
Current Assets			
Cash and cash equivalents	8	46,425	27,838
Other current financial assets	9	3,323	4,473
Other current non-financial assets	14	8,158	5,614
Current trade debtors and other accounts receivable	10	40,914	46,092
Current accounts receivable from related entities	11	43,714	48,132
Inventories	12	24,591	44,556
Biological assets, current	13	3,824	9,716
Current tax assets	20	127	1,086
Total current assets		171,076	187,507
Non-current Assets			
Other non-current financial assets	9	571	1,345
Other non-current non-financial assets	14	1,388	1,417
Non-current fees receivable	10	1,729	1,615
Non-current accounts receivable with related entities	11	8,228	8,060
Equity accounted investees	16	69,111	67,841
Intangible assets other than goodwill	17	14,350	14,483
Goodwill	18	26,769	26,769
Property, plant and equipment	19	250,674	245,060
Deferred tax assets	20	18,971	18,591
Total non-current assets		391,791	385,181
Total Assets		562,867	572,688

The accompanying notes form an integral part of the interim consolidated financial statements.

HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of March 31, 2018 and December 31, 2017

Equity and Liabilities	Note	31-Mar-18	31-Dec-17
		ThUS\$	ThUS\$
Liabilities			
Current Liabilities			
Other current financial liabilities	21	107,895	151,531
Current trade accounts and other accounts payable	22	41,533	49,724
Current accounts payable to related entities	11	6,960	6,142
Other current provisions	23	1,803	545
Current provisions for employee benefits	23	1,742	1,612
Other current non-financial liabilities		1,675	992
Total Current Liabilities		161,608	210,546
Non-Current Liabilities			
Other non-current financial liabilities	21	114,400	83,966
Non-current accounts payable to related entities	11	12,248	12,071
Other non-current provisions		-	35
Deferred tax liabilities	20	20,268	22,495
Total Non-Current Liabilities		146,916	118,567
Total Liabilities		308,524	329,113
Equity			
Issued Capital	24	135,149	135,149
Retained earnings	25	82,373	70,503
Other reserves	26	204	1,165
Equity attributable to the parent company's equity holders		217,726	206,817
Non-controlling interest	27	36,617	36,758
Total Equity		254,343	243,575
Total Equity and Liabilities		562,867	572,688

The accompanying notes form an integral part of the interim consolidated financial statements.

HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED INCOME STATEMENT

For the periods ending March 31, 2018 and 2017

Income Statement	Note	1-Jan-18 31-Mar-18 ThUS\$	1-Jan-17 31-Mar-17 ThUS\$
Profit (loss)			
Revenue	29	176,242	163,460
Cost of sales	30	(150,768)	(137,216)
Gross profit		25,474	26,244
Other income, per function	29	976	44
Administrative expenses	30	(8,978)	(6,167)
Other expenses, per function	30	(814)	(365)
Other profit (loss)		(53)	(116)
Financial income		325	132
Financial expenses	31	(2,430)	(1,269)
Share of profit of equity-accounted investees	16	717	1,461
Exchange rate difference	32	(425)	460
Profit before tax		14,792	20,424
Gains tax expense	20	(2,607)	(3,120)
Profit (loss) from continued operations		12,185	17,304
Profit (loss)		12,185	17,304
Profit (loss) attributable to			
Profit (loss), attributable to parent company equity holders		12,734	16,437
Profit (loss), attributable to non-controlling interests	27	(549)	867
Profit (loss)		12,185	17,304
Earnings per share			
Basic earnings per share			
Basic earnings (loss) per share from continued operations (US\$ per share)	28	0.029239	0.037741
Basic earnings (loss) per share from discontinued operations (US\$ per share)		-	-
Basic earnings (loss) per share		0.029239	0.037741
Profit per diluted share			
Diluted earnings (loss) per share from continued operations (US\$ per share)		0.029239	0.037741
Diluted earnings (loss) per share from discontinued operations (US\$ per share)		-	-
Diluted earnings (loss) per share		0.029239	0.037741

The accompanying notes form an integral part of the interim consolidated financial statements.

HORTIFRUT S.A. AND SUBSIDIARIES
INTERIM CONSOLIDATED INTEGRAL INCOME STATEMENT
For the periods ending March 31, 2018 and 2017

Statement of other comprehensive income	1-Jan-18 31-Mar-18 ThUS\$	1-Jan-17 31-Mar-17 ThUS\$
Profit (loss)	12,185	17,304
Other comprehensive income		
Other comprehensive income, before tax		
Exchange rate fluctuations		
Profit (loss) due to exchange rate differences, before tax	1,137	1,822
Other comprehensive income, before tax, exchange rate fluctuations	1,137	1,822
Cash flow hedging		
Profit (loss) due to cash flow hedging, before tax	(2,019)	(847)
Other comprehensive income, before tax, cash flow hedging	(2,019)	(847)
Other components of other comprehensive income, before tax	(882)	975
Gains tax related with components of other comprehensive income		
Gains tax related with cash flow hedging of other comprehensive income	470	162
Total gains tax related with components of other comprehensive income	470	162
Other comprehensive income	(412)	1,137
Total comprehensive income	11,773	18,441
Comprehensive income attributable to		
Comprehensive income attributable to the company equity holders	11,773	17,338
Comprehensive income attributable to non-controlling interests	-	1,103
Total comprehensive result	11,773	18,441

The accompanying notes form an integral part of the interim consolidated financial statements.

HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

For the periods ending March 31, 2018 and 2017 and December 31, 2017

	Issued Capital Note 24 ThUS\$	Issuance premium Note 24 ThUS\$	Revaluation reserve of Bearer Plants Note 26 ThUS\$	Reserves due to exchange rate differences and Others Note 26 ThUS\$	Cash flow hedging reserves Note 26 ThUS\$	Other reserves Note 26 ThUS\$	Accumulated profit (loss) Note 25 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 27 ThUS\$	Total Equity ThUS\$
Opening balance as of 01/01/2018	135,149	-	-	(2,351)	3,516	1,165	70,503	206,817	36,758	243,575
Decrease due to application of new accounting standards	-	-	-	-	-	-	(864)	(864)	(141)	(1,005)
Modified opening balance	135,149	-	-	(2,351)	3,516	1,165	69,639	205,953	36,617	242,570
Changes in equity										
Comprehensive income										
Net profit	-	-	-	-	-	-	12,734	12,734	(549)	12,185
Other comprehensive income	-	-	-	537	(1,498)	(961)	-	(961)	549	(412)
Total comprehensive income	-	-	-	537	(1,498)	(961)	12,734	11,773	-	11,773
Closing balance as of 31/03/2018	135,149	-	-	(1,814)	2,018	204	82,373	217,726	36,617	254,343

	Issued Capital Note 24 ThUS\$	Issuance premium Note 24 ThUS\$	Revaluation reserve of Bearer Plants Note 26 ThUS\$	Reserves due to exchange rate differences Note 26 ThUS\$	Cash flow hedging reserves Note 26 ThUS\$	Other reserves Note 26 ThUS\$	Accumulated profit (loss) Note 25 ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest Note 27 ThUS\$	Total Equity ThUS\$
Opening balance as of 01/01/2017	136,411	(1,262)	-	(7,617)	2,698	(4,919)	56,218	186,448	29,648	216,096
Changes in equity										
Comprehensive income										
Net profit	-	-	-	-	-	-	26,563	26,563	1,142	27,705
Other comprehensive income	-	-	-	5,266	818	6,084	-	6,084	2,284	8,368
Total comprehensive income	-	-	-	5,266	818	6,084	26,563	32,647	3,426	36,073
Dividends	-	-	-	-	-	-	(12,278)	(12,278)	(313)	(12,591)
Increase (decrease) due to transfers and other changes	(1,262)	1,262	-	-	-	-	-	-	3,997	3,997
Total changes in equity	(1,262)	1,262	-	-	-	-	(12,278)	(12,278)	3,684	(8,594)
Closing balance as of 31/12/2017	135,149	-	-	(2,351)	3,516	1,165	70,503	206,817	36,758	243,575

	Issued Capital ThUS\$	Issuance premium ThUS\$	Revaluation reserve of Bearer Plants ThUS\$	Reserves due to exchange rate differences ThUS\$	Cash flow hedging reserves ThUS\$	Other reserves ThUS\$	Accumulated profit (loss) ThUS\$	Equity attributable to parent company equity holders ThUS\$	Non controlling interest ThUS\$	Total Equity ThUS\$
Opening balance as of 01/01/2017	136,411	(1,262)	-	(7,617)	2,698	(4,919)	56,218	186,448	29,648	216,096
Changes in equity										
Comprehensive income										
Profit (loss)	-	-	-	-	-	-	16,437	16,437	867	17,304
Other comprehensive income	-	-	-	1,586	(685)	901	-	901	236	1,137
Resultado integral	-	-	-	1,586	(685)	901	16,437	17,338	1,103	18,441
Dividends	-	-	-	-	-	-	(8,112)	(8,112)	-	(8,112)
Total changes in equity	-	-	-	-	-	-	(8,112)	(8,112)	-	(8,112)
Closing balance as of 31/03/2017	136,411	(1,262)	-	(6,031)	2,013	(4,018)	64,543	195,674	30,751	226,425

The accompanying notes form an integral part of the interim consolidated financial statements.

HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CONSOLIDATED CASH FLOW STATEMENTS

For the periods ending March 31, 2018 and 2017

Direct Cash Flow Statement	1-Jan-18 31-Mar-18 ThUS\$	1-Jan-17 31-Mar-17 ThUS\$
Cash flow statement		
Cash flow from (used in) operating activities		
Types of charges per operating activities		
Collection from the sale of goods and the providing of services	188,900	166,641
Types of payments		
Payments to suppliers for the providing of goods and services	(112,674)	(91,842)
Payments to and on behalf of employees	(24,604)	(17,926)
Paid interests	(1,500)	(1,184)
Received interests	325	132
Gains tax refund (paid)	(4,255)	(2,622)
Other received (paid) cash	162	66
Net cash flow from (used in) operating activities	46,354	53,265
Cash flow from (used in) investment activities		
Other payments to purchase equity or debt instruments from other entities	(862)	(1,190)
Loans to related entities	(168)	(427)
Income from the sale of property, plant and equipment	194	-
Purchase of property, plant and equipment	(11,102)	(9,717)
Purchase of intangible assets	(1,429)	-
Charges to related entities	-	467
Net cash flow from (used in) investment activities	(13,367)	(10,867)
Cash flow from (used in) financing activities		
Income from long term loans	54,510	21,939
Income from short term loans	56,000	34
Total income from loans	110,510	21,973
Loans from related entities	-	507
Payment of loans	(123,680)	(14,710)
Payment of liabilities for financial lease	(962)	(392)
Net cash flow from (used in) financing activities	(14,132)	7,378
Net increase (decrease) in cash and cash equivalents, before exchange rate fluctuations	18,855	49,776
Effects of exchange rate fluctuations on cash and cash equivalents	(268)	(197)
Effects of exchange rate fluctuations on cash and cash equivalents	(268)	(197)
Net increase (decrease) of cash and cash equivalents	18,587	49,579
Cash and cash equivalents, opening balance	27,838	35,245
Cash and cash equivalents, closing balance	46,425	84,824

The accompanying notes form an integral part of the interim consolidated financial statements.



HORTIFRUT S.A. AND SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENT NOTES

As of March 31, 2018 and December 31, 2017

NOTE 1 – CORPORATE INFORMATION

1.1. Information of the reporting entity

Hortifrut S.A. RUT 96.896.990 – or (hereinafter “Hortifrut” or the “Company”) is a Publicly Traded Company, inscribed in the Registry of the Commission for the Financial Market in Chile under number 1.096 dated June 13, 2012, so it is subject to the supervision of the Commission for the Financial Market (hereinafter “CMF” ex 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 CMF. The Company’s shares are recognized under the ticker symbol “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 address at Avda. del Cóndor 600, Piso 4, 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.

History

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 concretizes 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: "**All Berries, for the Whole 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 – Beginning 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 being the 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.

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

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.

Development of Hortifrut's second Technology and Innovation Fair.

2017 – Hortifrut's President receives Entrepreneur of the Year prize, granted by EY and El Mercurio, in Chile. The latter also distinguished him within the EY World Entrepreneur of the Year competition, in Monaco.

Signs framework agreement for the sale-purchase and merger with the Rocio Group, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere.

1.2. Shareholders

1.2.1. 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, and Inmobiliaria Algeciras Ltda.

The Agreement covers 204,737,990 of Hortifrut S.A.'s shares, which represent 47.01% 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 March 31, 2018, the Moller Group and the Vitalberry Group together own 48.21% 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>
<u>Moller Family</u>				
Inversiones IMG Limitada	109,316,620	25.10%	109,316,620	25.10%
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%
Total Moller Family	117,590,425	27.00%	117,590,425	27.00%
<u>Entities related to Mr. Ignacio Del Río</u>				
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	3.10%	12,718,288	2.92%
Total Entities related to Mr. Ignacio Del Río	50,132,775	11.51%	47,495,569	10.91%
<u>Entities related to Mr. Eduardo Elberg</u>				
Inmobiliaria Algeciras Ltda.	42,243,674	9.70%	39,651,996	9.10%
Total Entities related to Mr. Eduardo Elberg	42,243,674	9.70%	39,651,996	9.10%
Total shareholder's agreement	209,966,874	48.21%	204,737,990	47.01%

1.2.2. Distribution of shares as of March 31, 2018:

<u>Shareholders</u>	<u>31-Mar-18</u>		
	<u>Subscribed shares</u>	<u>Paid shares</u>	<u>Percentage</u>
Inversiones IMG Limitada	109,316,620	109,316,620	25.10%
Inmobiliaria Algeciras Ltda.	42,243,674	42,243,674	9.70%
Costanera SACI	30,079,545	30,079,545	6.91%
Inmobiliaria Alianza S.A.	29,552,009	29,552,009	6.79%
AFP Habitat S.A. para Fondo de Pensiones (A,B,C,D)	26,795,710	26,795,710	6.15%
Compass Small Cap Chile Fondo de Inversión	24,938,199	24,938,199	5.73%
San José Farms S.A.	23,293,100	23,293,100	5.35%
Inversiones Costanera Ltda.	16,239,705	16,239,705	3.73%
BTG Pactual Chile S.A. Administradora General de Fondos	15,384,763	15,384,763	3.53%
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%
Siglo XXI Fondo de Inversión	10,848,555	10,848,555	2.49%
AFP Cuprum S.A. para Fondo de Pensiones (A,B,C,D)	9,799,462	9,799,462	2.25%
Chile Fondo de Inversión Small Cap	9,424,314	9,424,314	2.16%
San Juan de Virquenco Tres S.A.	7,344,255	7,344,255	1.69%
Empresas Penta S.A.	5,306,908	5,306,908	1.22%
Asesorías e Inversiones Pacific Trust Limitada	4,732,485	4,732,485	1.09%
Fondo de Inversión Santander Small Cap.	4,695,066	4,695,066	1.08%
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%
BCI Small Cap Chile Fondo de Inversión	2,629,971	2,629,971	0.60%
Banco Itau por Cuenta de Inversionistas Extranjeros	1,678,692	1,678,692	0.39%
Inversiones Canihua S.A.	1,577,475	1,577,475	0.36%
Inversiones Alba S.A.	1,163,066	1,163,066	0.27%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	1,153,672	1,153,672	0.26%
Banco de Chile (on behalf of third parties)	1,049,927	1,049,927	0.24%
Inmobiliaria e Inversiones Alquileria Ltda.	965,947	965,947	0.22%
Agrícola San Nicolás Limitada	929,550	929,550	0.21%
Valores Security S.A. C de B	640,443	640,443	0.15%
Toesca Small Cap Chile Fondo de Inversión	630,231	630,231	0.14%
BTG Pactual Chile S.A. C de B	594,392	594,392	0.14%
Banchile C de B S.A.	489,587	489,587	0.11%
Asesorías e Inversiones A y D S.A.	397,483	397,483	0.09%
Inversiones FJ	330,019	330,019	0.08%
Soc. de Inversiones Santa Isabel Limitada	310,000	310,000	0.07%
BBVA Asset Management Administradora General de Fondos S.A.	207,085	207,085	0.05%
BICE Inversiones Corredores de Bolsa S.A.	171,402	171,402	0.04%
Santander C de B	152,043	152,043	0.03%
BCI Corredores de Bolsa S.A.	91,965	91,965	0.02%
Brokering Alacid Waleter Alexander	76,649	76,649	0.02%
Larrain Vial S.A. Corredores de Bolsa	61,424	61,424	0.01%
Others	826,226	826,226	0.18%
Total shares	435,520,079	435,520,079	100.00%

Shares in custody

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

<u>Shareholders</u>	<u>Custodian</u>	<u>Paid shares</u>	<u>Ownership percentage</u>
Inmobiliaria Algeciras Ltda.	Santander C de B	5,000,000	1.15%
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%
Inversiones Canihua S.A.	BCI Corredores de Bolsa S.A.	1,577,475	0.36%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	BTG Pactual Chile S.A. C de B	1,153,672	0.26%
Asesorías e Inversiones A y D S.A.	Larrain Vial S.A. Corredores de Bolsa	67,464	0.02%
	Total shares	<u>16,436,849</u>	<u>3.78%</u>

NOTE 2 – PREPARATION BASES

2.1 Compliance Declaration

The information contained in these consolidated financial statements, is the responsibility of the Company's Board and were approved on May 29, 2018.

2.2 Preparation Bases

The current consolidated financial statements for Hortifrut S.A and Subsidiaries as of March 31, 2018 and December 31, 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter IASB).

The interim consolidated financial statements have been prepared under the historic cost basis, except for the following items of a significant character:

- Financial instruments
- Current biological assets
- Loans and obligations that accrue interests at an amortized cost

The preparing of the interim consolidated financial statements, requires the use of certain estimations based on the best information available at the closing of the period. In Note 2.6, we reveal the estimations that imply a greater level of judgment or complexity or the areas where the hypothesis and estimations are significant for the interim consolidated financial statements.

Re-classifications have been made to the interim consolidated financial statements from the previous period in order to be able to better compare the exposed information, these arise from the recurring analysis performed by Management, always with the perspective of uniform financial information, and changes in criteria or accounting estimations have been exceptionally applied as per what is stated in IAS 8 (See Note 5).

The current interim consolidated financial statements have been prepared from the accounting records kept by the parent company and by the other entities that form part of the consolidated holding. Each entity prepares its financial statements following the accounting principles and criteria valid for each country, so it requires a consolidation process. The adjustments and re-classification necessary to unify said principles and criteria to adapt them to IFRS have been incorporated.

The current consolidated financial statements have been prepared under the going concern principle.

2.3 Covered period

The current interim consolidated financial statements cover the following periods:

- Interim consolidated financial statements as of March 31, 2018 and December 31, 2017.
- Interim consolidated income statement, for the periods ending March 31, 2018 and 2017.
- Interim consolidated Cash Flow Statement, for the periods ending March 31, 2018 and 2017.
- Interim consolidated Statement of Changes in Net Equity, for the periods ending March 31, 2018 and 2017.

2.4 Functional and presentation 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 presentation currency of the interim consolidated financial statements. All of the information is presented in thousands of United States dollars and has been rounded to the closest unit (ThUS\$).

2.4.1 Transactions and balances in foreign currency

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 or 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 recognized in the consolidated income statement.

2.4.2 Foreign currency exchange rate

The exchange rates have been translated as of the closing date of Hortifrut's interim consolidated financial statements as per the following:

Currency	Nemo	31-Mar-18		31-Dec-17	
		Closing	Annual average	Closing	Annual average
Chilean Peso	CLP	603.39	602.08	614.75	649.33
Euro	EUR	0.81	0.81	0.83	0.89
Mexican Peso	MXN	18.34	18.75	19.74	18.92
Argentine Peso	ARS	19.90	19.67	18.57	16.54
Brazilian Real	RBL	3.31	3.25	3.27	3.19
Peruvian Nuevo Sol	PEN	3.23	3.24	3.25	3.26
British Pound	GBP	0.71	0.72	0.74	0.78
Yuan	CNY	6.28	6.36	6.51	6.73
Unidad de fomento	UF	0.0224	0.0224	0.0229	0.0240

Parity of foreign currency for one United States dollar.

The calculation of the exchange rate corresponding to the accumulated monthly average, is determined over the average based on the monthly average exchange rates.

2.4.3 Entities corresponding to Hortifrut and subsidiaries

The results and financial position of all of Hortifrut and subsidiaries' entities 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 account 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 recognized under other integral results and the conversion reserve under net equity.

The assets and liabilities of the Subsidiaries expressed in a currency different to the United States dollar are converted using the valid exchange rate on the date of the statement of financial position; income and expenses are converted at the average monthly exchange rate of the period covered by the interim consolidated financial

statements. The differences resulting from the application of this method are classified in other comprehensive income forming part of the exchange rate fluctuation reserve.

2.5 New accounting pronouncements

New standards, amendments to standards and interpretations that are mandatory for the first time from the periods starting on January 01, 2018

New IFRS	Mandatory application date
IFRS 9: Financial Instruments	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
IFRS 15: Operating Activity Revenue from Contracts with Customers	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
New Interpretations	
IFRIC 22: Foreign Currency Transactions and Advanced Considerations	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
Amendments to IFRS	
IAS 40: Investment Property Transfers (Amendments to IAS40, Investment Properties).	Annual periods starting on or after January 1, 2018.
IFRS 9, Financial Instruments, and IFRS 4, Insurance Contracts: Amendments to IFRS 4.	Annual periods starting on or after January 1, 2018, for entities that adopt temporary exemption, entities that apply the overlay focus and entities that apply full IFRS 9.
IFRS 2: Payments Based on Shares: Clarifying of the recording of certain types of transactions of share based payments.	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.
IFRS 15: Revenue from Operating Activities from Contracts with Customers : Amendment clarifying requirements and granting additional transition release for companies that implement this new standard.	Annual periods starting on or after January 1, 2018.
Cycle of annual improvements to IFRS 2014-2016 Standards. Amendments to IFRS 1 and IAS 28.	Annual periods starting on or after January 1, 2018. Allows anticipated adoption.

The aforementioned standards, amendments and interpretations, did not have a significant impact on Hortifrut's and its subsidiaries' interim consolidated financial statements.

New accounting pronouncements

The following new Standards, Amendments and Interpretations have been issued but their application date is not yet valid:

New IFRS	Mandatory application date
IFRS 16: Lease	Annual periods starting on or after January 1, 2019. Allows anticipated adoption for entities that apply IFRS 15 on or before that date.
IFRS 17: Insurance Contracts	Annual periods starting on or after January 1, 2021. Allows anticipated adoption for entities that apply IFRS 9 and IFRS 15 on or before that date.
New Interpretations	
IFRIC 23: Uncertainty over Tax Treatments	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
Amendments to IFRS	
IAS 28: Long term interests in Associated Companies and Joint Ventures	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
IFRS 9: Prepayment clauses with negative compensation	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
Modifications of Plans, Reductions and Liquidations (Modifications to IAS 19, Employee Benefits).	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.
IFRS 10, Consolidated Financial Statements , and IAS 28, Investments in Associated Companies and Joint Ventures: Transfer or contribution of assets between an investor and its associated company or joint venture.	Effective date indefinitely deferred.
Cycle of annual improvements to IFRS 2015-2017 standards. Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23.	Annual periods starting on or after January 1, 2019. Allows anticipated adoption.

As of the date of these interim consolidated financial statements, these standards have not yet become valid and the Company has not applied them in an anticipated form:

New accounting pronouncements, IFRS 9, IFRS 15 and IFRS 16 Standards

a. IFRS 9 “Financial instruments”

The final version of this standard was issued in July 2014. It modifies the classification and the measuring of the financial assets and introduces a “more prospective” model for expected credit loss for impairment accounting and a substantially reformed approach for hedge accounting. The detailed impact of the three aspects of IFRS 9 is described below:

- Classification and measuring of financial instruments: The Group determined that there is no significant impact on its financial statements in the application of the classification and measuring requirements established by IFRS 9.
- Hedge accounting: The Group will maintain the requirements of IAS 39 as an accounting policy for hedging, so no related impacts were generated.
- Impairment: IFRS 9 requires that the group records the credit loss expected in its loans and accounts receivable. The criteria used by the Company for the application of this standard is described in Note 10.

Hortifrut adopted the new standard on the required application date and, in accordance with what is allowed by IFRS 9, has decided not to re-express the comparative information, recording the effects of the application of this norm in the opening balance of the item “Accumulated profit (loss)” of Net Equity.

The application of the described approach, is summarized below:

Initial application of IFRS 9	1-Jan-18 Th US\$
Initial application of impairment in valid accounts receivable	(1,380)
Deferred tax	375
Total equity	(1,005)
Minority Interest	(141)
Equity attributable to parent company equity holders	(864)

b. IFRS 15 “Income from contracts with customers”

Issued on May 28, 2014, this Standard replaces IAS 11 Construction Contracts, IAS 18 Operating Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC 31 Revenue – Barter Transactions which involve advertising services. This new Standard applies to contracts with customers, but does not apply to insurance contracts, financial instruments or lease contracts, which are within the scope of other IFRS. It introduces a single model for recognizing operating revenue which applies to the contracts with customers and two approaches for recognizing revenue: at one moment in time or during a period. The model considers the analysis of the transactions based on five steps to determine if a revenue is recognized, when it is recognized and for what amount:

- 1.- Identify the contract with the customer.
- 2.- Identify the performance obligations of the contract.
- 3.- Determine the price of the transaction.
- 4.- Distribute the price of the transaction in the performance obligations.
- 5.- Recognize revenue when (or as) the entity satisfies the performance obligation.

The application date corresponds to the Financial Statements issued for periods that start on January 1, 2018 or after. It allows anticipated adoption.

During 2017, the Company performed a detailed study and analysis of IFRS 15. Based on this study the Company has determined that there are no material effects due to the adopting of IFRS 15.

a. IFRS 16 “Lease”

Issued on January 13, 2016, this Standard requires that the companies record all lease in their Financial Statements as of January 01, 2019. The companies with operating lease will have more assets, but also a higher debt. The higher the company’s lease portfolio, the higher the impact on the report metrics. The Standard is effective for the annual periods that start on, or after, January 01, 2019, allowing anticipated adoption. The Company is still evaluating the impact that the mentioned standard could have.

2.6 Use of estimations and judgments

Based on IAS 1, the preparation of the interim consolidated financial statements requires the use of judgments, estimations and assumptions that affect the amounts of the assets, liabilities, revenue and expenses as of the date of presentation of the interim consolidated financial statements. These estimations and assumptions are based on Management’s best knowledge.

The following estimations have been defined when preparing the interim consolidated financial statements:

- The valuation of intangible assets different to goodwill, goodwill originated in the acquisition of companies, which could affect the determining of loss due to impairment in the value of these (Note 17 and 18).
- Determining fair value of biological assets based on non-observable significant data entry (Note 13).
- Useful life and residual values of property, plants and equipment (Note 19).
- The hypothesis used to calculate the estimations of non-collectability of sales debtors and customer accounts receivable (Note 10).
- Revenue Recognition (Note 3.20)
- Cost Provisions (Note 3.19).
- Cost Estimations (Note 3.22).

These estimations have been realized based on the best information available on the date of issuance of the current interim consolidated financial statements, but it is possible that events that could take place in the future could force these to be modified (increase or decrease) in future periods, which would be done in a prospective manner, recognizing the effects of change in estimation in the future corresponding interim consolidated financial statements.

2.7 Changes in accounting policies

From January 1, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 as per what is indicated in Note 2.5 letter (a).

During the period ending March 31, 2018, no other changes have taken place in the Company’s accounting policies.

NOTE 3 - PRINCIPAL ACCOUNTING POLICIES

3.1 Consolidation Basis

3.1.1 Business combination

Hortifrut S.A. and its subsidiaries, recognize in their consolidated financial statements the identifiable assets (including intangible assets that have not been recognized beforehand) and the assumed liabilities of any interest in companies acquired at fair value, as per IFRS 3, issued and revised by IASB. Also, it recognizes and measures any goodwill or gains from the purchase of these entities. The goodwill generated in a business combination is initially measured at cost. After the initial recognition, it is measured at cost minus any accumulated loss due to impairment. For the purpose of impairment tests, goodwill acquired in a business combination is assigned from the date of acquisition to each cash generating unit or group of these which is expected to benefit from the synergies of the combination.

If the cost of acquisition is lower than the fair value of the net assets of the acquired company, the difference is recognized in results and is presented in the line Other profit (loss). If the initial accounting of a business combination is determined only in a provisional manner, the Company, during the measurement period, will retroactively adjust the acquired provisional amounts, in accordance with the new information obtained. Furthermore, it will recognize any additional asset or liability if any new information is obtained, as long as the measurement period does not exceed a year from the date of the purchase. The business combinations are recorded using the acquisition method as of the date when control is transferred to the Group. Control is understood to be the power to direct the financial policies and the operation of an entity in order to obtain benefits from its activities. The Group values goodwill as of the acquisition date as:

- The fair value of the transferred considerations;
- The recognized amount of any non-parent company interest in the acquired company;
- Plus if the business combination is performed in stages, the fair value of the existing interest in the equity of the acquired;
- Minus the net recognized amount (in general, the fair value) of the identifiable acquired assets and the identifiable assumed liabilities.

Goodwill is the excess of the amount of the transferred consideration recorded over the net value of the acquired assets and the assumed liabilities. If the fair value of the acquired net assets exceeds the value of the transferred consideration, the Company will perform a new evaluation to make sure that all the acquired assets and assumed obligations have been correctly identified and it checks the applied procedures to perform the valuation of the recognized amounts on the date of acquisition. If this new evaluation results in an excess of the fair value of the net acquired assets over the added value of the transferred consideration, the difference is recognized as a profit in the income statement.

3.1.2 Subsidiaries

The interim consolidated statements of financial position incorporate Hortifrut'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 Company 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-controlling companies. The excess acquisition cost over the fair value of the Company's interests in the acquired net identifiable assets, is recognized 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 recognized 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 direct subsidiaries included in the current interim consolidated financial statements:

<u>Companies</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Functional Currency</u>	<u>31-Mar-18</u>			<u>31-Dec-17</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 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
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.9900	0.0100	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 detailed Companies correspond to direct subsidiaries 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 (see Note 15).

Modifications to the consolidation basis

During the period ending March 31, 2018, no modifications have been made to the consolidation perimeter.

3.1.3 Transactions and non-controlling interests

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-controlling interests and the parent company shareholders of the companies where the property is shared, are recorded under equity and, therefore, are shown in the statement of changes under interim consolidated net equity.

3.1.4 Associates

Associated companies 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%. 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 Goodwill 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 recognized in results, and its interest in the equity activities after the acquisition is recognized under 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 recognize additional loss, unless it has incurred in obligations or performed payments on behalf of the associate.

3.2 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 S.A. and subsidiaries presented the information per segment, as per 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)

The Company has analyzed the Blueberries, Raspberries, Blackberries, Strawberries and Cherries segments, concluding that these show similar economic characteristics, which allow aggregation in a single aggregate operating segment (IFRS 8.12) denominated "Fresh Fruit". Additionally, the Company has evaluated the segment denominated "Value Added Products" and, considering the "Quantitative Thresholds" (IFRS 8.13) as well as the administration, customers and distribution channels which are different to those of the "Fresh Fruit" segment, it has decided to maintain value added products as a separate operating segment.

To determine the aggregation of the aforementioned operation segments (Blueberries, Raspberries, Blackberries, Strawberries and Cherries), it was analyzed if they share similar characteristics in the nature of their products, production process, customers and distribution methods, as well as if said aggregation is coherent.

The Company performed the following analysis:

a) The nature of the products

In this sense Hortifrut considers that fresh fruit, even if it is of a different species, it is of a similar nature (Berries).

b) The nature of the production process

Even though the purchase of fresh fruit from producers and of own production is differentiated by species, they all share the same productive, installations and distribution process until they reach the final consumer, and only the fruit that does not comply with the quality characteristics requested by customers is destined to the Frozen Fruit process.

c) Category of Customers the products are destined to

There is no difference in customers in relation to the type of fresh fruit. Hortifrut's customers buy the fruit offer that is available, complying with the specific quality requirements established by them. Requirements are not related with the type of fruit, but with food safety aspects.

d) Methods used to distribute the products

Hortifrut has developed a commercial platform which allows it to use, no matter which fruit it brings, a uniform, efficient and effective distribution chain. Hortifrut's business has been based on vertical integration to offer the markets the mix of fruits that satisfies their needs.

In summary, the Company has concluded that in order to present "Financial Information per Segments", the operating segments will be the added segment "Fresh Fruit" and the "Added Value Products" segment, since these enable the access to information regarding business activities and their economic environment.

As is required by International Financial Reporting Standards, Note 6 "Financial Information per Segments", for the purpose of exposure, it has been retrospectively re-expressed, thus presenting the segments of the previous period and the valid operating segments in a comparative manner as of the date of the current interim consolidated financial statements.

3.3 Property, plant and equipment

The Company's property, plant and equipment comprises land, constructions, infrastructure, machinery, equipment, bearer plants and other fixed assets.

3.3.1 Land, constructions, plants, equipment and machinery

Land is recognized at its purchase cost. Constructions, plants, equipment and machinery are recognized, both at the initial moment and subsequently, at cost minus the corresponding accumulated depreciation and impairment, in case it exists.

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

Costs from daily maintenance and common repairs are recognized in the period's result.

Profit or loss from the sale of property, plants and equipment are calculated comparing income obtained from the sale with the book value of the asset (net of depreciation) and are recorded in the consolidated income statement.

3.3.2 "Bearer Plants"

Due to the application of Amendment to IAS 16 and IAS 41, which became valid on January 1, 2016, fruit "bearer plants", are considered a machinery item in a manufacturing process, so, their value is classified under Property, plant and equipment and recorded as specified in IAS 16.

Fruit “bearer plants” can be differentiated depending on their productive state between the development stage and production stage, and are valued as per the following criteria:

a) “Bearer plants” in development

“Bearer plants” in development are valued at the acquisition and/or production cost of the plants plus the costs to maintain them until the date when they start producing.

b) “Bearer plants” in production

As of December 31, 2017, a change in accounting policy was made in the valuation of “bearer plants” in production passing from revalued cost to cost (historic cost) minus corresponding depreciation and accumulated depreciation, in case it exists. It must be stated that the thus determined cost includes the revaluation recorded as of December 31, 2015, date when the amendment to IAS 16 and 41 became valid.

“Bearer plants” are considered to be in production as per the following:

Blueberry:

- Chile, Mexico and Spain: a plantation in production is when the volume of produced fruit exceeds 30% of the potential volume of the variety, which is estimated by expert agronomists.

- Peru: a plantation is considered to be in production when the volume of produced fruit exceeds 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 in production, regardless of the reached level of production.

Raspberry:

A plantation is considered to be in 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 in 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 of these. During this period, given the level of uncertainty, the Company values “bearer plants” under development at cost.

When “bearer plants” reach the aforementioned production potential, it is considered that they enter the production stage, which implies the start of the depreciation of the asset as is explained in point 3.3.3.

If the book value is modified due to the presence of impairment in “bearer plants”, said decrease in the value will be attributed directly to results in the period under the account Other expenses, per function.

3.3.3 Depreciation

Depreciation of the components of Property, plants and equipment (except “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.

Depreciation of “bearer plants” is calculated according to its production forecasted in the useful life of the plant and is assigned as per real production curves. In the case of plantations that are located on leased land, the useful life is adjusted as per the maturity of the corresponding lease contract.

The estimated useful lives are as follows:

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

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.

The effects of depreciation are presented under Cost of Sales.

3.4 Biological Assets, current

As per what is established in IAS 41, agricultural products that grow on fruit “bearer plants” will follow 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, 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.

The variables used to calculate fair value are the following:

- **Volume:** Corresponds to the fruit which at the closing of the financial statements is estimated to be harvested in no more than 80 days in the case of blueberries and no more than 30 days in the case of raspberries. This estimation of harvest volumes is performed by expert agronomists, who based on the phenological state of the fruit hanging on the “bearer plants”, of the variety and geographic location

of the plantations, perform a projection of the volume of fruit that will be harvested during the next weeks.

- **Producer return:** From the weekly historical sale price in the final market (taking as a reference the prices published by USDA - United States Department of Agriculture- for the last 8 seasons), we determine the return that the field will receive, based on the date when the fruit is expected to be sold which, to the closing of each financial statement, is hanging from the “bearer plants”, deducting all the costs that must be incurred from the harvest to the arrival to the final customer.
- **Production Cost:** is determined through the accumulation of real costs for each productive hectare, considering all the maintenance tasks and depreciation of fixed assets used in each of the plantations until the moment of the evaluation.

3.5 Intangible assets other than goodwill

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 varieties 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 recognized 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 recognized 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.

c) Water rights

Water rights which have an indefinite useful life, since as per all the considered factors, there is no time limit when the asset generates net cash flows for the Company. It is recorded at the cost incurred in its acquisition.

d) Relationship with Customers

Intangibles generated in the acquisition of Vitalberry Marketing SpA due to the latter’s relationship with customers, transferred as part of the merger process. The estimation of returns demanded from this company, considered a customer “outflow” rate of an annual 10%, establishing an amortization period for this intangible of 15 years, which is recorded in the consolidated income statement, under the item of administration expenses.

e) VitalBerry Brand

Due to the market participation in the different continents where Vitalberry sold its products, at the moment of its acquisition, it was considered that this brand has a value. The used focus was the “Relief from Royalty” method based on the assumption that the owner of the intangible asset, saves the payment of Royalty for the use of said asset.

3.6 Goodwill

Goodwill 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 goodwill 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 goodwill represent the lowest level within the entity where goodwill is controlled for internal management purposes.

Revisions of the loss due to impairment of the value of the goodwill are performed annually or more often if events or changes in circumstances indicate a potential loss due to impairment. The book value of goodwill 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 recognized as an expense and is not subsequently reverted.

3.7 Interest Costs

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

3.8 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 impairment tests.

Assets subject to depreciation are subjected 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 recognized 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 goodwill 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 recognized 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.

3.9 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 Company does not maintain financial instruments held until their maturity 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 recognition.

3.9.1 Classification of financial assets

a) Financial assets at fair value with changes in results

Financial assets at fair value with changes in profit or loss 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 maturity less than 12 months are classified as current assets. Items with maturity 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.

3.9.2 Recognition and measurement of financial instruments

The acquisition and disposal of financial assets is recognized 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 recognition

Financial assets are initially recognized 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 profit or loss are initially recognized 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 profit or loss 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 rewards 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 maturity, 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.

3.10 Derivative financial instruments and hedging activities

Derivatives are initially recognized 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 recognize 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 recognized assets or liabilities (fair value hedging);
- (b) Hedging of a concrete risk associated to a recognized liability or a highly probable foreseen transaction (cash flow hedging); or
- (c) Derivatives that do not qualify for hedge 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 maturity of the hedged item is over 12 months and as Other current financial assets or liabilities if the remaining maturity of the hedged item is less than 12 months.

- (a) Fair value hedges

Changes in the fair value of derivatives that are designated and rated as fair value hedge 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 hedges

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

In the case of variable interest rate hedging, the amounts recognized 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 and associated to income to be received in Euros, the amounts recognized in equity are reclassified to profit or loss 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 hedge accounting, any profit or loss accumulated in net equity up to that moment remains under equity and is recognized when the foreseen hedged transaction is finally recognized 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)”.

3.11 Inventories

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 cost 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).

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 materials and supplies are recognized at their net realization value.

The Company values its inventory as per the following:

- a) The production cost of the finished products covers costs directly related with the productive units, such as labor costs, variable and fixed costs which have been included to transform raw materials into finished products.
- b) In the case of the cost of acquired stock, the acquisition cost covers the purchase cost, custom duties, transport, storage and others attributable to the acquisition of the goods and materials.

Formula to calculate the cost of inventory

Finished product inventory is valued using the weighted average cost method, which is, the cost of each product unit is determined from the weighted average of the cost recorded at the start of the period and the cost of the articles purchased or produced during the period.

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

3.12 Trade debtors and other accounts receivable

Book value recognized within trade debtors and other current accounts receivable are an approximation to the fair value, since it is determined based on the historic data of the items to be charged

From January 1, 2018, the Company records provisions for non-collectability over its trade debts and other accounts receivable, based on the requirements of IFRS 9. Based on the aforementioned, the Company estimates the expected credit loss, which result from possible events of non-compliance during the life of its assets measured at amortized cost.

3.13 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 a maturity of less than 90 days and which are subject to a not very significant risk of changes in value. Investments that correspond to cash management and whose funds are of free disposal are also included.

Used bank overdraft lines are included in Other financial liabilities.

3.14 Corporate capital

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

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 recognized as a reduction of equity when they are approved by the shareholders' meeting.

3.15 Payable trade accounts and other accounts payable

Book values recognized within payable trade accounts are initially recognized at their fair value and are subsequently valued at the amortized cost using the effective interest rate method.

3.16 Other financial liabilities

Financial liabilities are initially recognized, 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 recognized 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).

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

3.17 Income tax and deferred taxes

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

Income tax expense is recognized in the income statement and correspond to payable tax determined over the taxable income of the year, applying the valid tax rates as of the closing date of the interim consolidated 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 recognized in other integral results or directly in net equity, in this case, tax is also recognized 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 recognized if the opportunity to reverse the temporary difference is controlled by the Company and it is probable that the temporary difference will not be reverted in the foreseeable future.

3.18 Employee Benefits

a) Employee vacations

Hortifrut and its subsidiaries recognize 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 profit or loss (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 recognize 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.

3.19 Provisions

Hortifrut S.A. and subsidiaries recognize 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 recognized 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 regularly revised and quantified, taking into consideration the best information available on the presentation date of the interim consolidated financial statements.

3.20 Revenue Recognition

Income is recognized 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 recognized 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 rewards 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. Revenue

from sales in local markets, net of value added tax, specific taxes, returns and discounts to customers, are recognized 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 revenue recognition 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 revenue is recognized.
- "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 revenue is recognized.

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

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 recognized 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 recognized when the right to receive the payment has been established.

3.21 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 recognized as a reduction in the sale price of the sold products. The contributions for shared advertising are recognized when the advertising campaigns agreed with the distributor have taken place and are recorded as incurred commercializing expenses.

The Company recognizes 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 recognized when there is formal evidence of the agreement and its amount can be reliably estimated.

3.22 Cost of Sales

Sales costs include the cost of production of the sold products and other costs incurred in to leave inventory 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.

Estimating Cost of Sales

Sales from the production of third party fruit (producers), which to the closing of the period have not yet been liquidated (approximately between 20 and 45 days as per destination) the premium over the contractual price previously agreed with the producer is estimated. The estimated premium plus the agreed price constitute 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.

In the case of fruit packing per species, a standard material cost is assigned. Based on the arrived shipments, the standard cost is calculated for each of the shipments and by the difference with the consumed materials, an adjustment in relation to the materials in transit as of the closing date takes place. At the same time, 2% of this cost is provisioned as loss of inventory.

3.23 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.

3.24 Lease

a) 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 rewards 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) Operating Lease.

The leases where the lessor keeps an important part of the risks and rewards 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.

3.25 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 recognized at the lower value between the book value and the fair value minus cost to sell. When the value will be recovered mainly through its sale, as long as the sale is considered highly probable.

3.26 Environment

In the case of environmental liabilities, these are recorded based on 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.

3.27 Research 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.

3.28 Advertising expenses

Advertising expenses are recognized under results when they take place.

3.29 Earnings 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.

3.30 Insurance expenses

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

The costs of the claims are recognized 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 4-RISK MANAGEMENT

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

4.1. Financial Risk

4.1.1 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 cash surplus investments, are considered low risk for the Company (see Note 7.1).

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 maturity 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, which protects fresh fruit and vegetable suppliers in the USA.

For sales outside the United States, the Company's policy is to obtain credit 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, the Company may be exposed to this risk.

As a mitigation measure for this risk, the Company has obtained credit insurance for the parent company and subsidiaries as of March 31, 2018 (See Note 4.3).

4.1.2 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.

Furthermore, there is the risk that, due to an impairment in its operations or other circumstances, certain financial ratios could reach levels that are higher than the limits established in the credit contract, which could limit the debt capacity or accelerate the maturity of the company's valid financial liabilities.

To mitigate this risk the Company continuously monitors its financial ratios and other obligations regarding what to do and what not to do stipulated in its credit contracts, in order to be able to take opportune actions to avoid the potential negative effects associated to this risk. Regardless of the fact that to date Hortifrut has not had any problems associated to exceeding the financial ratios stipulated in financial contracts, it is important to bear in mind that this fact does not guarantee that in the future Hortifrut may be exposed to this risk.

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, constantly monitoring the debt of the Subsidiaries and Associated Companies. In the case of subsidiaries such as Hortifrut España Southern Sun SL, and related companies such as Hortifrut Tal S.A.C. and Munger Hortifrut N.A. LLC in the United States, credit decisions are made at these business units in coordination with Hortifrut S.A. Debts are incurred through bank credits in Chile and overseas, aiming to optimize the credit conditions based on the financing needs to face investment plans and requirements for work capital.

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 this risk.

Hortifrut has available short term credit lines, approved and valid for work capital, which as of March 31, 2018 reach US\$229.7 million, distributed among 12 banks. The used amount reaches US\$82.9 million, with an unused balance of US\$ US\$145.8 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with S\$218.2 million, Hortifrut S.A. with US\$5 million, Agrícola El Pampino S.A. with US\$0.75 million, Agrícola Santa Rosa del Parque S.A. with US\$0.50 million, Agrícola Vida Nueva S.A. with US\$0.4 million, Agrícola Mataquito S.A. with US\$1.3 million, Agrícola El Avellano with US\$0.5 million and Hortifrut Import Inc., with US\$3 million. As of March 31, 2017 the Company has approved credit lines for US\$200.9 million.

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 working capital and interest payments, for the next 12 months and the foreseeable future.

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 future obligations.

Below we summarize the maturity of the Company's bank loans as of March 31, 2018, based on undiscounted contractual cash flows:

Creditor Bank	Cash Flows						
	Capital	Interests	Between 0 to 3 months	Between 3 to 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	72,701	415	10,610	5,752	28,941	47,518	92,821
Banco Santander Chile	29,577	46	28,993	343	329	-	29,665
Banco Bilbao Vizcaya Argentaria	28,694	69	11,524	4,641	13,124	-	29,289
Banco Estado	15,434	68	11,274	4,162	119	-	15,555
Banco RaboFinance Chile	22,818	182	-	1,275	10,092	18,129	29,496
Banco Santander Central Hispano S.A.	15,420	-	2,174	5,336	8,121	128	15,759
Banco de Chile	9,000	8	9,015	-	-	-	9,015
Banco Scotiabank	5,193	6	5,009	-	-	-	5,009
Banco Itaú	261	-	43	220	47	-	310
La Caixa	6,159	-	17	1,182	5,123	-	6,322
Banco China Construction Bank Corp.	10,000	8	10,016	-	-	-	10,016
Banco Intercontinental Español	3,695	-	236	709	2,836	-	3,781
Banco Sabadell	2,464	-	7	322	2,205	-	2,534
Caja Madrid	30	-	7	20	4	-	31
Caja Rural Asturias	22	-	7	16	-	-	23
Financial Services	20	-	1	2	21	-	24
Banco de Crédito Perú	5	-	5	-	-	-	5
Total as of March 31, 2018	221,493	802	88,938	23,980	70,962	65,775	249,655
Total as of December 31, 2017	234,092	1,405	129,600	24,612	66,886	28,085	249,183

Below is a summary of the maturities of the total financial liabilities as of March 31, 2018:

Detail	Cash Flows						
	Capital	Fair Value	Between 0 to 3 months	Between 3 to 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loan	221,493	222,295	88,938	23,980	70,962	65,775	249,655
Trade accounts and other accounts payable	41,533	41,533	40,586	947	-	-	41,533
Accounts payable to related entities	19,208	19,208	-	6,960	12,248	-	19,208

4.1.3 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, Peruvian Nuevo Sol and Euro.

a) Exposure to Chilean Pesos

The source of exposure to Chilean Pesos comes from the costs of the Chilean companies 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 Chilean companies by contracting derivative instruments. Likewise, in the Chilean companies, Cross Currency Swap instruments are used to mitigate the exchange rate risk in bank obligations in Chilean Pesos.

b) 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.

Hortifrut performs mitigation measures over the exposure to costs of Mexican companies, through the contracting of derivative instruments.

a) Exposure to Euros

The source of exposure to Euros comes from sales performed in said currency, bank obligations and 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 exchange rate risk, it is important to bear in mind that this fact does not guarantee that in the future, Hortifrut may be exposed to this risk.

b) Exposure to Peruvian Soles

The source of exposure to Peruvian Soles mainly comes from the costs of agricultural operations in Peru, which are mainly denominated in said currency, and at a lower measure, from trade accounts receivable with customers.

Exposure in currencies different to the dollar

The following table shows the exposure in currencies different to the dollar, over the Company's assets and liabilities as of March 31, 2018:

	<u>Peso/UF</u>	<u>Euro</u>	<u>Mexican \$</u>	<u>Argentine \$</u>	<u>Real/others</u>
As of March 31, 2018	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
<u>Financial Assets</u>					
Cash and Cash Equivalents	3,303	8,474	404	922	514
Other current non-financial assets	3,615	286	3,284	34	250
Current trade debtors and other accounts receivable	8,529	10,674	262	272	10,044
Current accounts receivable with Related Entities	13	8,318	-	-	-
Non-current accounts receivable with Related Entities	-	7,108	-	-	-
Total Financial Assets	15,460	34,860	3,950	1,228	10,808
<u>Current Liabilities</u>					
Other current financial liabilities	-	10,412	-	-	233
Current trade accounts and other accounts payable	11,360	1,891	1,655	50	737
Current accounts payable to Related Entities	2,289	662	-	-	-
Current provisions for employee benefits	441	-	507	-	-
Other non-current financial liabilities	234	30,522	-	-	33
Non-current accounts payable with Related Entities	1,558	10,690	-	-	-
Total Financial Liabilities	15,882	54,177	2,162	50	1,003
Net exposure as of March 31, 2018	(422)	(19,317)	1,788	1,178	9,805
Net exposure as of December 31, 2017	(4,627)	(15,854)	3,675	634	8,491

Sensitivity analysis

The potential effect of a 10% devaluation of the United States dollar against all the other relevant currencies to which the Company is exposed, would have an approximate effect of ThUS\$697 (ThUS\$769 as of December 31, 2017) as a higher charge to the Company's results as of March 31, 2018, 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.

Currencies	Assets	Liabilities	Net	Net (10% Devaluation)	Variation
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Peso/UF	15,460	15,882	(422)	(380)	42
Euro	34,860	54,177	(19,317)	(17,385)	1,932
Mexican \$	3,950	2,162	1,788	1,609	(179)
Argentine \$	1,228	50	1,178	1,060	(118)
Real	10,808	1,003	9,805	8,825	(980)
Total	66,306	73,274	(6,968)	(6,271)	697

4.1.4 Interest rate risk

The Hortifrut Group has its long term financial liabilities linked to long term investments. Most 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 a whole year the debt that it has at a variable rate, which is ThUS \$83,149 as of March 31, 2018 (ThUS\$123,233 as of December 31, 2017) and the rate increased 10%, the impact on the annual financial cost would be ThUS\$164 (ThUS\$213 as of December 31, 2017).

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

Creditor Bank	Capital ThUS\$	Annual Interest ThUS\$	10%	Due to
			interest variation in the rate ThUS\$	Variation in Rate ThUS\$
Banco Santander Chile	28,900	554	608	54
Banco Itaú	134	3	3	-
Banco Bilbao Vizcaya Argentaria	10,110	211	233	22
Banco de Crédito e Inversiones	10,000	223	245	22
Banco de Chile	9,000	194	213	19
Banco Scotiabank	5,000	98	107	9
Banco Estado	10,000	195	215	20
Banco China Construction Bank Corp.	10,000	180	198	18
Banco de Crédito Perú	5	-	-	-
Total	83,149	1,658	1,822	164

4.2 Operating Risks

Hortifrut's operating risks are administered by the corresponding management, in accordance with the norms and standards defined at a corporate level. Below is a detail of those that management considers to be of greater relevance:

4.2.1 Competition's genetic development

The lack of modern varieties of plants could affect the competitiveness of the business, both agricultural and export and trade. The Hortifrut Group currently counts with varietal development programs, maintaining in Chile and overseas strategic alliances with universities and companies dedicated to this sector, as well as establishing agreements with the main nurseries in the world, guaranteeing Hortifrut access to a large spectrum of modern and attractive plant varieties.

4.2.2 Significant increase in supply

In the case of very significant increases in the planted hectares at a global level, a scenario of over-supply of berries could be generated, which would lead to a fall in prices at the destination markets. Nevertheless, this

phenomenon would affect Hortifrut only if it takes place in the windows of the year when the Company operates.

Also, at the main markets where Hortifrut operates we can still observe a great growth potential in the demand for berries, due to the combination of (i) a product with very positive health effects; (ii) the growing importance for healthy food that consumers seek and (iii) a still relatively low consumption of berries per capita.

4.2.3 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 the offer of products and obtaining brand recognition, among others. Likewise, Hortifrut has privileged an international expansion through strategic alliances both in the productive and commercial area, which allows it to better face competition and be able to supply its customers with fresh berries every day of the year.

4.2.4 Climatic risks

Climate is an external factor which is difficult to control, which can affect quality and cause variations in the volume of fruit available to commercialize during the year. Even though it is difficult to control, this risk can be geographically diversified and can be mitigated with correct management. The Company administers this risk by creating export companies and obtaining fruit from different producers in Chile and the rest of the world, investing in agriculture in different countries and in each country in different zones, building deep wells to assure the availability of water in the fields that require it and investing in infrastructure to control rain, frost and hail, among other initiatives.

4.2.5 Plagues and disease

It is unavoidable for a large surface of any crop to be affected by some incidence of plagues and/or disease. Therefore, efficient control of these is as necessary as fertilizing or watering. Risk associated with plagues or disease impact on the quality and/or performance, being able to affect appearance and post-harvest life of the fruit; in some cases this risk involves the application of quarantines in specific productive zones on behalf of the phytosanitary authorities of the countries where the fruit is destined. Nevertheless, through a good control (search and monitoring) an outbreak of plagues or disease can be detected on time, allowing to eliminate the problem before it causes greater damage.

From 2013, the United States applied quarantine to some regions in Chile due to the detection of the Lobesia Botrana moth. These quarantines can generally be lifted immediately through fumigation of the fruit at destination or, in the medium term, working with the authorities on preventive measures to control the plague which prove contention or eradication, ending up in the lifting of the quarantine. Other solution measures are to destine the fruit in quarantine zones to markets that have different phytosanitary restrictions.

4.2.6 Food-Safety

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

4.2.7 Continuity and costs of supplies and services

The development of Hortifrut's business involves a complex logistic regarding the opportune supply of quality supplies and services which are fundamental to maintain competitiveness. Regarding electrical energy, Hortifrut's process plants count with generators that allow to assure the continuity of the operation in front of supply cuts. Also, all the plants have contingency plans to face restrictive supply scenarios. Nevertheless, it is not possible to discard that in the future, supply shortages could generate a discontinuity in the supply and/or higher costs at Hortifrut's plants. It is also important to consider eventual standstill at ports and transport companies in general, which could affect Hortifrut's performance if the events extend in time.

4.2.8 Risk associated to new technologies

Hortifrut, in its varied entrepreneurships, throughout the world, is incorporating growing new technologies in the whole production process. The aforementioned involves risks associated to the lack of knowledge of all the involved behaviors. Even though most of its technologies are widely widespread in the world, there is still no extended history which allows to know beforehand all the adverse effects that could derive from it.

4.3 Insurance

The Hortifrut group has contracted insurance policies to cover exposure to the main financial and operational risks, considering that the coverage of these policies is adequate.

The main insurances contracted as of March 31, 2018 are the following:

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	31-Mar-18 <u>COVERED AMOUNT</u>
Chile	Infrastructure Fire	UF	1,658,152
Chile	Mobile Agricultural Equipment	UF	48,092
Chile	Motor Vehicles	UF	16,865
Chile	General and Product Civil Responsibility	USD	5,000,000
Chile	Maritime Transport	USD	7,000,000
Chile	Credit Insurance	USD	20,000,000
Chile	Fruit and Materials Insurance	USD	9,810,916
Chile	Terrorism	UF	500,000
Chile	Business Interruption	UF	1,227,000
USA	Product Civil Responsibility	USD	20,000,000
Mexico	Transporting of Load	USD	200,000/shipment
Mexico	Infrastructure Fire, Theft and Civil Liability	USD	48,000,000
Mexico	Motor Vehicles	USD	Commercial Value
Spain	Motor Vehicles	EUR	Commercial Value / without limit
Spain	Installations	EUR	350,000 per event
Spain	Goods	EUR	50,000 per event
Spain	Civil Liability	EUR	6,500,000
Spain	Credit Insurance	EUR	90% unpaid
Peru	Fire	PEN	618,320
Peru	Motor Vehicles	USD	261,820

4.4 Risk in the Estimations

Effects of the valuation of fruit that grows on “bearer plants” due to changes in volume and price

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 sale costs, recording the changes in valuation in result as the product grows.

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

As of March 31, 2018, there is no recognition for the concept of expected margin for the fruit on Hortifrut S.A. and subsidiaries’ bearer plants, since as of that date there is no fruit on the plants.

As of December 31, 2017, the expected margin of fruit on Hortifrut S.A.’s bearer plants was recognized, for the amount of ThUS\$1,640.

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

	Fair Value Adjustment as of 31.12.2017	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Agricola Hortifrut S.A.	1,640	1,476	1,016	914

On the other hand, within the item Investments recorded using the equity method, the expected margin of fruit on bearer plants of the company Hortifrut Tal S.A.C. (Peru) has been recognized based on the interest percentage that it has in it, amount that reaches ThUS\$953, as of December 31, 2017. As of March 31, 2018, since there is no fruit on bearer plants, no adjustment was recorded for this concept.

Below is a detail of the effect that a 10% reduction in price and volume would have on that amount:

	Fair Value Adjustment as of 31.12.2017	10% Reduction Volume (ThUS\$)	10% Reduction Price (ThUS\$)	10% Reduction Volume and Price (ThUS\$)
Hortifrut Tal S.A.C.	953	877	744	670

4.5 Risk associated to merger and purchase process

Due to the global character of its business and the Company’s intention to remain among the main global participants in the production and commercialization of berries and other fruits, Hortifrut has materialized different purchase and/or merger processes in the past and could materialize other similar transactions in the future. Both the Company and the acquired companies or assets are exposed to potential financial, operational and other previously described risks.

To mitigate these risks, the Company continuously monitors the potential effects that merger and/or acquisition processes could have on its financial ratios, both at results and balance level, in order to be able to take opportune actions to remain within the thresholds permitted by the financing contracts.

Even though to date Hortifrut has not had problems associated to its merger and acquisition processes, this fact does not guarantee that in the future Hortifrut won’t be exposed to this risk.

NOTE 5 – CHANGES IN ACCOUNTING POLICIES

From January 01, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 as per what is indicated in Note 2.5 letter (a).

During the period ending March 31, 2018, no other changes have taken place in the Company's accounting policies.

NOTE 6 – OPERATING SEGMENTS

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 evaluation of results.

The performance of the segments is evaluated via the Operating Result, excluding impairment in Property, plant and equipment, by sale volume and income, as per the following formula:

Calculating Operating Margin:

+ Operating revenue
+ Other revenue, per function
= Total revenue

Minus:

- Sales cost
- Administrative expenses
- Other expenses, per function, excluding the impairment of value in Property, plant and equipment
= Total costs

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

- a) “Fresh Fruit” Added Segment
 - a. Blueberries
 - b. Raspberries
 - c. Blackberries
 - d. Strawberries
 - e. Cherries

- b) “Value Added Products” Segment

6.1. Results per segments as of March 31, 2018 and 2017:

Results per segments	Fresh Fruit		Value Added Products		Total	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Operating Results						
Operating Revenue	174,162	158,648	3,056	4,856	177,218	163,504
Operating Costs and Expenses	(157,658)	(138,579)	(2,902)	(5,169)	(160,560)	(143,748)
Other results per segments						
Other profit (loss)	(53)	(116)	-	-	(53)	(116)
Net financial income (expenses)	(2,077)	(1,106)	(28)	(31)	(2,105)	(1,137)
Interest in profit (loss) of associated companies	717	1,461	-	-	717	1,461
Exchange rate differences	(425)	460	-	-	(425)	460
Income tax expense	(2,573)	(3,208)	(34)	88	(2,607)	(3,120)
	12,093	17,560	92	(256)	12,185	17,304

6.2. Results of the operation per segments as of March 31, 2018 and 2017:

Segments	31-Mar-18			31-Mar-17		
	Total revenue	Total costs and expenses	Operating result	Total revenue	Total costs and expenses	Operating result
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Fresh Fruit	174,162	(157,658)	16,504	158,648	(138,579)	20,069
Blueberries	153,620	(138,196)	15,424	136,681	(116,784)	19,897
Raspberries	6,216	(5,744)	472	6,245	(6,347)	(102)
Blackberries	5,418	(5,437)	(19)	6,917	(6,711)	206
Strawberries	4,655	(5,122)	(467)	6,145	(6,483)	(338)
Cherries	4,253	(3,159)	1,094	2,660	(2,254)	406
Value Added Products	3,056	(2,902)	154	4,856	(5,169)	(313)
Value Added Products	3,056	(2,902)	154	4,856	(5,169)	(313)
Total	177,218	(160,560)	16,658	163,504	(143,748)	19,756

Calculating Total Revenue

	31-Mar-18 ThUS\$	31-Mar-17 ThUS\$
TOTAL REVENUE		
Revenue from operating activities	17 6,242	163,460
Other revenue, per function	976	44
Total Revenue	177,218	163,504

Calculating Total Costs and Expenses

	31-Mar-18 ThUS\$	31-Mar-17 ThUS\$
TOTAL COSTS AND EXPENSES		
Cost of Sales	150,768	137,216
Administration Expenses	8,978	6,167
Other expenses, per function, excluding impairment in the value of assets	814	365
Total Costs and Expenses	160,560	143,748

Assets and liabilities per segments as of March 31, 2018 and December 31, 2017:

Balance per segments	Fresh Fruit		Value Added Products		Total	
	3/31/2018	12/31/2017	3/31/2018	12/31/2017	3/31/2018	12/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets						
Related and third party trade debtors	74,407	81,470	10,221	12,754	84,628	94,224
Inventoru	16,334	42,473	8,257	2,083	24,591	44,556
Other current assets	61,857	48,727	-	-	61,857	48,727
Property, plant and equipment	239,539	233,684	11,135	11,376	250,674	245,060
Other non-current assets	141,112	139,928	5	193	141,117	140,121
Total Assets	533,249	546,282	29,618	26,406	562,867	572,688
Liabilities						
Related and third party accounts payable	47,852	55,423	641	443	48,493	55,866
Other current and non-current financial liabilities	217,574	230,605	4,721	4,892	222,295	235,497
Other liabilities	37,736	37,671	-	79	37,736	37,750
Total Liabilities	303,162	323,699	5,362	5,414	308,524	329,113

Within the other financial liabilities, current and non-current, corresponding to the Value Added Products segment, only financing directly related to Property, plant and equipment in Leasing of said segment has been individualized. Financing associated to the required work capital for this segment has not been directly assigned, because it is administered in a centralized manner together with the requirements of the Fresh Fruit segment.

6.3. Cash flows per segments as of March 31, 2018 and 2017:

Cash Flows per Segments	Fresh Fruit		Value Added Products		Total	
	3/31/2018	3/31/2017	3/31/2018	3/31/2017	3/31/2018	3/31/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
From operating activities	50,387	57,270	(4,033)	(4,005)	46,354	53,265
- Types of collections from operating activities	183,311	160,387	5,589	6,254	188,900	166,641
- Types of payments	(132,924)	(103,117)	(9,622)	(10,259)	(142,546)	(113,376)
					0	0
From investment activities	(13,299)	(10,799)	(68)	(68)	(13,367)	(10,867)
From financing activities	(13,964)	7,541	(168)	(163)	(14,132)	7,378

6.4. Sales per 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 March 31, 2018 and 2017, operating income per geographic location is as follows:

Sales per geographic destination	31-Mar-18		31-Mar-17	
	ThUS\$	%	ThUS\$	%
North America	115,556	65.20%	99,707	60.98%
Europe	37,711	21.30%	34,921	21.36%
South America	5,113	2.90%	12,860	7.87%
Asia and others	18,838	10.60%	16,016	9.80%
Total revenue	177,218	100.00%	163,504	100.00%

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 Hortifrut Imports Inc., 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 UK Ltd. (England) and Euroberry GmbH. (Germany), 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, above 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 and Frozen.

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, Peru, Spain 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.

NOTE 7 – FINANCIAL INSTRUMENTS

7.1 FINANCIAL INSTRUMENTS PER CATEGORY

Assets	Financial assets and accounts receivable ThUS\$	Assets at fair value through results ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
31 de marzo de 2018				
Cash and cash equivalents	28,856	17,569	-	46,425
Other current financial assets	-	-	3,323	3,323
Current trade debtors and other accounts receivable	40,914	-	-	40,914
Current accounts receivable from related entities	43,714	-	-	43,714
Other non-current financial assets	-	-	571	571
Non-current accounts receivable from related entities	8,228	-	-	8,228
Non-current fees receivable	1,729	-	-	1,729
Total	123,441	17,569	3,894	144,904

Liabilities	Other financial liabilities ThUS\$	Liabilities at fair value with changes in results ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
March 31, 2018				
Current trade accounts and other accounts payable	41,533	-	-	41,533
Current accounts payable to related entities	6,960	-	-	6,960
Non-current accounts payable to related entities	12,248	-	-	12,248
Other current financial liabilities	107,702	-	193	107,895
Other non-current financial liabilities	113,473	-	927	114,400
Total	281,916	-	1,120	283,036

Assets	Financial assets and accounts receivable ThUS\$	Assets at fair value through results ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
December 31, 2017				
Cash and cash equivalents	20,752	7,086	-	27,838
Other current financial assets	31	-	4,442	4,473
Current trade debtors and other accounts receivable	46,092	-	-	46,092
Current accounts receivable from related entities	48,132	-	-	48,132
Other non-current financial assets	244	-	1,101	1,345
Non-current accounts receivable from related entities	8,060	-	-	8,060
Non-current fees receivable	1,615	-	-	1,615
Total	124,926	7,086	5,543	137,555

Liabilities	Other financial liabilities ThUS\$	Liabilities at fair value with changes in result ThUS\$	Hedging instruments ThUS\$	Total ThUS\$
December 31, 2017				
Current trade accounts and other accounts payable	49,724	-	-	49,724
Current accounts payable to related entities	6,142	-	-	6,142
Non-current accounts payable to related entities	12,071	-	-	12,071
Other current financial liabilities	150,819	-	712	151,531
Other non-current financial liabilities	83,686	-	280	83,966
Total	302,442	-	992	303,434

7.2 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 4.1.1:

Current Assets	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
Mutual Funds and term deposits classification		
AA+fm/M1	17,569	7,086
Current Bank Accounts AAA	28,856	20,752
Sub-total Cash and Cash Equivalents	46,425	27,838
Swap rate operations	11	2
Forwards currency operations	3,118	3,606
Hedging operations - options	194	834
Other financial assets	-	31
Total other current financial assets	3,323	4,473
Trade debtors and other accounts receivable without credit rating	40,914	46,092
Sub-total current trade debtors and other accounts receivable	40,914	46,092
Total	90,662	78,403

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

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

7.3 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 13. For the application of 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 and liabilities that are measured at fair value as of March 31, 2018 and December 31, 2017:

<u>Assets/(Liabilities)</u>	Fair value as of March 31, 2018 <u>ThUS\$</u>	Fair value measurements using values considered as		
		Level I <u>ThUS\$</u>	Level II <u>ThUS\$</u>	Level III <u>ThUS\$</u>
<u>Assets</u>				
Short term mutual funds	17,569	17,569	-	-
Cross Currency Swap Operations	11	-	11	-
Forwards currency operations	3,118	-	3,118	-
Hedging operations - options	194	-	194	-
Non-current forwards currency operations	347	-	347	-
Non-current Cross Currency Swap operations	224	-	224	-
<u>Liabilities</u>				
Forwards currency operations	(193)	-	(193)	-
Non-current Cross Currency Swap Operations	(927)	-	(927)	-

<u>Assets/(Liabilities)</u>	Fair value as of December 31, 2017 <u>ThUS\$</u>	Fair value measurement using values considered as		
		Level I <u>ThUS\$</u>	Level II <u>ThUS\$</u>	Level III <u>ThUS\$</u>
<u>Assets</u>				
Short term mutual funds	7,086	7,086	-	-
Cross Currency Swap Operations	2	-	2	-
Forwards currency operations	3,606	-	3,606	-
Hedging operations - options	834	-	834	-
Other financial assets	31	-	31	-
Non-current forwards currency operations	1,126	-	1,126	-
Non-current Cross Currency Swap operations	219	-	219	-
<u>Liabilities</u>				
Forwards currency operations	(712)	-	(712)	-
Non-current Cross Currency Swap operations	(280)	-	(280)	-

7.4 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 interim consolidated statements of financial position:

	Notes	31-Mar-18		31-Dec-17	
		Book value	Fair value	Book value	Fair value
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets					
Cash and cash equivalents	8				
Bank balances		28,856	28,856	20,752	20,752
Mutual funds		17,569	17,569	7,086	7,086
Other current financial assets	9	3,323	3,323	4,473	4,473
Current trade debtors and other accounts receivable and non-current fees receivable	10	42,643	42,643	47,707	47,707
Current accounts receivable from related entities	11	43,714	43,714	48,132	48,132
Other non-current financial assets	9	571	571	1,345	1,345
Non-current accounts receivable from related entities	11	8,228	8,228	8,060	8,060
Liabilities					
Other current financial liabilities	21	107,895	107,895	151,531	151,531
Other non-current financial liabilities	21	114,400	114,400	83,966	83,966
Current trade accounts and other accounts payable	22	41,533	41,533	49,724	49,724
Current accounts payable to related entities	11	6,960	6,960	6,142	6,142
Non-current accounts payable to related entities	11	12,248	12,248	12,071	12,071

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 8 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents correspond to money balances held in current bank accounts, term deposits and other financial investments with a maturity of less than 90 days, which do not have restrictions of use.

The detail of cash and cash equivalents as of March 31, 2018 and December 31, 2017, is as follows:

Types of Cash and Cash Equivalents	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Bank balances	28,856	20,752
Mutual funds	17,569	7,086
Total cash and cash equivalents	<u>46,425</u>	<u>27,838</u>

The detail per currency of Cash and cash equivalents as of March 31, 2018 and December 31, 2017, is as follows:

Type of currency	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
United States Dollar	32,808	14,519
Chilean Peso	3,303	2,313
Mexican Peso	404	430
Euro	8,474	9,770
Brazilian Real	87	89
Peruvian Nuevo Sol	427	608
Argentine Peso	922	109
Total	<u>46,425</u>	<u>27,838</u>

The detail of mutual funds per bank as of March 31, 2018 and December 31, 2017, is as follows:

Investments in mutual funds	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Banco Crédito e Inversiones	15,672	5,085
Banco Santander Chile	1,684	1,801
Banco Estado	126	116
Itaú - Brasil	87	84
Total investments in mutual funds	<u>17,569</u>	<u>7,086</u>

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 9 - 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 and Mexican pesos in the agricultural and export business (see Note 4.1.3).

The detail of Other financial assets as of March 31, 2018 and December 31, 2017, is as follows:

Current	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
Swap rate operations	11	2
Forward currency operations	3,118	3,606
Hedging operations - options	194	834
Other financial assets	-	31
Total other current financial assets	3,323	4,473

Non-Current	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
Swap rate operations	224	219
Forward currency operations	347	1,126
Total other non-current financial assets	571	1,345

As of March 31, 2018 and December 31, 2017, there are no ineffective hedging instruments recognized in the Company's results, which arise from the aforementioned hedging of derivative operations.

a) The detail of the current and non-current swap operations, held by Hortifrut S.A. and subsidiaries is:

ASSETS				MtoM Value		
Hedging Instruments				Capital	31-Mar-18	31-Dec-17
Entities	Instruments	Type		ThUS\$	ThUS\$	ThUS\$
Banco Estado	Cross Currency Swaps CLP/USD	Rate		5,200	11	2
Total current				5,200	11	2
BCI	Cross Currency Swaps - USD	Rate		855	8	7
BBVA	Cross Currency Swaps - USD	Rate		5,000	66	40
BBVA	Cross Currency Swaps CLP/USD	Currency		559	-	55
BCI	Cross Currency Swaps - USD	Rate		4,698	150	117
Total non-current				11,112	224	219

a) The detail of the current and non-current forward operations, as of March 31, 2018 and December 31, 2017, held by Hortifrut S.A. and subsidiaries are the following:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value	Net Effect	MTM				Total current	Maturity up to 1 a 2 años	Total non-current				
					Amount	Currency			Amount	ThUS\$	ThUS\$	ThUS\$				ThUS\$	3/31/2018	3/31/2018	3/31/2018
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$				ThUS\$	ThUS\$		
Agr. Vida Nueva S.A.	BCI	Offsetting	Sale	USD	100	CLP	109	9	9	-	-	-	9	-	-				
Hortifrut Chile S.A.	BBVA	Offsetting	Sale	USD	7,172	CLP	7,978	806	120	559	-	-	679	103	103				
Hortifrut Chile S.A.	BCI	Offsetting	Sale	USD	972	CLP	1,209	237	235	-	-	-	235	-	-				
Hortifrut Chile S.A.	Estado	Offsetting	Sale	USD	681	CLP	767	86	86	-	-	-	86	-	-				
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	2,943	CLP	3,304	361	83	228	-	-	311	42	42				
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	11,841	CLP	12,829	988	21	779	-	-	800	144	144				
Hortifrut S.A.	BBVA	Offsetting	Sale	USD	3,413	CLP	3,779	366	23	310	-	-	333	21	21				
Hortifrut S.A.	BCI	Offsetting	Sale	USD	198	CLP	246	48	48	-	-	-	48	-	-				
Hortifrut S.A.	Estado	Offsetting	Sale	USD	180	CLP	203	23	23	-	-	-	23	-	-				
Hortifrut S.A.	Santander	Offsetting	Sale	USD	1,309	CLP	1,471	162	20	128	-	-	148	9	9				
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	5,873	CLP	6,362	489	5	431	-	-	436	28	28				
Agrícola Mataquito S.A.	Santander	Offsetting	Sale	USD	77	CLP	83	6	6	-	-	-	6	-	-				
Agrícola y Gan. Santa Rosa S.A.	Santander	Offsetting	Sale	USD	54	CLP	58	4	4	-	-	-	4	-	-				
		Total	3/31/2018		34,813		38,398	3,585	683	2,435	-	-	3,118	347	347				

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value	Net Effect	MTM				Total current	Maturity up to 1 to 2 years	Total non-current				
					Amount	Currency			Amount	ThUS\$	ThUS\$	ThUS\$				ThUS\$	12/31/2017	12/31/2017	12/31/2017
					ThUS\$	ThUS\$			ThUS\$	ThUS\$	ThUS\$	ThUS\$				ThUS\$	ThUS\$		
Agr. Vida Nueva S.A.	BCI	Offsetting	Sale	USD	1,681	CLP	1,787	106	96	7	-	-	103	-	-				
Hortifrut Chile S.A.	BBVA	Offsetting	Sale	USD	4,948	CLP	5,570	622	251	107	90	151	599	251	251				
Hortifrut Chile S.A.	BCI	Offsetting	Sale	USD	3,308	CLP	4,023	715	496	210	-	-	706	-	-				
Hortifrut Chile S.A.	Estado	Offsetting	Sale	USD	2,352	CLP	2,593	241	168	70	-	-	238	-	-				
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	3,495	CLP	3,831	336	160	67	38	62	327	112	112				
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	6,279	CLP	6,679	400	37	15	117	194	363	325	325				
Hortifrut S.A.	BBVA	Offsetting	Sale	USD	2,276	CLP	2,616	340	227	22	30	53	332	162	162				
Hortifrut S.A.	BCI	Offsetting	Sale	USD	2,318	CLP	2,815	497	449	43	-	-	492	-	-				
Hortifrut S.A.	Estado	Offsetting	Sale	USD	1,022	CLP	1,125	103	84	18	-	-	102	-	-				
Hortifrut S.A.	Santander	Offsetting	Sale	USD	1,775	CLP	1,943	168	110	16	18	22	166	69	69				
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	2,256	CLP	2,401	145	18	4	41	69	132	207	207				
Agrícola Mataquito S.A.	Santander	Offsetting	Sale	USD	516	CLP	543	27	22	4	-	-	26	-	-				
Agrícola y Gan. Santa Rosa S.A.	Santander	Offsetting	Sale	USD	383	CLP	403	20	17	3	-	-	20	-	-				
		Total	12/31/2017		32,609		36,329	3,720	2,135	586	334	551	3,606	1,126	1,126				

Type of fees from the company's perspective.

- b) The detail of the current option operations, as of March 31, 2018 and December 31, 2017, held by Hortifrut S.A. and subsidiaries is:

Company	Bank	Contract Type	Fees		Liabilities		Closing	Net Effect	MTM Closing	
			Type	Currency	Amount	Currency	Value	Offsetting	Exch. Rate	Maturity
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	Date
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	286	USD	226	60	59	20-Apr-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	259	USD	205	54	54	18-May-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	232	USD	183	49	48	20-Jun-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	69	USD	55	14	14	20-Apr-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	42	USD	33	9	9	18-May-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	48	USD	38	10	10	20-Jun-18
Total			3/31/2018		936		740	196	194	

Company	Bank	Contract Type	Fees		Liabilities		Closing Value	Net Effect	MTM Closing	
			Type	Currency	Amount	Currency	Amount	Offsetting	Exch. Rate	Maturity
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	Date
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	851	USD	691	160	158	19-Jan-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	616	USD	501	115	114	20-Feb-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	402	USD	327	75	74	20-Mar-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	286	USD	232	54	53	20-Apr-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	259	USD	210	49	48	18-May-18
Hortifrut Chile S.A.	BCI	Offsetting	ZCC	CLP	232	USD	189	43	43	20-Jun-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	982	USD	798	184	183	19-Jan-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	552	USD	449	103	102	20-Feb-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	162	USD	132	30	30	20-Mar-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	69	USD	56	13	13	20-Apr-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	42	USD	34	8	8	18-May-18
Hortifrut S.A.	BCI	Offsetting	ZCC	CLP	48	USD	39	9	8	20-Jun-18
Total			12/31/2017		4,501		3,658	843	834	

NOTE 10 – TRADE DEBTORS AND OTHER CURRENT ACCOUNTS RECEIVABLE/NON-CURRENT FEES RECEIVABLE

The detail of trade debtors and other accounts receivable as of March 31, 2018 and as of December 31, 2017, is as follows:

31-Mar-18						
	<u>Sales</u>	<u>Receivable</u>	<u>Other</u>	<u>Recoverable</u>	<u>Allowance</u>	<u>Total</u>
Current per country of origin	<u>ThUS\$</u>	<u>documents</u>	<u>receivables</u>	<u>taxes</u>	<u>accounts</u>	<u>ThUS\$</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chile	8,492	2,505	1,493	2,145	(615)	14,020
Spain	9,705	-	16	1,130	(343)	10,508
Mexico	96	-	6,504	753	(2,751)	4,602
United States	-	-	163	-	-	163
Brazil	524	-	192	229	(104)	841
Argentina	151	-	821	31	(50)	953
Peru	-	-	592	9,235	-	9,827
Total	18,968	2,505	9,781	13,523	(3,863)	40,914

31-Dec-17						
	<u>Sales</u>	<u>Receivable</u>	<u>Other</u>	<u>Recoverable</u>	<u>Allowance</u>	<u>Total</u>
Current per country of origin	<u>ThUS\$</u>	<u>documents</u>	<u>receivables</u>	<u>taxes</u>	<u>accounts</u>	<u>ThUS\$</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chile	5,870	2,546	1,393	6,035	(239)	15,605
Spain	14,124	-	918	1,070	(13)	16,099
Mexico	94	-	5,331	1,376	(2,531)	4,270
United States	2	-	-	-	-	2
Brazil	548	-	179	242	(79)	890
Argentina	-	-	210	30	-	240
Peru	1	-	917	8,068	-	8,986
Total	20,639	2,546	8,948	16,821	(2,862)	46,092

The concept others, mainly corresponds to advanced payments to producers (which will be liquidated within the season) and suppliers. The provision corresponds to the impairment of trade debtors and other accounts receivable.

The detail of non-current fees receivable as of March 31, 2018 and December 31, 2017, is as follows:

Non-current	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Non-current debtors and accounts receivable	639	660
Other non-current fees receivable	1,090	955
Total non-current fees receivable	1,729	1,615

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

	31-Mar-18	31-Dec-17
<u>Tax receivable accounts</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Iva (VAT) tax credit	13,049	16,526
Customs refund	6	-
Other recoverable taxes	468	295
Total	13,523	16,821

The fair value of trade debtors 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 March 31, 2018 and December 31, 2017. Below is an analysis by age of trade debts and accounts receivable:

Terms	31-Mar-18 NON SECURITIZED PORTFOLIO		31-Dec-17 NON SECURITIZED PORTFOLIO	
	Customers non re- negotiated portfolio	Amount non re- negotiated portfolio	Customers non re- negotiated portfolio	Amount non- renegotiated portfolio
	N°	ThUSD	N°	ThUSD
Non past due	641	17,916	503	20,797
From 1 to 30 days	209	1,322	164	764
From 31-60 days	52	899	50	575
From 61-90 days	48	882	24	839
From 91-120 days	14	21	7	51
From 121-150 days	14	141	6	8
From 151 to 180 days	10	5	4	1
From 181 to 210 days	5	50	7	6
From 211 to 250 days	8	8	17	176
Over 250 days	131	868	109	628
Total	1,132	22,112	891	23,845
Provision		(1,055)		(412)
Total (net)		21,057		23,433

The stratification of the portfolio includes: Sales debtors, Notes receivable, non-current debtors in the item non-current accounts receivable.

The analysis of future maturities (future flows) of these accounts is as follows:

Terms	31-Mar-18	31-Dec-16
	<u>ThUS\$</u>	<u>ThUS\$</u>
Non past due	7,050	7,569
From 1 to 30 days	17,242	19,368
From 31-60 days	4,719	7,380
From 61-90 days	1,117	353
From 91-120 days	1	2,570
From 121-150 days	-	139
From 151 to 180 days	-	79
From 181 to 210 days	-	6
From 211 to 250 days	203	-
Over 250 days	10,582	8,628
Total	<u>40,914</u>	<u>46,092</u>

Balances of currencies that make-up trade debtors and other current accounts receivable as of March 31, 2018 and December 31, 2017, are as follows:

Type of currency	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
United States Dollar	11,133	8,830
Chilean Peso	8,529	9,700
Euro	10,674	15,342
Mexican Peso	262	2,969
Argentine Peso	272	240
Brazilian Real	815	801
Peruvian Nuevo Sol	9,229	8,210
Total	<u>40,914</u>	<u>46,092</u>

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

	As of March 31, 2018			As of December 31, 2017		
	Gross exposure as per balance	Gross impaired exposure	Net exposure concentration of risk	Gross exposure as per balance	Gross impaired exposure	Net exposure concentration of risk
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Trade debtors	18,968	(836)	18,132	20,639	(202)	20,437
Notes receivable	2,505	(220)	2,285	2,546	(210)	2,336
Other accounts receivable	9,781	(2,807)	6,974	8,948	(2,450)	6,498
Recoverable taxes	13,523	-	13,523	16,821	-	16,821
Total	<u>44,777</u>	<u>(3,863)</u>	<u>40,914</u>	<u>48,954</u>	<u>(2,862)</u>	<u>46,092</u>

The amounts corresponding to trade debtors and other impaired accounts receivable, are totally provisioned and are the following:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
National trade debtors	836	202
Receivable documents	220	210
Other accounts receivable	2,807	2,450
Total	<u>3,863</u>	<u>2,862</u>

The movement of provision due to loss caused by the impairment of the value of trade debtors and others as of March 31, 2018 and December 31, 2017, is as follows:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Movement		
As of January 01	2,862	2,119
Provision reversal	-	-
Write-offs	-	(356)
Increase in provision	997	1,058
Exchange rate difference	4	41
Total	<u>3,863</u>	<u>2,862</u>

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

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.

From January 1, 2018, the Company records provisions for non-collectability over its trade debtors and other accounts receivable, based on the requirements of IFRS 9 in accordance with what is indicated in Note 2.5 letter (a).

Until December 31, 2017, the Company constituted provisions for non-collectability based on estimations and considering evidence of impairment of trade debtors and others. The criteria used to determine the existence of objective evidence for loss due to impairment was the maturity of the portfolio, concrete acts of impairment (default) and specific market signs.

Standard IFRS 9 replaces the “incurred loss” model of Standard IAS 39 previously used, by a model of “expected credit loss” (ECL). Based on the aforementioned, from January 1, 2018, Hortifrut will estimate the expected credit loss, which results from possible events of non-collectability during the expected life of its assets measured at amortized cost, as the result of the following three components: Exposure at Default (**EAD**), frequency (**PD**) and severity (**LGD**).

Expected Loss (EL): EAD x PD x LGD

(EAD) Exposure at Default: Measures exposure considering the life of the asset. It is calculated for each remaining year of the account receivable discounting all the future cash flows at effective interest rate, approximately equal the rate at which it was disbursed.

(PD) Probability of Default events during each future period of exposure: To perform this calculation, a focus based on the weighted default days is used.

This probability was built based on historic information of 4 years, where the amount of weighted defaults per year was obtained for each one of the debtors.

To perform this calculation, 2 definitions of default have been determined.

- **Producers:** On average the maturity date assigned to invoices issued due to advanced harvests to producers is 30 days from its date of issuance, nevertheless the normal payment term for producers is considered to be one season (1 year), so for this calculation default is when a producer pays its financing after 330 days from its maturity date (given the total term of 360 days).
- **Other Debtors:** The maturity date assigned to other debtors considers an average payment term of 45 days from the date of issuance of the invoice. Due to the aforementioned, it is considered default if the payment date is after the maturity date.

To obtain the probability of default events (PD), Hortifrut has classified its debtors in 5 groups with common risk characteristics and, at the same time, it has defined 7 levels of default measured in days, which are detailed below.

<u>Classification</u>	<u>Days past due</u>
- Producers	- 0-30 days
- Commercial Sale (Local market)	- 31-60 days
- Sale of Frozen Fruit (Export)	- 61-90 days
- Sale of Fresh Fruit (Export)	- 91-120 days
- Others (Other Sales)	- 121-150 days
	- 151-180 days
	- > 180 days

The probability of average default events determined for the period ending March 31, 2018 and the period ending January 1, 2018 is as follows:

<u>Days past due</u>	<u>Probability of Default</u>	<u>Probability of Default</u>
	<u>31.03.2018</u>	<u>01.01.2018</u>
0-30	0.93%	1.12%
31-60	12.01%	12.14%
91-120	29.40%	28.88%
121-150	37.03%	36.99%
151-180	45.83%	45.79%
>180	80.27%	80.34%

(LGD) Loss given Default: Loss due to non-compliance refers to the expected percentage of loss since there is already a default event, in other words, what is the estimated severity of the loss. This concept takes into account the value of possible guarantees, the type of guarantees and the order of priority of the debt, as well as costs incurred in the recovery process.

Hortifrut has considered that loss given default (LGD) is 100%, since the cases where real guarantees exist are very specific, in those cases the expected loss is evaluated in a separate manner.

The determined expected loss at the end of the period as of March 31, 2018 is ThUS\$994 and as of January 01, 2018 it is ThUS\$1,379.

NOTE 11– 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.

11.1. 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 and in Title XV of law N°18.045.

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 March 31, 2018 and December 31, 2017, are detailed as follows:

<u>Current Accounts Receivable</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Naturipe Farms LLC	0-E	USA	Associated	USD	22,755	22,707
Naturipe Value Added Foods LLC	0-E	USA	Associated	USD	7,886	12,181
Euroberry UK Ltd.	0-E	England	Common shareholder	EUR	4,360	3,320
Euroberry GmbH	0-E	Germany	Shareholder in subsidiary	EUR	3,676	4,714
Valles del Sur SpA	76.243.329-k	Chile	Shareholder	USD	1,982	3,394
Expofresh S.A.	0-E	Argentina	Common shareholder	USD	1,693	-
Naturipe Value Added Fresh, LLC.	0-E	USA	Associated	USD	398	-
Naturipe Berry Growers, LLC	0-E	USA	Associated	USD	301	615
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	232	-
Hortifrut Expofresh S.A.	0-E	Argentina	Associated	USD	191	993
Pacific Berry Breeding, LLC	0-E	USA	Associated	USD	87	-
Cooperativa de Agricultores Gijon.	0-E	Spain	Affiliate of a Shareholder in subsidiary	EUR	49	47
Agrícola San José de Tilama S.A.	76.043.289-K	Chile	Common shareholder	USD	48	25
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common shareholder	USD	25	24
Juan Carlos Garcia	0-E	Spain	Common shareholder	USD	14	28
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	11	-
Santa Maria de Gorbea S.A.	99.567.570-6	Chile	Common shareholder	USD	3	-
Global Organics S.A.	76.404.690-0	Chile	Common shareholder	CLP	2	2
Atlantic Blue,S.L.	0-E	Spain	Common shareholder	EUR	1	1
Tierra de Arándanos S.R.L.	0-E	Argentina	Common shareholder in associated	USD	-	43
Atlantic Green S.L.	0-E	Spain	Common shareholder	EUR	-	35
Munger Hortifrut North America, LLC	0-E	USA	Associated	USD	-	3
Total					43,714	48,132

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>31-Mar-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	4,379	4,243
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	2,729	2,729
Tierras de Berries S.A.	0-E	Argentina	Common shareholder in associated	USD	1,120	1,088
Total					8,228	8,060

Accounts receivable held with Hortifrut Berries Maroc SARL correspond to successive working capital loans granted by Hortifrut España Southern Sun SL, while the development stage of this investment lasts. These loans accrue an annual 3% interest, with expiry in November 2027.

The collection balance held with Tierra de Berries S.A. corresponds to the financing granted in 2015, by Naturipe Farms Imports LLC, to finance the purchase of the associated company Margesi S.A. (Argentina). This financing will be recovered through the delivery of the berries production of the fields that this company owns in two seasons, extendable to three.

11.2. Accounts payable to related entities

Accounts payable to related entities as of March 31, 2018 and December 31, 2017, are detailed below:

<u>Current accounts receivable</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Andes Sur Inversiones Ltda.	76.463.392-K	Chile	Common shareholder	CLP	2,216	2,192
Hortifrut Tal S.A.C	0-E	Peru	Associated	USD	1,414	1,124
Munger Hortifrut North America, LLC	0-E	USA	Associated	USD	935	-
Tal S.A.C.	0-E	Peru	Subsidiary of a Shareholder in associated	USD	865	736
Atlantic Blue Berries Maroc, SARL	0-E	Spain	Common shareholder	EUR	662	39
Monarch Nut Company, LLC	0-E	USA	Common shareholder	USD	364	113
Agrícola Santa Carmen Ltda	86.776.400-3	Chile	Common shareholder	USD	298	724
Munger Bros, LLC	0-E	USA	Common shareholder	USD	125	125
Sociedad Agrícola Catapileo Limitada	78.241.100-4	Chile	Shareholder in subsidiary	CLP	73	-
Berry Blue, LLC	0-E	USA	Associated	USD	8	7
Expofresh S.A.	0-E	Argentina	Common shareholder	USD	-	1,002
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	-	45
Santa Maria de Gorbea S.A.	99.567.570-6	Chile	Common shareholder	CLP	-	26
Pacific Berry Breeding, LLC	0-E	USA	Associated	USD	-	9
Total					6,960	6,142

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>31-Mar-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Royal Berries S.L.	0-E	Spain	Affiliate of a Shareholder in subsidiary	EUR	10,690	10,542
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	1,077	1,057
Inversiones Purranque S.A.	96.539.710-8	Chile	Shareholder in subsidiary	CLP	481	472
Total					12,248	12,071

The payable balance held with Royal Berries SL corresponds to the pending instalment payments for the purchase of the berries varietal license to exploit in America. The contract was subscribed in July 2015 for the total amount of US\$20 million, with Hortifrut immediately paying 50%. The balance is being paid in annual instalments until the year 2022, which will accrue an annual interest of 2.9%.

Accounts payable to Inversiones Canihua S.A. and Inversiones Purranque S.A., correspond to investment financing with a liquidation period higher than 3 years.

11.3. Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending March 31, 2018 and December 31, 2017 are presented below:

<u>Company</u>	<u>RUT</u>	<u>Nature of the relationship</u>	<u>Description of the transaction</u>	<u>31-Mar-18</u>		<u>31-Mar-17</u>	
				<u>Amount of transaction</u>	<u>Effect on profit or loss (charge)/ deposit</u>	<u>Amount of transaction</u>	<u>Effect on profit or loss (charge)/ deposit</u>
Naturipe Farms LLC	0-E	Àssociated	Fruit sales	105,012	9,829	87,016	10,688
S.A.T. Hortifrut H-0030	0-E	Àssociated	Fruit sales	1,019	95	1,434	176
S.A.T. Hortifrut H-0030	0-E	Àssociated	Earned interests	-	-	17	-
S.A.T. Hortifrut H-0030	0-E	Àssociated	Receipt loan payments	-	-	467	-
S.A.T. Hortifrut H-0030	0-E	Àssociated	Received services	-	-	2	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Fruit purchase	3,235	-	1,285	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from packing services, materials and others	223	-	293	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from plant sales	3	-	55	7
Naturipe Value Added Foods LLC	0-E	Àssociated	Fruit sales	918	86	1,906	234
Naturipe Berry Growers	0-E	Àssociated	Fruit sales	2,194	205	2,413	296
Sociedad Agrícola Catapilco Ltda.	78.241.100-4	Common shareholder	Advanced purchase of plants (Nursery)	-	-	997	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Fruit purchase	30	-	19	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Income from packing services, materials and others	35	-	19	-
Atlantic Blue S.L.	0-E	Common shareholder in subsidiary	Fruit sales	-	-	10	1
Valles del Sur SpA	76.243.329-k	Shareholder	Fruit purchase	5,653	-	2,219	-
Valles del Sur SpA	76.243.329-k	Shareholder	Income from packing services, materials and others	873	-	472	-
Valles del Sur SpA	76.243.329-k	Shareholder	Income from plant sales	-	-	34	4
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Fruit purchase	418	-	2	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Income from packing services, materials and others	-	-	1	-
Santa María de Gorbea S.A.	99.567.570-6	Common shareholder	Fruit purchase	156	-	-	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Fruit purchase	82	-	-	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Income from packing services, materials and others	-	-	1	-
Andes Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Received loan	-	-	507	-
Hortifrut Tal S.A.C	0-E	Àssociated	Fruit purchase	15,293	-	6,385	-

<u>Company</u>	<u>RUT</u>	<u>Nature of the relationship</u>	<u>Description of the transaction</u>	<u>31-Mar-18</u>		<u>31-Mar-17</u>	
				<u>Amount of transaction</u>	<u>Effect on profit or loss (charge)/ deposit</u>	<u>Amount of transaction</u>	<u>Effect on profit or loss (charge)/ deposit</u>
				<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Tal S.A.C	0-E	Common shareholder in associated	Fruit purchase	4,401	-	712	-
Tal S.A.C	0-E	Common shareholder in associated	Income from plant sales	23	2	-	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Income from plant sales	-	-	154	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Collection of advanced payments	-	-	-	-
Expofresh S.A.	0-E	Common shareholder in associated	Fruit purchase	573	-	1,358	-
Expofresh S.A.	0-E	Common shareholder in associated	Advanced payment to producer	1,693	-	-	-
Royal Berries S.L.	0-E	Common shareholder	Fruit sales	-	-	9	1
Royal Berries S.L.	0-E	Common shareholder	Income from plant sales	19	2	-	-
Royal Berries S.L.	0-E	Common shareholder	Purchase of plants (Royalty)	-	-	91	-
Agricola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Income from packing services, materials and others	4	-	7	-
Agricola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Lease	-	-	(9)	-
Hortifrut Berries Maroc SRL	0-E	Associated	Granted loans	-	-	427	-
Hortifrut Berries Maroc SRL	0-E	Associated	Earned interests	-	-	40	40
Hortifrut Berries Maroc SRL	0-E	Associated	Income from plant sales	-	-	-	-
Hortifrut Berries Maroc SRL	0-E	Associated	Fruit purchase	-	-	-	-
Atlantic Blue Berries Maroc, SRL	0-E	Common shareholder in subsidiary	Fruit purchase	-	-	3,101	-
Naturipe Value Added Fresh LLC	0-E	Associated	Fruit sales	-	-	2,887	355
Euroberry GMBH	0-E	Associated	Fruit sales	5,280	494	2,994	368
Munger Farm LLC	0-E	Common shareholder	Income from plant sales	-	-	1,440	177
Munger Farm LLC	0-E	Common shareholder	Purchase of machine	-	-	820	-
Munger Hortifrut North America, LLC	0-E	Associated	Income from packing services, materials and others	-	-	130	-
Munger Hortifrut North America, LLC	0-E	Associated	Income from plant sales	-	-	2,545	313
Munger Hortifrut North America, LLC	0-E	Associated	Granted loans	-	-	2,000	-
Euroberry UK Ltd.	0-E	Common shareholder	Fruit sales	7,058	661	-	-

Hortifrut and subsidiaries, have as their policy to inform the main transactions that are performed with related parties during the period, except for dividends paid by the parent Company and received capital contributions.

11.4. Board Remunerations and fees and Remunerations of key executives

The allowances, remunerations and ownership interests of the Board members as of March 31, 2018 reach ThUS\$284. For the same period in 2017 the total of allowances, remunerations and ownership interests reached ThUS\$143.

The total gross remuneration received by the main executives at Hortifrut and subsidiaries reached ThUS\$2,131 as of March 31, 2018 and ThUS\$773 as of March 31, 2017.

The main 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 12 - INVENTORIES

The stock detail at the closing of the period ending March 31, 2018 and the period ending December 31, 2017, is as follows:

<u>Types of inventory</u>	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Finished products	6,972	29,016
Raw material	157	1,352
Frozen finished products	8,417	1,937
Materials and supplies	10,315	13,358
Provision for obsolescence	(1,270)	(1,107)
Total	<u>24,591</u>	<u>44,556</u>

	31-Mar-18	31-Dec-17
<u>Provision for obsolescence</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
As of January 01	1,107	917
Increase of provision	161	190
Exchange rate difference	2	-
Total	<u>1,270</u>	<u>1,107</u>

The provision for obsolescence, corresponds to the cost of packing materials that are obsolete or whose use has been discontinued.

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 March 31, 2018 and the period ending December 31, 2017, no inventory has been pledged as security.

The cost of inventory recognized as costs of sales in the periods ending March 31, 2018 and December 31, 2017, reaches ThUS\$91,160 and ThUS\$78,919 respectively (see Note 30.1).

In order to mitigate the risk of loss of inventory, the Company maintains contracted insurances as of March 31, 2018 (See Note 4.3).

NOTE 13 – BIOLOGICAL ASSETS, CURRENT

The movements of biological assets, for the periods ending March 31, 2018 and December 31, 2017 are the following:

<u>Movement</u>	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening biological assets	9,716	6,856
Increase due to capitalization of costs	6,736	21,538
Exchange rate adjustment	(11)	(10)
Adjustment to fair value	-	1,640
Amortization	(40)	(234)
Consumption	(12,577)	(20,074)
Total	<u>3,824</u>	<u>9,716</u>

As described in Note 3.4, the Company performs the valuation of agricultural products that grow on “bearer plants” as of the date of issuance of the financial statements. As of December 31, 2017, the expected margin of fruit on “bearer plants” of the Agrícola Hortifrut S.A. company are recognized, for an amount that reaches ThUS\$1,640. As of March 31, 2018, this effect was not recorded because there are fruits that will change cost.

It must be stated that this valuation corresponds to an estimation, which could vary when the sale of the fruit is perfected, moment when said result is realized.

In this item the costs of plants that produce fruit in just one season, such as strawberries, are also included.

NOTE 14 – OTHER NON-FINANCIAL ASSETS

The detail of other current non-financial assets is as follows:

	31-Mar-18	31-Dec-17
<u>Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Advanced payment of blueberry plants	3,504	2,326
Advanced expenses (lease)	1,532	826
Advanced expenses	2,822	2,368
Payments in guarantee	300	94
Total	<u>8,158</u>	<u>5,614</u>

The detail of Other non-current non-financial assets is as follows:

	31-Mar-18	31-Dec-17
<u>Non-Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Advanced payment for water fee collection	1,353	1,361
Advanced expenses (lease)	35	56
Total	<u>1,388</u>	<u>1,417</u>

NOTE 15 – INVESTMENTS IN SUBSIDIARIES

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

The detail of consolidated subsidiaries as of March 31, 2018 and December 31, 2017, is as follows:

Companies	RUT	Country of Origin	Functional Currency	31-Mar-18			31-Dec-17
				Direct	Indirect	Total	Total
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
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
Berries de Panguipulli SPA	76.243.167-K	Chile	US\$	-	-	-	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	40.0100	59.9900	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	-	95.9000	95.9000	95.9000
Hortifrut North America Inc.	Foreigner	USA	US\$	-	100.0000	100.0000	100.0000
Hortifrut S.A. de C.V. and subsidiaries	Foreigner	Mexico	US\$	-	99.9900	99.9900	99.9900
Hortifrut Import, Inc.	Foreigner	USA	US\$	-	100.0000	100.0000	100.0000
Naturipe Farm Import, Inc.	Foreigner	USA	US\$	-	100.0000	100.0000	100.0000
Hortifrut Europa SL	Foreigner	Spain	EUR	0.0300	99.9700	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
Asian Berries Limited	Foreigner	Yuan	CNY	-	100.0000	100.0000	-
Honghe Jiayu Agriculture Limited	Foreigner	Yuan	CNY	-	51.0000	51.0000	-

The Companies detailed in the first margin, correspond to direct subsidiaries and those in the second margin are the companies where control is maintained indirectly, but that form part of the interim consolidated financial statements of front line companies (Note 3.1.2).

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.

Movements in Subsidiaries in 2018

During the period ending March 31, 2018, no new companies have been incorporated into the consolidation of Hortifrut group's financial statements.

Movements in Subsidiaries in 2017

During the period ending December 31, 2017, the Asian Berries Limited company was incorporated to the consolidation of the financial statements of the Hortifrut group.

On November 01, 2017, the Berries de Panguipulli SpA. company was absorbed by the Agrícola Hortifrut S.A. company.

On November 01, 2017, the Top Berries & Fruit SpA. company, was absorbed by the Hortifrut Chile S.A. company.

On June 30, 2017, the Colmenares Hortisur SpA, company was absorbed by the Berries de Panguipulli SpA. Company.

Euroberry Ltd. (England), subsidiary of Hortifrut Europa S.L., was dissolved in April 2017.

Summarized financial information of significant subsidiaries

Below we present the statements of financial position as of March 31, 2018 and December 31, 2017, income statements and cash flow statements as of March 31, 2018 and 2017:

	31-Mar-18						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current	Non-current	Total	Current	Non-current	Totales	Total
Balance	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	142,622	98,456	241,078	127,427	30,469	157,896	83,182
Inversiones Hortifrut S.A. and Subsidiaries	99,464	195,924	295,388	20,958	192,396	213,354	82,034
Agrícola Vida Nueva S.A.	1,017	10,678	11,695	2,127	1,800	3,927	7,768
Agrícola El Avellano S.A. y Subsidiaries	583	7,684	8,267	2,258	1,202	3,460	4,807
Agrícola Hortifrut S.A.	7,299	45,458	52,757	1,074	8,959	10,033	42,724
Agrícola Mataquito S.A.	943	17,236	18,179	10,674	5,248	15,922	2,257
Agrícola Santa Rosa del Parque S.A.	1,346	5,982	7,328	1,077	1,971	3,048	4,280
Agrícola y Ganadera Sta Rebeca Ltda	27	153	180	10	3	13	167
Total	253,301	381,571	634,872	165,605	242,048	407,653	227,219

	31-Mar-18				
	Operating	Costs and	Other	Taxes	Gains (loss)
	Revenue	Expenses	Results		
Results	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	113,141	(97,508)	(566)	(4,014)	11,053
Inversiones Hortifrut S.A. and Subsidiaries	142,043	(139,436)	(361)	310	2,556
Agrícola Vida Nueva S.A.	2,936	(3,033)	(6)	51	(52)
Agrícola El Avellano S.A. and Subsidiaries	1,755	(2,274)	(12)	131	(400)
Agrícola Hortifrut S.A.	9,093	(10,384)	104	463	(724)
Agrícola Mataquito S.A.	2,077	(2,888)	(153)	297	(667)
Agrícola Santa Rosa del Parque S.A.	1,110	(1,224)	(21)	55	(80)
Agrícola y Ganadera Sta Rebeca Ltda	20	(16)	1	(5)	-
Total	272,175	(256,763)	(1,014)	(2,712)	11,686

Flows	31-Mar-18			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	(17,716)	44,370	(14,000)	12,654
Inversiones Hortifrut S.A. and Subsidiaries	15,939	(8,335)	(1,065)	6,539
Agrícola Vida Nueva S.A.	40	(16)	-	24
Agrícola El Avellano S.A. and Subsidiaries	(66)	(100)	(45)	(211)
Agrícola Hortifrut S.A.	(90)	(98)	-	(188)
Agrícola Mataquito S.A.	(66)	(287)	(590)	(943)
Agrícola Santa Rosa del Parque S.A.	(31)	18	(2)	(15)
Agrícola y Ganadera Sta Rebeca Ltda	4	-	3	7
Total	(1,986)	35,552	(15,699)	17,867

Balance	31-Dec-17						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current	Non-current	Total	Current	Non-current	Total	Total
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	156,559	143,833	300,392	179,615	47,773	227,388	73,004
Inversiones Hortifrut S.A. and Subsidiaries	97,377	186,955	284,332	19,466	181,657	201,123	83,209
Agrícola Vida Nueva S.A.	1,371	11,521	12,892	3,053	1,948	5,001	7,891
Colmenares Hortisur SpA	-	-	-	-	-	-	-
Agrícola El Avellano S.A. and Subsidiaries	1,277	7,775	9,052	2,505	1,341	3,846	5,206
Agrícola Hortifrut S.A.	6,970	46,971	53,941	816	9,675	10,491	43,450
Agrícola Mataquito S.A.	1,799	16,713	18,512	10,047	5,523	15,570	2,942
Agrícola Santa Rosa del Parque S.A.	1,621	5,952	7,573	1,332	1,870	3,202	4,371
Top Berries & Fruit SpA	-	-	-	-	-	-	-
Berries de Panguipulli SpA	-	-	-	-	-	-	-
Agrícola y Ganadera Sta Rebeca Ltda	25	155	180	13	-	13	167
Total	266,999	419,875	686,874	216,847	249,787	466,634	220,240

Results	31-Mar-17				
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Gains (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	113,636	(100,204)	(511)	(3,064)	9,857
Inversiones Hortifrut S.A. and Subsidiaries	130,152	(128,283)	1,551	441	3,861
Agrícola Vida Nueva S.A.	3,089	(2,742)	(39)	(56)	252
Colmenares Hortisur SpA	-	(25)	1	7	(17)
Agrícola El Avellano S.A. and Subsidiaries	2,608	(2,481)	(18)	6	115
Agrícola Hortifrut S.A.	6,422	(5,583)	(14)	98	923
Agrícola Mataquito S.A.	1,627	(1,486)	(122)	19	38
Agrícola Santa Rosa del Parque S.A.	1,411	(907)	(22)	(110)	372
Top Berries & Fruit SpA	1,958	(677)	(65)	(290)	926
Berries de Panguipulli SpA	4,076	(3,643)	(25)	(70)	338
Agrícola y Ganadera Sta Rebeca Ltda	10	(29)	1	5	(13)
Total	264,989	(246,060)	737	(3,014)	16,652

Flows	31-Mar-17			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	44,939	2,277	(13,660)	33,556
Inversiones Hortifrut S.A. and Subsidiaries	6,233	(7,952)	17,041	15,322
Agrícola Vida Nueva S.A.	87	(29)	-	58
Colmenares Hortisur SpA	145	(1)	2	146
Agrícola El Avellano S.A. and Subsidiaries	144	(56)	(29)	59
Agrícola Hortifrut S.A.	440	(46)	-	394
Agrícola Mataquito S.A.	4,092	(3,793)	(39)	260
Agrícola Santa Rosa del Parque S.A.	10	(94)	(167)	(251)
Top Berries & Fruit SpA	60	1	-	61
Berries de Panguipulli SpA	(9,400)	9,593	-	193
Agrícola y Ganadera Sta Rebeca Ltda	13	-	3	16
Total	46,763	(100)	3,151	49,814

NOTE 16 – INVESTMENTS RECORDED USING THE EQUITY METHOD

The Company has recognized as investment in companies the ownership that it has in the following countries:

<u>Detail per country</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
United States	31,882	31,897
Spain	1	1
Morocco	(561)	(561)
Germany	15	15
Argentina	1,665	1,833
Chile	1,225	1,066
Peru	34,884	33,590
	<u>69,111</u>	<u>67,841</u>

The Company has recognized as investment in companies the ownership that it has in the following companies and in accordance with the detailed movement as of March 31, 2018 and December 31, 2017:

<u>Company</u>	<u>RUT</u>	<u>Country</u>	<u>Functional currency</u>	<u>Interest % Indirect</u>	<u>Share of profit of equity- accounted investees</u>					<u>Exchange rate difference</u>	<u>Other increase (decrease)</u>	<u>Balance 31-Mar-18</u>
					<u>1-Jan-18</u>	<u>Investment</u>						
					<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>			
Berry Blue LLC	0-E	USA	Dollar	50.00%	47	95	(76)	-	-	-	66	
Pacific Berry Breeding LLC	0-E	USA	Dollar	50.00%	42	730	(197)	-	-	-	575	
Munger Hortifrut N.A. LLC	0-E	USA	Dollar	50.00%	24,504	-	(481)	-	-	-	24,023	
Naturipe Brands LLC	0-E	USA	Dollar	30.00%	2,024	37	-	-	-	-	2,061	
Naturipe Farms LLC	0-E	USA	Dollar	30.00%	230	-	-	-	(123)	-	107	
Naturipe Value Added Foods LLC	0-E	USA	Dollar	27.00%	193	-	-	-	-	-	193	
Naturipe Value Added Fresh, LLC	0-E	USA	Dollar	33.33%	4,857	-	-	-	-	-	4,857	
S.A.T. Hortifrut H-0030	0-E	Spain	Euro	33.00%	1	-	-	-	-	-	1	
Hortifrut Berries Maroc S.R.L.	0-E	Morocco	Dirham	51.00%	(561)	-	-	-	-	-	(561)	
Euroberry GmbH	0-E	Germany	Euro	50.00%	15	-	-	-	-	-	15	
Margesi S.A.	0-E	Argentina	Argentine \$	50.00%	1,805	-	(45)	(174)	-	-	1,586	
San Clemente Vitalberry (Shanghai) SpA	0-E	Chile	Dollar	50.00%	1,066	-	159	-	-	-	1,225	
Hortifrut Tal S.A.C	0-E	Peru	Nuevo Sol	50.00%	33,590	-	1,294	-	-	-	34,884	
Hortifrut Expofresh S.A.	0-E	Argentina	Argentine \$	50.00%	28	-	63	(12)	-	-	79	
Total					<u>67,841</u>	<u>862</u>	<u>717</u>	<u>(186)</u>	<u>(123)</u>		<u>69,111</u>	

<u>Company</u>	<u>RUT</u>	<u>Country</u>	<u>Functional currency</u>	<u>Interest % Indirect</u>	<u>Share of profit of equity- accounted investees</u>					<u>Exchange rate difference</u>	<u>Other increase (decrease)</u>	<u>Balance 31-Dec-17</u>
					<u>1-Jan-17</u>	<u>Investment</u>						
					<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>			
Berry Blue LLC	0-E	USA	Dollar	50.00%	(5)	380	(328)	-	-	-	47	
Pacific Berry Breeding LLC	0-E	USA	Dollar	50.00%	243	100	(301)	-	-	-	42	
Munger Hortifrut N.A. LLC	0-E	USA	Dollar	50.00%	25,539	-	(1,035)	-	-	-	24,504	
Naturipe Brands LLC	0-E	USA	Dollar	30.00%	855	1,167	2	-	-	-	2,024	
Naturipe Farms LLC	0-E	USA	Dollar	30.00%	1,432	(1,291)	89	-	-	-	230	
Naturipe Value Added Foods LLC	0-E	USA	Dollar	27.00%	193	-	-	-	-	-	193	
Naturipe Value Added Fresh, LLC	0-E	USA	Dollar	33.33%	4,491	-	366	-	-	-	4,857	
S.A.T. Hortifrut H-0030	0-E	Spain	Euro	33.00%	1	-	-	-	-	-	1	
Hortifrut Berries Maroc S.R.L.	0-E	Morocco	Dirham	51.00%	64	-	(601)	(24)	-	-	(561)	
Euroberry GmbH	0-E	Germany	Euro	50.00%	13	-	-	2	-	-	15	
Margesi S.A.	0-E	Argentina	Argentine \$	50.00%	2,441	-	(368)	(268)	-	-	1,805	
San Clemente Vitalberry (Shanghai) SpA	0-E	Chile	Dollar	50.00%	853	-	213	-	-	-	1,066	
Hortifrut Tal S.A.C	0-E	Peru	Nuevo Sol	50.00%	19,547	-	11,211	2,832	-	-	33,590	
Hortifrut Expofresh S.A.	0-E	Argentina	Argentine \$	50.00%	(193)	-	220	1	-	-	28	
Total					<u>55,474</u>	<u>356</u>	<u>9,468</u>	<u>2,543</u>	<u>-</u>		<u>67,841</u>	

The detail of movements as of March 31, 2018 and December 31, 2017:

<u>Movement</u>	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance as of January 01	67,841	55,474
Share of profit of equity - accounted investees	717	9,468
Capital contributions (a)	862	356
Other adjustments	(123)	-
Adjustments due to exchange rate fluctuations	(186)	2,543
Closing balance	<u>69,111</u>	<u>67,841</u>

a) Capital contributions

Capital contributions during the period ending March 31, 2018 and the period ending December 31, 2017 are shown in the following detail:

Capital contributions (decrease)	31-Mar-18	31-Dec-17
Company	<u>ThUS\$</u>	<u>ThUS\$</u>
Berry Blue LLC	95	380
Pacific Berry Breeding LLC	730	100
Naturipe Brands LLC	37	1,167
Naturipe Farms LLC	-	(1,291)
Total contributions	<u>862</u>	<u>356</u>

Contributions to Limited Liability Companies (LLC) in the United States, aim no maintain the interest in said companies.

b) New investments

- During the period ending March 31, 2018, no new investments were incorporated.

During the period ending December 31, 2017, the following investment was incorporated:

- Dated April 07, 2017, the subsidiary Euroberry Marketing S.A. (Spain), formed the company Euroberry UK Ltd in England. The new company has as its corporate purpose the commercialization of berries in that country.

c) Reclassification of investment for sale

During the period ending March 31, 2018 and the period ending December 31, 2017 no reclassifications of investments for sale were made.

d) Other changes

On October 03, 2017 a framework sale-purchase and merger agreement was signed with the Rocio Group, one of the most important producers, exporters and distributors of blueberries in the southern hemisphere. The aforementioned implies that once the agreement has been materialized, the Hortifrut Tal S.A.C. company together with other companies of the Rocio group, will be incorporated to the consolidation of the Company's financial statements.

e) Summarized financial information

Summarized financial information as of March 31, 2018 and December 31, 2017, which is presented below, corresponds to the total assets, liabilities and equity and a summary of the results of the associated companies as of March 31, 2018 and 2017:

Associated	31-Mar-18										
	Non-current			Current Liabilities	Non-current Liabilities	Total Liabilities	Equity	Operating Revenue	Costs and Expenses	Other Results	Net profit (loss)
	Current Assets	current Assets	Total Assets								
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	227	-	227	95	-	95	132	9	(161)	-	(152)
Pacific Berry Breeding LLC	135	1,102	1,237	87	-	87	1,150	73	(270)	(197)	(394)
Munger Hortifrut N.A. LLC	7,276	88,157	95,433	3,818	43,569	47,387	48,046	-	(435)	(527)	(962)
Naturipe Brands LLC	2,485	6,143	8,628	1,758	-	1,758	6,870	21	(313)	292	-
Naturipe Farms LLC	47,959	2,237	50,196	49,839	-	49,839	357	149,315	(149,946)	631	-
Naturipe Value Added Foods LLC	7,655	26	7,681	6,943	23	6,966	715	2,052	(2,124)	72	-
Naturipe Value Added Fresh, LLC	5,260	12,091	17,351	2,779	-	2,779	14,572	5,879	(5,864)	(15)	-
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-
Hortifrut Berries Maroc S.R.L	746	2,736	3,482	647	3,935	4,582	(1,100)	-	-	-	-
Euroberry GmbH	4,667	2	4,669	4,488	151	4,639	30	1,179	(1,180)	1	-
Euroberry UK Ltd.	8,390	2	8,392	8,392	-	8,392	-	3,077	(2,995)	(82)	-
Margesi S.A.	1,786	2,251	4,037	543	322	865	3,172	109	(211)	12	(90)
San Clemente Vitalberry (Shanghai) SpA	16,064	45	16,109	13,659	-	13,659	2,450	6,326	(6,067)	59	318
Hortifrut Tal S.A.C	38,232	77,298	115,530	10,447	35,315	45,762	69,768	14,596	(10,375)	(1,633)	2,588
Hortifrut Expofresh S.A.	375	29	404	246	-	246	158	350	(208)	(16)	126
Total	141,266	192,119	333,385	103,747	83,315	187,062	146,323	182,986	(180,149)	(1,403)	1,434

Associated	31-Dec-17						31-Mar-17					
	Non-current			Current Liabilities	Non-current Liabilities	Total Liabilities	Equity	Operating Revenue	Costs and Expenses	Other Results	Net profit (loss)	
	Current Assets	current Assets	Total Assets									
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Berry Blue LLC	197	-	197	103	-	103	94	10	(170)	-	(160)	
Pacific Berry Breeding LLC	102	98	200	116	-	116	84	70	(276)	-	(206)	
Munger Hortifrut N.A. LLC	7,600	86,811	94,411	4,938	40,465	45,403	49,008	-	(246)	246	-	
Naturipe Brands LLC	628	7,730	8,358	1,611	-	1,611	6,747	1,000	(717)	-	283	
Naturipe Farms LLC	50,550	1,783	52,333	51,566	-	51,566	767	140,401	(140,628)	-	(227)	
Naturipe Value Added Foods LLC	14,637	31	14,668	13,953	-	13,953	715	2,173	(2,080)	-	93	
Naturipe Value Added Fresh, LLC	5,209	12,156	17,365	2,793	-	2,793	14,572	5,237	(5,252)	-	(15)	
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-	
Hortifrut Berries Maroc S.R.L	746	2,736	3,482	647	3,935	4,582	(1,100)	-	-	-	-	
Euroberry GmbH	7,496	-	7,496	7,466	-	7,466	30	-	-	-	-	
Margesi S.A.	2,635	2,714	5,349	1,391	348	1,739	3,610	4	(420)	-	(416)	
San Clemente Vitalberry (Shanghai) SpA	6,675	46	6,721	4,589	-	4,589	2,132	2,962	(2,489)	(7)	466	
Hortifrut Tal S.A.C	46,175	71,487	117,662	17,748	32,734	50,482	67,180	6,826	(3,845)	(265)	2,716	
Hortifrut Expofresh S.A.	985	49	1,034	978	-	978	56	709	(224)	(37)	448	
Total	143,644	185,641	329,285	107,905	77,482	185,387	143,898	159,392	(156,347)	(63)	2,982	

NOTE 17 – INTANGIBLE ASSETS OTHER THAN GOODWILL

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

	<u>Useful Life</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Varietal licenses	Finite	9,840	9,887
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,774	2,841
Software	Finite	290	309
Total		<u>14,350</u>	<u>14,483</u>

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 March 31, 2018 and the period ending December 31, 2017, is as follows:

<u>Movement</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance as of January 01	9,887	16,969
Amortization /consumption	(47)	(7,082)
Closing balance	<u>9,840</u>	<u>9,887</u>

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 March 31, 2018 and December 31, 2017, is as follows:

<u>Movement</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance as of January 01	309	272
Investments	-	139
Amortization	(19)	(102)
Closing balance	<u>290</u>	<u>309</u>

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.

There are no intangible assets in use which are totally amortized.

c) Other intangibles

The identified intangible assets are detailed as follows:

	Useful Life	31-Mar-18	31-Dec-17
		ThUS\$	ThUS\$
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,774	2,841
Total		4,220	4,287

Movement	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
Opening balance as of January 01	4,287	4,553
Amortization	(67)	(266)
Closing balance	4,220	4,287

Water rights have an indefinite useful life, since in accordance with the considered factors, there is not a time limit where the asset generates net cash flows for the Company, these are recorded at cost incurred in its purchase.

In accordance with IFRS 3 standard, it is established that, from the date of acquisition, the purchaser must recognize, separate from goodwill, the identifiable assets acquired, the assumed liabilities and any non-parent company interest of the acquired. Therefore in the acquisition of Vital Berry Marketing, intangibles denominated Relationship with Customers and Vitalberry Brand Marketing were generated. (See Note 3.5).

For the period ending March 31, 2018 and the period ending December 31, 2017, Management has not observed signs of impairment in relation to intangible assets denominated water rights, relationship with customers and VBM brand.

d) Intangibles subject to guarantees or restrictions

There are no intangible assets over which there is a restriction in its titles, nor have partial or total guarantees been constituted over them, as of March 31, 2018 and December 31, 2017.

e) Impairment of Intangibles with indefinite useful life

The Company determines annually if the intangible assets with an indefinite useful life are impaired. This test requires an estimation of 'value in use' of the cash generating units to which Intangibles with an indefinite useful life are associated. The estimation of the value in use requires that Management performs an estimation of the future cash flows of the cash generating unit (or group of CGU's), and that it also defines an appropriate discount rate to calculate the current value of those cash flows.

Management has not observed signs of impairment in relation to intangibles with an indefinite useful life.

NOTE 18 - GOODWILL

Goodwill 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 goodwill compared as of the closing of each period is as follows:

Investor	Issuer	31-Mar-18	31-Dec-17
		ThUS\$	ThUS\$
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	<u>26,083</u>	<u>26,083</u>
	Total	<u>26,769</u>	<u>26,769</u>

No movement has taken place under Goodwill between January 1 and March 31, 2018.

The Company determines annually if Goodwill and intangible assets with an indefinite useful life are impaired. This test requires an estimation of 'value in use' of the cash generating units to which Goodwill and Intangibles with an indefinite useful life are associated. The estimation of the value in use requires Management performs an estimation of the future cash flows of the cash generating unit (or group of CGU's), and that it also defines an appropriate discount rate to calculate the current value of those cash flows.

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

NOTE 19 – PROPERTY, PLANT AND EQUIPMENT

The detail of the different categories of Property, Plant and Equipment and their movements as of March 31, 2018 is as follows:

	Construction and infrastructure works	Land	Machinery and equipment	Leased Equipment	IT Equipment	Furniture and Supplies	Motor Vehicle	Bearer Plants	Works in Progress	Total other property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2018										
Cost or valuation	83,957	20,929	33,489	16,793	2,301	1,939	7,839	145,867	27,249	340,363
Accumulated depreciation	(36,739)	-	(15,052)	(2,858)	(1,552)	(1,133)	(4,835)	(33,134)	-	(95,303)
Net amount as of 01-01-2018	47,218	20,929	18,437	13,935	749	806	3,004	112,733	27,249	245,060
Investments	177	29	812	-	42	33	52	3,699	6,258	11,102
Expropriation and write-off	-	-	(158)	-	-	(3)	(33)	-	-	(194)
Reclassifications	689	-	77	-	14	3	-	-	(784)	(1)
Depreciation	(1,351)	-	(746)	(180)	(65)	(59)	(203)	(3,539)	-	(6,143)
Exchange rate adjustment	121	103	30	(2)	4	6	13	348	227	850
Net amount as of 31-03-2018	46,854	21,061	18,452	13,753	744	786	2,833	113,241	32,950	250,674

The detail of the different categories of property, plant and equipment and their movements as of December 31, 2017 is as follows:

	Construction and infrastructure	Land	Machinery and equipment	Leased Equipment	IT Equipment	Furniture and Supplies	Motor Vehicle	Bearer Plants	Works in Progress	Total other property, plant and equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
As of January 1, 2017										
Cost or valuation	74,483	20,507	24,152	14,334	2,602	1,899	7,045	126,909	13,725	285,656
Accumulated depreciation	(31,085)	-	(14,210)	(2,132)	(1,898)	(1,071)	(4,316)	(26,081)	-	(80,793)
Net amount as of 01-01-2017	43,398	20,507	9,942	12,202	704	828	2,729	100,828	13,725	204,863
Investments	1,282	158	5,714	2,453	288	232	1,119	20,498	26,564	58,308
Revaluation (Impairment)	-	-	-	-	-	-	-	-	-	-
Expropriation and write-off	(210)	(255)	(698)	-	(1)	(122)	(73)	(3,224)	(184)	(4,767)
Reclassifications	7,491	-	5,526	-	-	63	-	30	(13,110)	-
Depreciation	(5,396)	-	(2,122)	(721)	(248)	(234)	(813)	(6,938)	-	(16,472)
Exchange rate adjustment	653	519	75	1	6	39	42	1,539	254	3,128
Net amount as of 31-12-2017	47,218	20,929	18,437	13,935	749	806	3,004	112,733	27,249	245,060

The measuring of Property, plant and equipment, as well as the depreciation criteria for these, is described in Note 3.3.

Assets in Leasing under the item Property, plant and equipment is separately detailed by item in Note 19 letter e).

“Bearer plants” in the item Property, plant and equipment, separated if they are “in development” or “in production”, are detailed in Note 19 letter g).

As of March 31, 2018, the detail of Property, plant and equipment is as follows:

	Gross Value	Accumulated depreciation	Net value
	ThUS\$	ThUS\$	ThUS\$
Construction and infrastructure works	84,652	(37,798)	46,854
Land	21,061	-	21,061
Machinery and equipment	34,230	(15,778)	18,452
Leased equipment	16,793	(3,040)	13,753
Information technology (IT) equipment	2,362	(1,618)	744
Furniture and supplies	1,984	(1,198)	786
Motor vehicles	7,907	(5,074)	2,833
Bearer plants	149,832	(36,591)	113,241
Works in progress	32,950	-	32,950
Total Property, plant and equipment	351,771	(101,097)	250,674

As of December 31, 2017, the detail of Property, plant and equipment is as follows:

	Gross Value	Accumulated depreciation	Net value
	ThUS\$	ThUS\$	ThUS\$
Construction and infrastructure works	83,957	(36,739)	47,218
Land	20,929	-	20,929
Machinery and equipment	33,489	(15,052)	18,437
Leased equipment	16,793	(2,858)	13,935
Information technology (IT) equipment	2,301	(1,552)	749
Furniture and supplies	1,939	(1,133)	806
Motor vehicles	7,838	(4,834)	3,004
Bearer plants	145,868	(33,135)	112,733
Works in progress	27,249	-	27,249
Total Property, plant and equipment	340,363	(95,303)	245,060

a) Estimated economic useful life or depreciation rate

The estimated economic useful life per type of asset is described in Note 3.3.3.

The residual value and the useful life of the assets are checked, and adjusted if necessary, at each reporting date of the interim consolidated statements of financial position.

b) Insurance

Hortifrut S.A. and subsidiaries have contracted insurance policies to cover the risks that movable goods, vehicles, equipment, plants and machinery are subject to. The Company considers that the hedging of these policies is adequate for risks inherent to its activity (See Note 4.3).

c) Information regarding “Bearer Plants”

Hortifrut’s “Bearer Plants” correspond to berries plantations, that are on leased and own lands.

The Company’s berries plantations are located in Chile between Coquimbo Region and Los Ríos Region, in Mexico in the states of Jalisco and Michoacán, in Brazil in Barrio Lagoa Grande, Sn - Senador Amaral, in Spain in the localities of Huelva and Asturias, and in Peru in the locality of Chiclayo.

Said geographic dispersion allows the Company to count with a diversified offer during the year, which is complemented by the producer partners that the Company has in USA and in Europe. Thereby, Hortifrut's trade platforms and distributors can have berries during the 52 weeks of the year. The productive areas also allow greater closeness with the consumption centers. This is the case of plantations located in Mexico which mainly supply the North American market, main berries consumer in the world. Likewise, our plantations in Spain are able to supply part of the European market. Chile and Peru contribute the counter-season production for said markets.

Below is a detail of the hectares planted per type of fruit:

Surface in Hectares	<u>31-Mar-18</u>	<u>31-Dec-17</u>
Blueberries	601	590
Organic Blueberries	648	630
Raspberries	133	136
Blackberries	12	13
Strawberries	65	65
Cherries	8	7
Total Planted Hectares	<u>1,467</u>	<u>1,441</u>
Own Hectares	831	792
Leased Hectares	636	649
Total Hectares	<u>1,467</u>	<u>1,441</u>
Productive Hectares	831	1,176
Non-Productive Planted Hectares	636	265
Total Hectares	<u>1,467</u>	<u>1,441</u>

d) Loss due to impairment in value

As of March 31, 2018, no events or changes in circumstances have taken place in the business that imply that the book value of Property, plant and equipment may not be recoverable.

During 2017, in the specific case of "bearer plants", there were changes in the circumstances of the business which generated an impairment in their book value. The recognized impairments are associated with the pulling up of hectares in Chile, Mexico and Spain.

As indicated in Note 3.3.2, if the book value is modified due to the presence of impairment of "bearer plants", said decrease in value will be directly attributed to the results of the period under the account Other expenses, per function.

As per the aforementioned criteria, the effect of the previously mentioned impairment was recorded in the financial statements as of December 31, 2017, as detailed below:

	31-Dec-17
	<u>ThUS\$</u>
Chile	641
Mexico	1,768
Spain	806
Total	<u>3,215</u>

e) Financial lease

The net book value as of March 31, 2018 and December 31, 2017 of the assets under financial lease, classified as Assets in Leasing under the item Property, plant and equipment, is as follows:

<u>Denomination</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
<u>Construction</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Administrative offices	909	1,008
Parking administrative offices	36	36
Metallic structure 5.3 hectares	243	246
Metallic structure 2.0 hectares	59	59
Metallic structure Roof	271	279
Greenhouse 4.08 hectares	1,093	1,093
Greenhouse 4.00 hectares	862	862
Molina Plant	4,102	4,102
Total Constructions	<u>7,575</u>	<u>7,685</u>
Land		
Land Molina Plant	236	236
Total Land	<u>236</u>	<u>236</u>
<u>Machinery and equipment</u>		
Blueberries processing line	490	503
IQF processing lines	243	243
Molina plant processing line and machinery	1,203	1,203
BBC Filling Machine	620	632
BBC Soft Sorter Machine	646	659
Calibrating and Classifying Machine	1,370	1,396
Plant pots for Greenhouse	1,260	1,260
Fertigation machinery	6	9
Sulphur burners	30	31
Miscellaneous equipment	-	3
Total machinery and equipment	<u>5,868</u>	<u>5,939</u>
<u>Motor vehicles</u>		
Vans	56	56
Tractors	18	19
Total motor vehicles	<u>74</u>	<u>75</u>
General total	<u>13,753</u>	<u>13,935</u>

Debt associated to these leasings as of March 31, 2018 and December 31, 2017, is presented in the item Other current financial liabilities and Other non-current financial liabilities.

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

<u>Leasing Liability</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
<u>Construction</u>		
Administrative offices	436	488
Parking administrative offices	19	19
Metallic structure 5.3 hectares	143	178
Metallic structure 2.0 hectares	49	48
Metallic structure Roof	275	273
Greenhouse 4.08 hectares	919	910
Greenhouse 4.00 hectares	714	901
Molina Plant	<u>3,496</u>	<u>3,622</u>
Total Construction	<u>6,051</u>	<u>6,439</u>
<u>Land</u>		
Land Molina Plant	<u>201</u>	<u>208</u>
Total Land	<u>201</u>	<u>208</u>
<u>Machinery and equipment</u>		
Plant pots for greenhouse	1,041	1,316
Molina plant processing line and machinery	1,025	1,062
Calibrating and classifying machine	862	953
Sulfur burners	<u>25</u>	<u>32</u>
Total Machinery and equipment	<u>2,953</u>	<u>3,363</u>
<u>Motor vehicles</u>		
Vans	16	18
Tractors	<u>14</u>	<u>16</u>
Total motor vehicles	<u>30</u>	<u>34</u>
General Total	<u>9,235</u>	<u>10,044</u>

As of March 31, 2018 and December 31, 2017, there are no Property, plant and equipment temporarily out of service.

f) Property, plant and equipment totally depreciated

As of March 31, 2018, the detail of Property, plant and equipment which are totally depreciated is as follows:

	Gross Value <u>ThUS\$</u>
Construction and infrastructure works	4,568
Machinery and equipment	5,620
Leased equipment	33
Information Technology (IT) equipment	293
Furniture and supplies	282
Motor vehicles	1,000
Total Property, plant and equipment	<u>11,796</u>

Historic costs are considered.

g) Productive bearer plants, in development or in production.

The book value of “Bearer Plants”, is distributed among plants in development or in production in the following manner:

Biologicals	Movement				
	31-Dec-17	Additions	Amortization	Exchange rate adjustment	31-Mar-18
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
In production	82,618	-	(3,539)	348	79,427
In development	30,115	3,699	-	-	33,814
Total	112,733	3,699	(3,539)	348	113,241

NOTE 20 – CURRENT INCOME TAX AND DEFERRED TAXES

In the period ending March 31, 2018, we proceeded to calculate and record taxable net income with a 27% rate (as of December 31, 2017 with a 25.5% rate), 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.

In the other countries where Hortifrut has subsidiaries and associates, the corresponding tax rates are applied in accordance with the valid law.

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

a) Current income tax

The Company and subsidiaries maintain as of March 31, 2018, a current income tax provision of ThUS\$13,677 (ThUS\$9,236 as of December 31, 2017), which is presented net of credits applicable against income tax as of these same dates for ThUS\$13,804 (ThUS\$10,322 as of December 31, 2017). In this manner, when presented net in the statement of financial position, as of March 31, 2018, a balance is presented in favor of the company for recoverable taxes for ThUS\$127 (ThUS\$1,086 as of December 31, 2017).

Provisional payments and other credits that are applied to current income tax are detailed below:

	31-Mar-18	31-Dec-17
<u>Detail Recoverable Tax</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Monthly provisional payments	12,140	9,883
Personnel training	208	194
Other credits	1,240	42
Donations Law	216	203
Total Credits	<u>13,804</u>	<u>10,322</u>
Income tax provision	(13,677)	(9,236)
Total Credits (Income Tax Provision)	<u>127</u>	<u>1,086</u>

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, adjustment to fair value of current biological assets and the revaluation of Property, plant and equipment on the transition date to IFRS.

Deferred tax assets as of March 31, 2018 and December 31, 2017, refer to the following concepts:

Detail	31-Mar-18		31-Dec-17	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Manufacturing expenses	211	-	-	2,129
Valuation bearer plants	-	13,368	-	14,251
Land appraisal	-	34	-	34
Tax loss	12,242	-	12,445	-
Provisions	2,777	-	2,857	-
Intangibles	-	1,072	-	1,080
Fixed asset	-	4,324	-	4,639
Forward hedging	-	44	54	-
Price adjustment	-	1,426	-	362
Others	3,741	-	2,660	-
Non-realized profit in investments	-	-	575	-
Total	18,971	20,268	18,591	22,495

Deferred tax hedging is presented net of other comprehensive income.

Deferred taxes have not been recognized 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 comprehensive income statement is also not recognized.

As of March 31, 2018 the deferred tax asset originated by tax loss reached ThUS\$12,242 (ThUS\$12,445 as of December 31, 2017) which is chargeable to the profits which could be generated in the future in the companies that present said condition, as per the following detail:

		31-Mar-18	31-Dec-17	Variation
		ThUS\$	ThUS\$	ThUS\$
Hortifrut S.A.	Chile	1,042	-	1,042
Ag. Santa Rosa del Parque S.A.	Chile	4	-	4
Ag. Mataquito S.A.	Chile	1,398	1,288	110
Ag. El Avellano S.A.	Chile	1,804	1,865	(61)
Ag. El Pampino S.A.	Chile	62	-	62
Ag. y Gand. Santa Rebeca Ltda.	Chile	-	5	(5)
Ag. Hortifrut S.A.	Chile	452	714	(262)
Hortifrut Comercial S.A.	Chile	48	-	48
Hortifrut S.A. de C.V.	Mexico	6,320	7,620	(1,300)
Berrygood Comercial Importadora	Brazil	566	573	(7)
Hortifrut Europa SL	Spain	68	55	13
Hortifrut España Southern Sun SL and Subsidiaries	Spain	270	106	164
Hortifrut Argentina S.A.	Argentina	203	214	(11)
Viveros Hortifrut Chile S.A.	Chile	5	5	-
Total		12,242	12,445	(203)

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, Peru, Brazil and Spain, these do not prescribe. In Mexico, these have a tax loss carry forward expire of 10 years and Argentina 5 years.

Movement in deferred tax asset balances as of March 31, 2018 and December 31, 2017 is as follows:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	18,591	14,950
Provisions	(80)	616
Tax loss	(203)	2,963
Forward hedging	(54)	(77)
Manufacturing expenses	211	-
Others	1,081	(257)
Profit not realized in investments	(575)	396
Final balance	<u>18,971</u>	<u>18,591</u>

Movement in deferred tax liabilities as of March 31, 2018 and December 31, 2017 is as follows:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	22,495	22,680
Manufacturing expenses	(2,129)	835
Fixed asset	(315)	(4,347)
Intangibles	(8)	(23)
Advanced income	-	(151)
Forward hedging	44	-
Valuation bearer plants	(883)	3,139
Price adjustment	1,064	362
Final balance	<u>20,268</u>	<u>22,495</u>

Income tax expense as of March 31, 2018 and 2017 has the following detail:

	31-Mar-18	31-Mar-17
<u>Detail</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Current tax expense	4,653	4,074
Deferred tax effect	(1,813)	(805)
Adjustment previous year	(193)	-
Adjustment of conversion	(40)	(149)
Total	<u>2,607</u>	<u>3,120</u>

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

	31-Mar-18		31-Mar-17	
	<u>ThUS\$</u>	<u>%</u>	<u>ThUS\$</u>	<u>%</u>
Tax expense (income) using the legal rate	3,994	27.00%	5,208	25.50%
Tax effect of rate in other jurisdictions	(10)	-0.07%	46	0.22%
Tax effect of non taxable operating income	(1,337)	-9.04%	(256)	-1.25%
Tax effect of non deductible tax expense	1,098	7.42%	(199)	-0.97%
Tax effect of fiscal currency other than functional currency	(945)	-6.39%	(1,679)	-8.22%
Tax effect of tax provided in excess previous periods	(193)	-1.30%	-	0.00%
Total tax expense adjustment using the legal rate	(1,387)	-9.38%	(2,088)	-10.22%
Tax expense using the effective rate	<u>2,607</u>	<u>17.62%</u>	<u>3,120</u>	<u>15.28%</u>

NOTE 21 – OTHER FINANCIAL LIABILITIES

As of March 31, 2018 and December 31, 2017, Hortifrut and subsidiaries maintain financial liabilities, which are detailed below:

Other current financial liabilities

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Obligations with banks and financial institutions	105,602	148,691
Financial Leasing	2,100	2,128
Forwards currency operations	193	712
Total current bank obligations	<u>107,895</u>	<u>151,531</u>

Other non-current financial liabilities

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Obligations with banks and financial institutions	106,339	75,770
Financial Leasing	7,134	7,916
Cross Currency Swap Operations	927	280
Total non-current obligations	<u>114,400</u>	<u>83,966</u>

b) Financial Leasing Obligations

Obligations with Banks and financial institutions per financial leasing, grouped by maturity, are detailed below, as of March 31, 2018 and December 31, 2017 are as follows:

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total current	Non-current					Total Non-current	
								Maturity up to 1 month	1 to 3 months	3 to 12 months	31-Mar-18	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Mar-18	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	-	70	70	73	-	-	-	-	-	73
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	8	8	16	16	17	-	-	-	-	33
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	236	236	218	228	237	-	-	-	683
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	-	165	165	169	178	202	-	-	-	549
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	-	236	236	247	261	297	-	-	-	805
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.33%	5.33%	1	1	6	8	6	-	-	-	-	-	6
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	-	6	6	6	7	-	-	-	-	19
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	5	7	7	2	-	-	-	-	9
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	34	-	31	65	68	70	72	-	-	-	210
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	3.01%	99	-	281	380	384	98	-	-	-	-	482
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	3.51%	-	193	517	710	711	735	760	786	1,019	-	4,011
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	30	14	157	201	204	50	-	-	-	-	254
Total								165	217	1,718	2,100	2,109	1,645	1,575	786	1,019	7,134	

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual Rate	Current			Total current	Non-current					Total Non-current	
								Maturity up to 1 month	1 to 3 months	3 to 12 months	31-Dec-17	Maturity 1 to 2 years	Maturity 2 to 3 years	from 3 to 4 years	from 4 to 5 years	5 or more years	31-Dec-17	
								ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.93%	3.93%	-	34	34	68	73	37	-	-	-	-	110
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	-	16	16	16	16	-	-	-	-	32
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	-	-	227	227	218	228	237	-	-	-	683
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	191	-	191	161	169	178	202	-	-	710
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	277	-	277	234	247	261	297	-	-	1,039
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.33%	5.33%	1	1	6	8	8	-	-	-	-	-	8
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	7	-	7	6	6	6	7	-	-	25
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.30%	4.30%	1	1	5	7	7	4	-	-	-	-	11
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	-	-	65	65	67	69	72	-	-	-	208
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	2.79%	98	-	279	377	381	195	-	-	-	-	576
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	3.29%	-	193	514	707	705	729	754	779	1,218	-	4,185
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	14	29	135	178	195	134	-	-	-	-	329
Total								114	733	1,281	2,128	2,071	1,834	1,508	1,285	1,218	7,916	

c) Cross Currency Swap Operations

The detail of the derivative instruments portfolio as of March 31, 2018 and December 31, 2017 are the following:

LIABILITIES			Balance Capital ThUS\$	MtoM Value	
Hedging Instruments				31-Mar-18 ThUS\$	31-Dec-17 ThUS\$
Entities	Instruments	Type			
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	21,000	-	280
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	54,000	922	-
Banco Bilbao Viscaya	Cross Currency Swaps CLP/USD	Currency	546	5	-
Total non-current			75.546	927	280

The total of the fair value of these derivative instruments are recognized in other comprehensive income. Swaps cover the significant variations in cash flows associated to the market risk implicit in the increases in LIBOR interest rate of 6 months for long term credits originated by investments. These contracts are recorded as cash flow hedging contracts.

The type of fee indicated in the forwards, is presented from the company's perspective, it is the contrary for banks.

d) Currency Forwards operations:

The details of currency forwards operations held by Hortifrut and subsidiaries as of March 31, 2018 and December 31, 2017, is as follows:

Company	Bank	Contract Type	Fees Type	Currency	Liabilities Amount	Currency	Closing Value Amount	Net Effect Offsetting	MTM		Total current 3/31/2018 ThUS\$
									1 to 3 months	3 to 6 months	
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	EUR	3,226	USD	3,033	(193)	193	-	193
		Total	3/31/2018		3,226		3,033	(193)	193	-	193

Company	Bank	Contract Type	Fees Type	Currency	Liabilities Amount	Currency	Closing Value Amount	Net Effect Offsetting	MTM		Total current 12/31/2017 ThUS\$
									1 to 3 months	3 to 6 months	
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Hortifrut Chile S.A.	Security	Offsetting	Purchase	USD	2,200	CLP	2,197	(3)	5	-	5
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	EUR	15,345	USD	15,999	(654)	324	361	685
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	2,000	CLP	2,020	(20)	22	-	22
		Total	12/31/2017		19,545		20,216	(677)	351	361	712

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 interim 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 coverage (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 KCLP 6,855,000. For this credit, dollarization hedging was used.

The Company assumes the following obligations, over the base of its interim 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 coverage (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.

e.1.3) Dated September 07, 2017, Coöperatieve Rabonak U.A. granted Hortifrut Chile S.A. a credit for USD 20 million.

Hortifrut S.A. maintains the security and co-debt for the loan with Rabobank for US\$ 20 million, of which to date Hortifrut Chile S.A. owes the total.

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

- To maintain a Net Financial Debt 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 coverage (EBITDA divided net financial expenses for 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.
- To maintain a coverage ratio of the assets at commercial value over the owed capital balance
 - higher or equal to 1 time.

e.2) Hortifrut S.A.

e.2.1) Dated February 07, 2018, Banco de Crédito e Inversiones granted Hortifrut S.A. a credit for USD 54 million.

Hortifrut Chile S.A. maintains the security and co-debt for the loans with Banco de Crédito e Inversiones for USD 54 million, of which to date Hortifrut S.A. owes the total.

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

- To maintain a Net Financial Debt level divided by annual EBITDA
 - lower or equal to 5.25 times as of December 31 of each year;
 - lower or equal to 4.0 times as of June 30 of each year.
- To maintain financial cost coverage (EBITDA divided net financial expenses for 12 months)
 - lower 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.

e.3) Compliance of Covenants

e.3.1) Net financial debt divided by annual EBITDA

Net financial debt divided by annual EBITDA was 2.35 for the 12-month period ending June 30, 2017, (lower than the 4 times requested by BCI, 4.5 times requested by Rabobank, 4.5 times requested by BBVA and 4 times requested by Banco Estado).

The net financial debt divided by annual EBITDA was 3.49 for the 12-month period ending December 31, 2017 (2.59 as of December 31, 2016), (lower than the 6 times requested by Rabo and BBVA and the 5.25 times requested by BCI).

	31-Dec-17	30-Jun-17	31-Dec-16	30-Jun-16	1-Jul-16
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA	59,520	37,266	66,902	43,315	60,853
Net Financial Debt	207,659	142,968	173,172	92,974	142,968
Net Financial Debt / EBITDA	3.49	3.84	2.59	2.15	2.35

e.3.2) Financial cost hedging (EBITDA divided by net financial costs of the last 12 months)

Financial cost hedging for 12-month period, was 19.6 times, higher than the 4 required as of June 30, 2017 by BCI, BBVA, Banco del Estado and Rabobank.

	31-Dec-17	30-Jun-17	31-Dec-16	30-Jun-16	1-Jul-16
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
EBITDA	59,520	37,266	66,902	43,315	60,853
Net Financial Cost	3,965	1,879	3,041	1,812	3,108
EBITDA / Net Financial Cost	15.0	19.8	22.0	23.9	19.6

e.3.3) Net Financial Debt divided by Total Equity

As of June 30, 2017 it was 0.57 times (lower than 1 time required by BCI, BBVA, Banco del Estado and Rabobank).

	31-Dec-17	30-Jun-17	31-Dec-16
	ThUS\$	ThUS\$	ThUS\$
Total Equity	243,575	249,680	216,096
Net Financial Debt	207,659	142,968	173,172
Net Financial Debt / Total Equity	0.85	0.57	0.80

e.3.4) Parameters to calculate ratios

The EBITDA of the periods ending December 31, 2017 and 2016 and for the periods ending June 30, 2017 and 2016, are the following:

	31-Dec-17	30-Jun-17	31-Dec-16	30-Jun-16	12 month period	
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	1-Jul-16	1-Jul-15
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
DETERMINING EBITDA						
Income from operating activities	388,250	203,588	426,796	236,746	393,638	371,856
Other income, per function	495	234	1,725	391	1,568	484
Total Income	388,745	203,822	428,521	237,137	395,206	372,340
Cost of sales	(324,718)	(167,211)	(356,758)	(190,602)	(333,367)	(307,869)
Administration expenses	(26,773)	(14,109)	(26,036)	(13,619)	(26,526)	(26,727)
Other expenses, per function, excluding impairment in the value of assets	(1,528)	(718)	(1,233)	(550)	(1,401)	(1,110)
Total Costs and Expenses	(353,019)	(182,038)	(384,027)	(204,771)	(361,294)	(335,706)
Operating Result	35,726	21,784	44,494	32,366	33,912	36,634
Depreciation and amortization	23,794	15,482	22,408	10,949	26,941	18,113
EBITDA	59,520	37,266	66,902	43,315	60,853	54,747

The detail of the depreciation and amortization as of December 31, 2017 and 2016 is as follows:

	31-Dec-17	31-Dec-16
Depreciation and Amortization	ThUS\$	ThUS\$
Property, plant and equipment	9,300	9,255
Intangibles - Software	102	177
Intangibles - Licenses	7,082	4,543
VBM Brand	-	-
Relationship with customers	266	267
Amortization biologicals	7,172	8,249
Capitalized amortization / others	(128)	(83)
Total	23,794	22,408

The determining of net financial debt as of June 30, 2017 and 2016 (unaudited) and as of December 31, 2017 and 2016 are as follows:

	31-Dec-17	30-Jun-17	31-Dec-16	30-Jun-16
Determining net financial debt		unaudited		unaudited
Items	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Other current financial liabilities	151,531	99,660	150,787	74,177
Other non-current financial liabilities	83,966	72,824	57,630	54,538
Total financial liability	235,497	172,484	208,417	128,715
Minus:				
Cash and cash equivalents	27,838	29,516	35,245	35,741
Total net financial debt	207,659	142,968	173,172	92,974

e.4) Financial risk management policies

The Company, following the financial risk management policy described in note 4.1, 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.

e.5) The conciliation of movements as of March 31, 2018, between financial liabilities and cash flows for financing activities is as follows:

Concepts	Cash Flows		Payable interests and dividends	Changes in fair value	Reclassifications	31-Mar-18
	31-Dec-17	ThUS\$				
Short term loans with financial entities	148,691	(67,680)	80	-	24,511	105,602
Long term loans with financial entities	75,770	54,510	722	-	(24,663)	106,339
Short term financial leasing liabilities	10,044	(962)	-	-	152	9,234
Derivative instruments	992	-	-	128	-	1,120
Total	235,497	(14,132)	802	128	-	222,295

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

The detail of this item as of March 31, 2018 and December 31, 2017 are the following:

	31-Mar-18	31-Dec-17
<u>Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Suppliers	32,081	37,657
Payable notes	141	33
Retentions and payable tax	3,130	5,853
Payable dividend	6,181	6,181
Total	<u>41,533</u>	<u>49,724</u>

As of March 31, 2018 and December 31, 2017, there are no non-current trade accounts and other accounts payable.

Accounts payable per currency are as follows:

	31-Mar-18	31-Dec-17
<u>Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
United States Dollar	25,840	31,090
Chilean Peso	11,360	13,543
Euro	1,891	2,404
Mexican Peso	1,655	1,425
Argentine Peso	50	26
Nuevo Sol	431	1,021
Brazilian Real	306	215
Total	<u>41,533</u>	<u>49,724</u>

Suppliers with payments non past due, as of March 31, 2018

Type of Supplier Goods/Services/Others	Amounts in thousands of dollars, as per payment terms					Total ThUS\$	Average payment period (days)
	up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365		
Goods	1,799	22,182	1,163	891	39	26,074	62
Services	2,937	5,068	5	5	-	8,015	49
Others	1,241	6,191	-	-	12	7,444	55
Total as of 31-03-2018	5,977	33,441	1,168	896	51	41,533	

Suppliers with payments non past due, as of December 31, 2017

Type of Supplier Goods/Services/Others	Amounts in thousands of dollars, as per payment terms					Total ThUS\$	Average payment period (days)
	up to 30 days	31 - 60	61 - 90	91 - 120	121 - 365		
Goods	8,516	17,990	3,364	1,772	-	31,642	58
Services	11,238	477	-	-	-	11,715	31
Others	169	-	3	6,181	14	6,367	118
Total as of 31-12-2017	19,923	18,467	3,367	7,953	14	49,724	

The main suppliers are the following:

- Envases Impresos S.A.	- Autoadhesivos PyR Ltda.
- Coembal 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 – EMPLOYEE BENEFITS AND OTHER PROVISIONS

The concepts that make up this item are the following:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
<u>Current provisions</u>		
Other provisions		
Cost provisions	1,803	545
Other provisions	<u>1,803</u>	<u>545</u>
Employee benefits		
Vacations	1,268	1,142
Substitute retirement benefits	279	470
Other benefits for personnel (bonus)	195	-
Employee benefits	<u>1,742</u>	<u>1,612</u>
Total	<u>3,545</u>	<u>2,157</u>

The movement of provisions during the period ending March 31, 2018 and the period ending December 31, 2017, is as follows:

	31-Mar-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Movement		
Opening Balance	2,157	1,752
Increase in provisions	2,819	1,870
Used provisions	<u>(1,431)</u>	<u>(1,465)</u>
Total	<u>3,545</u>	<u>2,157</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 March 31, 2018, reaches ThUS\$135,149 (ThUS\$135,149 as of December 31, 2017) equal to 435,520,079 shares of a single series and without nominal value.

b) Movements of the year

During the period ending March 31, 2018, there have not been any movements in capital.

In 2017, at extraordinary shareholder's meeting, it was authorized to legally decrease the Company's capital, by the amount of ThUS\$1,262 which was kept as a share issuance expenses.

There are no own shares in portfolio.

Number of Subscribed Shares

<u>Weighted average of ordinary shares in circulation</u>	<u>Nº of days in circulation</u>	<u>Nº Shares</u>	<u>% Weighting</u>	<u>Weighted average of ordinary shares in circulation</u>	
				<u>31-Mar-18</u>	<u>31-Dec-17</u>
Opening balance	90	435,520,079	100%	435,520,079	435,520,079
	90	435,520,079		435,520,079	435,520,079

NOTE 25 – RETAINED EARNINGS (LOSS)

The detail of the accumulated result as of March 31, 2018 and December 31, 2017, is as follows:

	31-Mar-18	31-Dec-17
<u>Movement</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	70,503	56,218
Profit (loss), attributable to the parent company	12,734	26,563
Minimum dividend provision	-	(6,181)
Reversal minimum dividend provision previous year	-	7,283
Definite dividend	-	(7,283)
Provisional dividend	-	(6,097)
Total	<u>83,237</u>	<u>70,503</u>

a) Dividend policy

As per what is stated in the Corporation Law, the Company is obligated to the distribution of an obligatory minimum dividend equal to 30% of profits, nevertheless and as per the corporate statutes, the minimum dividend established for the Company is at least 50%, unless otherwise agreed at the corresponding meeting, by unanimity of the issued shares.

In virtue of what was informed to the Commission for the Financial Market, related with regulation (circular) N° 1945, in order to determine the Company's net distributable profit, to be considered to calculate the dividend, the following will be excluded from gains attributable to the controller's parent Company:

- 1) Non-realized results linked with the fair value record of the biological assets regulated by "IAS 41" accounting standard, 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 standard, 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) The effects of deferred taxes associated to the concepts indicated in 1) and 2) will follow the same fate as the item that originated them.

b) Dividend Provision

In the period ending March 31, 2018, the Company did not record provision for minimum dividend (ThUS\$6,181 as of December 31, 2017).

Below is the calculation of the accrued dividend for the period ending March 31, 2018 and December 31, 2017:

<u>Concept</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Gains attributable to owners of the parent company	12,734	26,563
Minus		
Increase biological assets to fair value net of tax - PEV	-	(810)
Increase biological assets to fair value	-	(1,640)
Deferred taxes	-	443
Result to be Distributed	<u>12,734</u>	<u>24,556</u>
Minimum dividend %	0.00%	50.00%
Minimum Accrued Dividend	-	12,278
Minus:		
Paid provisional dividend	-	(6,097)
Minimum dividend calculation	-	6,181
Minimum dividend provision	-	6,181

Paid dividends

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

<u>Month and year of payment</u>	<u>Type</u>	<u>Last 3 years</u> <u>ThUS\$</u>
May-15	Definite	2,939
Oct-15	Provisional	3,920
	Total year 2015	<u>6,859</u>
May-16	Definite	2,873
Oct-16	Provisional	5,662
	Total year 2016	<u>8,535</u>
May-17	Definite	6,181
Oct-17	Provisional	6,097
	Total year 2017	<u>12,278</u>

NOTE 26 – OTHER RESERVES

The other reserves that are presented in the statement of changes in equity, are of the following nature:

Cash Flow hedging reserve – Corresponds to the difference between spot values and the fair value of the cash Flow hedging contracts (CCS) which are qualified as efficient, net of deferred tax.

Reserves due to exchange rate fluctuations. – This balance reflects the accumulated results, by exchange rate fluctuations, when converting the financial statements of overseas subsidiaries, from their functional currency to Hortifrut’s reporting currency (United States Dollars).

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

<u>Other Reserves</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Cash flow hedging reserves (*)	2,018	3,516
Exchange rate fluctuation reserves	(1,814)	(2,351)
Total	<u>204</u>	<u>1,165</u>

<u>Movement</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance	1,165	(4,919)
Cash flow hedging reserves	(1,498)	818
Reserves for exchange rate fluctuations	537	5,266
Total	<u>204</u>	<u>1,165</u>

The movement of cash flow hedging reserves in the period ending March 31, 2018 and in the period ending December 31, 2017 is as follows:

<u>Movement exchange rate fluctuation reserves</u>	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance	3,516	2,698
Other comprehensive income	(1,498)	818
Total	<u>2,018</u>	<u>3,516</u>

Cash Flow hedging reserve is net of deferred tax.

Income tax included in cash flow hedging reserves is detailed below:

	<u>31-Mar-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Cash flow hedging reserves	2,767	4,735
Gains tax	(749)	(1,219)
Total	<u>2,018</u>	<u>3,516</u>

The movement of reserves due to Exchange rate fluctuations, in the period ending March 31, 2018 and the period ending December 31, 2017, are the following:

	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
Movement exchange rate fluctuation reserves		
Opening balance	(2,351)	(7,617)
Other comprehensive income	537	5,266
Total	<u>(1,814)</u>	<u>(2,351)</u>

NOTE 27 – NON-CONTROLLING INTERESTS

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

The detail of the interests of non-parent companies as of March 31, 2018 and December 31, 2017 and the interests of non-parent companies in results for the periods ending March 31, 2018 and 2017, are the following:

Subsidiaries	Non controlling interest		Non Controlling Interest		Non Controlling Interest in profit (loss) result	
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17	31-Mar-18	31-Mar-17
	%	%	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Agrícola El Avellano S.A.	60.0%	60.0%	2,408	2,568	(160)	2
Agrícola El Pampino S.A.	80.0%	80.0%	794	927	(133)	111
Agrícola Santa Rebeca Ltda.	75.0%	75.0%	125	125	-	(10)
Agrícola Vida Nueva S.A.	50.0%	50.0%	3,884	3,945	(26)	126
Viveros Hortifrut Chile S.A.	49.0%	49.0%	152	149	-	-
Hortifrut Argentina S.A.	4.1%	4.1%	14	14	1	(1)
Agrofrutas, SRL de C.V.	1.0%	1.0%	(10)	(8)	(2)	(1)
Hortifrut España Southern Sun S.L.	50.0%	50.0%	19,321	18,653	287	182
Agrícola Santa Rosa del Parque S.A.	70.0%	70.0%	2,995	3,059	(56)	261
Agrícola Mataquito S.A.	50.0%	50.0%	1,129	1,470	(334)	19
Euroberry Marketing S.A.	50.0%	50.0%	1,768	1,904	(64)	178
Honghe Jiayu Agriculture Limited	49.0%	49.0%	4,037	3,952	(62)	-
Total			<u>36,617</u>	<u>36,758</u>	<u>(549)</u>	<u>867</u>

The movements of non-parent company interests are the following:

	31-Mar-18	31-Dec-17
	ThUS\$	ThUS\$
<u>Movement</u>		
Opening balance	36,758	29,648
Profit	(549)	1,142
Reserves for exchange rate fluctuations	600	2,298
Cash flow hedging reserves	(51)	(14)
Capital increase (dividends) at subsidiaries	-	(313)
Contributions in subsidiaries	-	3,997
Total	<u>36,758</u>	<u>36,758</u>

NOTE 28 – PROFITS PER SHARE AND DISTRIBUTABLE NET PROFIT

28.1. Profits per share

The calculation of profits per 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>	31-Mar-18	31-Dec-17
Profit (loss) of activities continued after tax	Th US\$	12,734	16,437
Basic weighted average of number of shares	Unit	435,520,079	435,520,079
Basic profit per share from continued operations	(US\$ per share)	0.029239	0.037741

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>Nº of days in circulation</u>	<u>Nº Shares</u>	<u>Weighting %</u>	<u>Weighted average of ordinary shares in circulation</u>	
				31-Mar-18	31-Dec-17
Opening Balance	90	435,520,079	100%	435,520,079	435,520,079
	90	435,520,079		435,520,079	435,520,079

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 CMF's 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.

The calculation of the Result to be Distributed for the periods ending March 31, 2018 and the period ending December 31, 2017, is presented in Note 25 b).

NOTE 29 – OPERATING REVENUE AND OTHER REVENUE, PER FUNCTION

The detail of the item as of March 31, 2018 and 2017 is as follows:

Concept	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Revenue from operating activities	176,242	163,460
Other revenue, per function	<u>976</u>	<u>44</u>
Total	<u>177,218</u>	<u>163,504</u>

The detail of the Group's revenue considers Revenue from operating activities plus Other revenue, per function.

Other income, per function	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Profit from the sale of property, plant and equipment	332	44
Other income	<u>644</u>	<u>-</u>
Total	<u>976</u>	<u>44</u>

Below we detail revenue per segment for the periods ending March 31, 2018 and 2017:

Product	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Fresh Fruit		
Blueberries	153,620	136,681
Raspberries	6,216	6,245
Blackberries	5,418	6,917
Strawberries	4,655	6,145
Cherries	4,253	2,660
Total Fresh Fruit	174,162	158,648
Value Added Products	<u>3,056</u>	<u>4,856</u>
Total	<u>177,218</u>	<u>163,504</u>

The Company's revenue is mainly constituted by the sale of products derived from the harvesting of "bearer plants".

NOTE 30 – DETAIL OF RELEVANT RESULTS

The items in the income statement per function for the periods ending March 31, 2018 and 2017, are detailed as indicated below:

30.1 Cost of sales

Below are the main sales costs that the Company maintains as of March 31, 2018 and 2017:

	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Cost of sales		
Cost of sales	91,160	78,919
Materials	8,827	11,403
Remunerations	19,090	14,864
Depreciations and amortizations	5,873	9,652
Other general expenses	4,818	3,099
Freight	12,981	11,541
Lease of property, machinery, etc.	2,163	1,404
Third party services	5,856	6,334
Total Cost of Sales	<u>150,768</u>	<u>137,216</u>

30.2 Administrative expenses

Below is the detail of administrative expenses as of March 31, 2018 and 2017:

	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Administrative expenses		
Remunerations	5,325	2,968
Depreciations and amortizations	407	386
Other general expenses	1,713	1,541
Lease of property, machinery, etc.	657	246
Third party services	876	1,026
Total Administration Expenses	<u>8,978</u>	<u>6,167</u>

30.3 Other expenses, per function

Other expenses, per function	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Investigation expenses		
Cost of Sales	5	4
Materials	4	10
Remunerations	189	94
Depreciations and amortizations	9	5
Other general expenses	165	59
Freight	1	2
Lease of property, machinery, etc.	6	2
Third party services	142	52
Sub-total Investigation expenses	<u>521</u>	<u>228</u>
Other expenses		
Loss from sale of property, plants and equipment and materials	32	137
Other expenses	261	-
Sub-total Other expenses	<u>293</u>	<u>137</u>
Total other expenses, per function	<u>814</u>	<u>365</u>

NOTE 31 – FINANCIAL EXPENSES

Financial expenses for the periods ending March 31, 2018 and 2017, are detailed below:

Financial Expenses	31-Mar-18	31-Mar-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Bank loans	1,788	1,077
Other financial expenses	482	157
Interests with related parties	52	(48)
Leasing interests	108	83
Total Financial Expenses	<u>2,430</u>	<u>1,269</u>

NOTE 33 – EXCHANGE RATE DIFFERENCE

The detail of the Exchange rate difference for the periods ending March 31, 2018 and 2017, are detailed as follows:

	Currency	31-Mar-18 ThUS\$	31-Mar-17 ThUS\$
Assets			
Cash and cash equivalents	CLP	(184)	(152)
Cash and cash equivalents	USD	(96)	(5)
Cash and cash equivalents	EUR	3	(46)
Cash and cash equivalents	MXN	9	6
Trade debtors and other accounts receivable	CLP	24	4
Trade debtors and other accounts receivable	USD	48	(136)
Trade debtors and other accounts receivable	EUR	10	7
Trade debtors and other accounts receivable	MXN	197	339
Accounts receivable from related entities	EUR	(1,086)	77
Current tax assets	CLP	214	246
Current tax assets	MXN	2,916	57
Current tax assets	USD	56	2
	Sub-total	2,111	399
Liabilities			
Other financial liabilities	CLP	(2)	-
Other financial liabilities	EUR	10	-
Trade accounts and other accounts payable	CLP	(3,003)	(113)
Trade accounts and other accounts payable	USD	(32)	542
Trade accounts and other accounts payable	EUR	(24)	(123)
Trade accounts and other accounts payable	MXN	(57)	(206)
Accounts payable to related entities	CLP	47	-
Accounts payable to related entities	USD	530	(100)
Accounts payable to related entities	MXN	(5)	61
	Sub-total	(2,536)	61
	Total exchange rate difference	(425)	460

NOTE 33 – FOREIGN CURRENCY

33.1 Foreign Currency Current Assets

Current Assets	31-Mar-18 ThUS\$	31-Dec-17 ThUS\$
Cash and Cash Equivalents		
Dollar	32,808	14,519
Euros	8,474	9,770
Chilean Pesos	3,303	2,313
Mexican Pesos	404	430
Other currencies	1,436	806
Other current financial assets		
Dollar	3,323	4,473
Other current non-financial assets		
Dollar	689	994
Euros	286	423
Chilean Pesos	3,615	1,359
Mexican Pesos	3,284	2,208
Other currencies	284	630
Current trade debtors and other accounts receivable		
Dollar	11,133	8,830
Euros	10,674	15,342
Chilean Pesos	8,529	9,700
Mexican Pesos	262	2,969
Other currencies	10,316	9,251
Current accounts receivable from related entities		
Dollar	35,383	40,013
Euros	8,318	8,117
Chilean Pesos	13	2
Inventory		
Dollar	20,080	41,115
Euros	1,960	646
Chilean Pesos	693	743
Other currencies	1,858	2,052
Current biological assets		
Dollar	898	7,349
Euros	1,787	1,193
Chilean Pesos	1,048	1,041
Other currencies	91	133
Current tax assets		
Dollar	127	1,086
Total Current Assets	171,076	187,507

33.2 Foreign Currency Non-Current Assets

Non Current Assets	31-Mar-18 ThUS\$	31-Dec-17 ThUS\$
Other non-current financial assets		
Dollar	571	1,345
Other non-current non-financial assets		
Euros	1,371	1,379
Chilean Pesos	9	9
Other currencies	8	29
Non-current fees receivable		
Dollar	1,580	1,445
Euros	4	4
Chilean Pesos	145	166
Non-current accounts receivable from related entities		
Dollar	1,120	1,088
Euros	7,108	6,972
Investments recorded using the equity method		
Dollar	33,107	32,963
Euros	- 545	- 545
Other currencies	36,549	35,423
Intangible assets other than goodwill		
Dollar	14,350	14,483
Goodwill		
Dollar	26,769	26,769
Property, plant and equipment		
Dollar	178,535	176,886
Euros	15,890	15,749
Chilean Pesos	4,812	4,819
Other currencies	51,437	47,606
Deferred tax assets		
Dollar	18,971	18,591
Total Non-Current Assets	391,791	385,181
Total Assets	562,867	572,688
Dollar	379,444	391,949
Euros	55,327	59,050
Chilean Pesos	22,167	20,152
Mexican Pesos	3,950	5,607
Other currencies	101,979	95,930
Total Assets per currencies	562,867	572,688

33.3 Foreign Currency Current Liabilities

Current Liabilities	31-Mar-18 ThUS\$	31-Dec-17 ThUS\$
Other current financial liabilities		
Dollar	97,250	140,397
Euros	10,412	10,876
Other currencies	233	258
Current trade accounts and other accounts payable		
Dollar	25,840	31,090
Euros	1,891	2,404
Chilean Pesos	11,360	13,543
Mexican Pesos	1,655	1,425
Other currencies	787	1,262
Current accounts payable to related entities		
Dollar	4,009	3,840
Euros	662	39
Chilean Pesos	2,289	2,263
Other current provisions		
Dollar	1,803	545
Current provisions for employee benefits		
Dollar	794	664
Chilean Pesos	441	441
Mexican Pesos	507	507
Other current non-financial liabilities		
Dollar	1,244	561
Euros	431	431
Total current liabilities	161,608	210,546

33.4 Foreign Currency Non-Current Liabilities

Non-Current Liabilities	31-Mar-18 ThUS\$	31-Dec-17 ThUS\$
Other non-current financial liabilities		
Dollar	83,611	51,082
Euros	30,522	32,617
Chilean Pesos	234	225
Other currencies	33	42
Non-current accounts payable to related entities		
Euros	10,690	10,542
Chilean Pesos	1,558	1,529
Other non-current provisions		
Dollar	-	35
Deferred tax liabilities		
Dollar	20,268	22,495
Total Non-Current Liabilities	146,916	118,567
Total Liabilities	308,524	329,113
Dollar	234,819	250,709
Euros	54,608	56,909
Chilean Pesos	15,882	18,001
Mexican Pesos	2,162	1,932
Other currencies	1,053	1,562
Total liabilities per currencies	308,524	329,113
Summary of thousands of dollars per currency		
Dollar	144,625	141,240
Euros	719	2,141
Chilean Pesos	6,285	2,151
Mexican Pesos	1,788	3,675
Other currencies	100,926	94,368
Total net per currency	254,343	243,575

NOTE 34- CONTINGENCIES

a) Pledged shares

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

b) Direct guarantees

Dated February 12, 2015, a Stand By Letter was issued with Banco Estado bank in order to guarantee the faithful compliance of the payment commitment with Royal Berries S.L. for the purchase of an operating license for varieties of berries. As of March 31, 2018, the balance of the Stand By Letter was at US\$7.16 million.

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>Other</u>	<u>Associated</u>	
	<u>Assets</u>	<u>Properties</u>	<u>Debt</u>	<u>Bank</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
Agrícola Santa Rosa del Parque S.A	3,198	2,636	1,209	Banco RaboFinance Chile
Agrícola Mataquito S.A. (Curepto Field)	4,005	1,877	1,876	Banco RaboFinance Chile
Agrícola El Pampino S.A.	3,819	49	220	Banco Santander Chile
Agrícola Hortifrut S.A.	18,179	26,219	19,915	Banco RaboFinance Chile
Agrícola Hortifrut S.A. (Curaco Field)	-	2,304		
Hortifrut Chile S.A. (Colbun Plant)	-	4,428		
Hortifrut S.A. (Antillanca Plant)	-	865	53,880	Banco de Crédito e Inversiones
Hortifrut Comercial S.A. (La Serena Field)	-	2,168		
Hortifrut Chile S.A. (Angol-Gorbea-Los Angeles Plant)	-	12,346		
Total	29,201	52,892	77,100	

Detail of Property, Plants and Equipment subject to guarantees or restrictions

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

b.1.1) Mortgage in favor of RaboFinance 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 water 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 ThUS\$1,209.

b.1.2) Pledge without displacement in favor of RaboFinance over the real estate located on the property denominated in letter b.1.1) (EP 24.08.12, Not. Gloria Acharán).

b.2) Agrícola El Pampino S.A.

b.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 ThUS\$220.

b.3) Agrícola Vida Nueva S.A.

b.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 ThUS\$0.

b.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).

b.4) Agrícola Mataquito S.A.

b.4.1) Mortgages in favor of RaboFinance over: (i) Higuera Tercera of the Fundo Ponunquén Estate, commune of Curepto; (ii) Lot B of the Informe de Higuera 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 ThUS\$1,876.

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

b.5) Agrícola Hortifrut S.A.

b.5.1) Mortgage in favor of Coöperatieve Rabobank U.A. 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; (EP 02.11.17, Not. Eduardo Avello Concha, Rep. N°39.141-2017; and Rectifications dated 11.01.18, Not. Eduardo Avello Concha, Rep. N°1.283-2018; 13.02.18, Not. Eduardo Diez Morello, Rep. N°2.740-2018 and 28.03.18, Not. Eduardo Diez Morello, Rep. N°5.858-2018);

(iii) Water rights that irrigate the aforementioned land, which covers: a) 50 shares of the Asociación de Canalistas del Canal Allipén; b) 14 irrigation shares of Canal Allipén, for use and exclusive Benefit of Lot 12-A; and c) 14 irrigation shares of Canal Allipén, for use and exclusive benefit of Subdivision N°10 (EP 02.11.2017 Not. Eduardo Avello Concha, Rep N°39.143-2017, and its Rectifications dated 11.01.2018, Not. Eduardo Avello Concha, Rep N°1.284-2018 and 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.741-2018);

(iv) Rustic land, located in the commune of Río Negro, with a surface of 207 hectares (EP 02.11.2017 Not. Eduardo Avello Concha, Rep. N°39.142-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.738-2018);

(v) Water rights that irrigate the aforementioned land, which includes: Rights of consumptive use of water of Forrahue River (EP 02.11.2017, Not. Eduardo Avello Concha, Rep. N°39.144-2017, and its Rectification dated 13.02.2018, Not. Eduardo Diez Morello, Rep. N°2.739-2018).

b.5.2) Pledge without displacement in favor of Coöperatieve Rabobank U.A. over the movable goods located on land detailed in letter b.5.1) (Public deed dated 02.11.2017, Rep. N°39.145-2017; date 0.11.2017, Rep. N°39.146-2017; date 02.11.2017, Rep. N°39.147-2017; and date 02.11.2017, Rep. N°39.148-2017, all issued at the Notary of Eduardo Avello Concha). The amount of the credit is ThUS\$20.

b.5.3) Mortgage in favor of BCI over: Lot A, Vista Hermosa Subdivision; Higuera N°1, La Pantalla y El Zarzal; Lot 4-1 Arturo Araya; Farm N° 5 Arturo Araya; Lot 6-1 Arturo Araya; Lot 8-1 Arturo Araya; and its respective water rights; all corresponding to the commune of Panguipulli (EP 28.07.14., Not. José Musalem S.).

As of March 31, 2018, 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.

b.6) Hortifrut Chile S.A.

b.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.).

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

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

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

b.6.5) Mortgages in favor of BCI over: (i) property located in Lot One of Resto of Farm Coihuecura, Commune of Yerbas Buenas and its water rights (EP 05.08.14., y EP 17.10.14. Not. José Musalem S.).

b.6.6) Pledge without displacement in favor of BCI over the movable goods located on the property detailed in letter b.9.1) (EP.02 09.14, Not. José Musalem S.).

b.7) Hortifrut S.A.

b.7.1) 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.).

b.8) Hortifrut Comercial S.A.

b.8.1) 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 b.6 to b.10, correspond to the amount of US\$30 million. The amount of the used credit is ThUSO.-

This guarantee is in the process of being transferred, to guarantee the long term credit that Hortifrut S.A. maintains with the same bank. The amount of the used credit is ThUS\$53,880.-

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>ThUS\$</u>
Banco Santander (1)	Hortifrut España Southern Sun S.L	Subsidiary	Guarantor	435
Banco Santander (2)	Hortifrut España Southern Sun S.L	Subsidiary	Guarantor	54

- (1) Surety granted for the contracted obligations (Stand By Letter of credit), 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.

- (2) Mortgage surety for loans granted for the amount of EUR 1,400,000, in favor of the associated 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 21.

f) Lawsuits

Below we present the main valid lawsuits:

<u>Plaintiff</u>	<u>Defendant</u>	<u>Type of Lawsuit</u>	<u>Amount</u>	<u>Probable Resolution</u>	<u>Provision</u>
Hortifrut S.A de CV	Berries La Grana	Civil Mortgage (*)	USD 589,529	Favorable for Hortifrut	Does not apply
Hortifrut S.A. de CV	Agricola Gavilanes	Executory Commercial (*)	USD 168,281	Favorable for Hortifrut	Provisioned 50%
Hortifrut S.A.	Cristina Ortiz y Otro	Misappropriation	CLP 100,002,477	Uncertain	Does not apply
Hortifrut S.A. (Ex VBM)	Marchant Morales	Executory Commercial	USD 138,694	Uncertain	Provisioned
Confederación Hidrográfica de Guadalquivir	Hortifrut España Southern Sun S.L	Water Law Infringement	EUR 127,039	Uncertain	Provisioned

(*) Provision does not apply because there are seizable guarantees, enough to cover the owed amount.

g) 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 with 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 March 31, 2018, 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:

Country	Company	Type	Surface	Measuring Unit	Annual Fee ThUS\$	Expense of the period ThUS\$	Future Cash Flows			
							Less than 1 year ThUS\$	from 1 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Brazil	BerryGood Com. Imp. y Distribuidora de Frutas Lt.	Refrigeration chamber	has	1	8	2	8	24	-	32
Brazil	BerryGood Com. Imp. y Distribuidora de Frutas Lt.	Offices	m2	50	146	37	33	-	-	33
Brazil	BerryGood Com. Imp. y Distribuidora de Frutas Lt.	Agricultural Land	has	67.14	88	22	88	152	-	240
Brazil	BerryGood Com. Imp. y Distribuidora de Frutas Lt.	Permanent personnel housing	m2	333	5	1	3	-	-	3
Chile	Agrícola El Avellano S.A.	Agricultural Land	has	130	40	10	40	160	370	570
Chile	Agrícola Mataquito S.A.	Agricultural Land	has	42.21	117	29	117	468	944	1,529
Chile	Agrícola Vida Nueva	Agricultural Land	has	81.1	26	7	26	104	119	249
Chile	Hortifrut Chile S.A.	Collection Center	m2	7630	73	18	73	292	332	697
Chile	Hortifrut Chile S.A.	Offices	m2	291	64	16	64	-	-	64
Chile	Hortifrut Comercial S.A.	Agricultural Land	has	27.79	20	5	20	66	-	86
Chile	Hortifrut S.A.	Agricultural Land	has	428.83	419	105	391	1,368	2,594	4,353
Spain	Asturian Berries S.L	Agricultural Land	has	13	2	1	2	8	17	27
Spain	Hortifrut España Southern Sun S.L.	Agricultural Land	has	200	448	112	448	1,792	317	2,557
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Offices	m2	454.98	57	14	51	12	-	63
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Agricultural Land	has	39.74	78	20	60	67	8	135
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Temporary laborer housing	m2	2107.02	71	18	71	82	-	153
Mexico	Agrofrutas, S. de R.L. de C.V.	Agricultural Land	has	3	3	1	3	4	-	7
Mexico	HF Sarbanand, S. de R.L. de C.V.	Agricultural Land	has	162.31	337	84	337	886	-	1,223
Mexico	Hortifrut S.A. de C.V.	Agricultural Land	has	4.81	5	1	5	2	-	7
Mexico	Hortifrut ABA S.A. de C.V.	Agricultural Land	has	238.95	383	96	383	1,468	3,232	5,083
		March 31, 2018			<u>2,390</u>	<u>599</u>	<u>2,223</u>	<u>6,955</u>	<u>7,933</u>	<u>17,111</u>

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

The expense for consumed lease as of March 31, 2018 is ThUS\$599.

The main leasing contracts are:

		Minimum Payment			
<u>Bank or Financial Institution</u>	<u>Description of Leased Good</u>	Up to one	Between	Over five	Total
		year	one and	years	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Banco Santander Chile	Macro-tunnels	75	75	-	150
Banco Santander Chile	Tunnels	16	34	-	50
Banco de Crédito e Inversiones	Greenhouse	445	1,348	-	1,793
Banco Santander Chile	Roof Structure	74	220	-	294
Banco de Crédito e Inversiones	Plant pots	291	897	-	1,188
Banco de Crédito e Inversiones	Sulfurer	7	22	-	29
Banco de Crédito e Inversiones	Van	8	9	-	17
Banco de Crédito e Inversiones	Tractor	8	7	-	15
Banco de Crédito e Inversiones	Unitec	393	492	-	885
Banco Bilbao Vizcaya Argentaria	Offices and parking	231	269	-	500
Banco de Crédito e Inversiones	Molina Plant	836	3,344	1,045	5,225
General Total		2,384	6,717	1,045	10,146

		Future Financial Burden			
<u>Bank or Financial Institution</u>	<u>Description of Leased Good</u>	Up to one	Between	Over five	Total
		year	one and	years	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Banco Santander Chile	Macro-tunnels	5	2	-	7
Banco Santander Chile	Tunnels	2	1	-	3
Banco de Crédito e Inversiones	Greenhouse	43	117	-	160
Banco Santander Chile	Roof Structure	9	11	-	20
Banco de Crédito e Inversiones	Plant pots	55	92	-	147
Banco de Crédito e Inversiones	Sulfurer	1	2	-	3
Banco de Crédito e Inversiones	Van	1	-	-	1
Banco de Crédito e Inversiones	Tractor	1	-	-	1
Banco de Crédito e Inversiones	Unitec	15	8	-	23
Banco Bilbao Vizcaya Argentaria	Offices and parking	31	12	-	43
Banco de Crédito e Inversiones	Molina Plant	123	344	36	503
General Total		286	589	36	911

NOTE 37 – SUBSEQUENT EVENTS

At Ordinary Shareholders Meeting held on April 27, 2018, the following agreements were reached:

i.- Payment of Dividends.

The Shareholders Meeting agreed the payment of a definite dividend of US\$ 0.028192 per share charged to net distributable profit obtained during the commercial period of the year 2017. Nevertheless, to said definite dividend we must discount the amount of US\$ 0.0140 per share, which was already paid for the concept of provisional dividend, leaving a balance of US\$ 0.014192 per share, which will be payable as Dividend N° 39, Definite, from May 25, 2018, in favor of the Company's shareholders who are registered in the Shareholder's Register at midnight on May 18, 2018.

The aforementioned amount of US\$ 0.014192 per share, will be paid in its equivalent in pesos, national currency, in accordance with the "Observed Dollar" Exchange rate published in the Diario Oficial (Official Newspaper) dated May 18, 2018.

ii.- Policy used to determine dividend.

The Shareholders Meeting agreed to maintain the policy used in 2017 to determine the distributable net profit that corresponds to the current year 2018, in relation to annually distributing to its shareholders as definite dividend in cash, at least 50% of the period's distributable net profits.

iii.- Board Remuneration.

The Shareholders Meeting agreed that for 2018 the Board members will receive the following remunerations:

- a) an allowance for assistance to sessions equal to 10 Unidades de Fomento for each Director for each Session they attend, except for the Board Chairman, who will receive double the amount received by a Director for this concept; and
- b) a variable remuneration, consistent on a participation for the Board of 1% of the Company's distributable net profits for 2018, which will be distributed in equal parts among all the Directors, except for the Board Chairman, who will receive double the amount of the other Directors. In the case of a change in the make-up of the Board, this participation, if it corresponds, will be paid in proportion to the number of months that each Director, and in its case, the Chairman, have served in their position.

iv.- Board Committee Remuneration and budget for Committee Expenses

- a) a fixed payment equal to 50 Unidades de Fomento for each Committee session attended; and
- b) a variable remuneration, which consists on an additional participation of a common Director at a prorate of 1% of profit fixed for the Board; in other words, the Directors that form the Committee will receive, the same as the Board Chairman, a participation equal to double the amount of each of the other Directors, of 1% of the Company's distributable net profits for 2018. In the case of changes in the make-up of the Director's committee, this participation, if it corresponds, will be paid in proportion to the number of months that each Director, Committee member, has served in the position.

v.- Election of External Auditors.

The Shareholders Meeting agreed to name KPMG Auditores Consultores Limitada as the Company's External Auditors for 2018.

vi.- Election of Credit Risk Classifier.

The Shareholders Meeting agreed to maintain the current companies Clasificadora de Riesgo Humphreys Limitada and International Credit Rating Compañía Clasificadora de Riesgo Limitada as the Company's private credit risk classifiers.

Between March 31, 2017 and the date of issuance of these interim consolidated financial statements, no other events of a financial or other nature have taken place which significantly affect the interpretations of these.

NOTE 38 – OTHER INFORMATION

The number of Hortifrut and subsidiaries employees per category is as follows:

	<u>31-Mar-18</u>	<u>31-Dec-17</u>
Indefinite contracts	746	764
Temporary contracts	<u>6,282</u>	<u>7,777</u>
Total contracts	<u>7,028</u>	<u>8,541</u>

Breakdown by country

<u>Indefinite Contracts</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
Chile	469	489
United States	23	23
Mexico	140	141
Spain	52	47
Brazil	36	36
Argentina	11	12
Peru	11	12
Germany	2	2
England	<u>2</u>	<u>2</u>
Total	<u>746</u>	<u>764</u>

<u>Temporary Contracts</u>	<u>31-Mar-18</u>	<u>31-Dec-17</u>
Chile	3,460	4,857
Mexico	1,286	824
Spain	383	60
Brazil	34	38
Peru	<u>1,119</u>	<u>1,998</u>
Total	<u>6,282</u>	<u>7,777</u>