



INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the periods ending June 30, 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 June 30, 2018 (unaudited) and as of December 31, 2017.

Statement of Financial Position	Note	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Assets			
Current Assets			
Cash and cash equivalents	8	179,482	27,838
Other current financial assets	9	715	4,473
Other current non-financial assets	14	8,598	5,614
Current trade debtors and other accounts receivable	10	48,591	46,092
Current accounts receivable from related entities	11	22,755	48,132
Inventories	12	15,884	44,556
Biological assets, current	13	1,881	9,716
Current tax assets	20	808	1,086
Total Current Assets		278,714	187,507
Non-current Assets			
Other non-current financial assets	9	224	1,345
Other non-current non-financial assets	14	1,342	1,417
Non-current fees receivable	10	1,677	1,615
Non-current accounts receivable with related entities	11	4,098	8,060
Equity accounted investees	16	66,803	67,841
Intangible assets other than goodwill	17	15,119	14,483
Goodwill	18	26,769	26,769
Property, plant and equipment	19	260,462	245,060
Deferred tax assets	20	19,854	18,591
Total Non-current Assets		396,348	385,181
Total Assets		675,062	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 June 30, 2018 (unaudited) and as of December 31, 2017.

		30-Jun-18	31-Dec-17
	Note	ThUS\$	ThUS\$
Equity and Liabilities			
Liabilities			
Current Liabilities			
Other current financial liabilities	21	92,361	151,531
Current trade accounts and other accounts payable	22	18,049	49,724
Current accounts payable to related entities	11	8,309	6,142
Other current provisions	23	1,129	545
Current provisions for employee benefits	23	4,004	1,612
Other current non-financial liabilities		1,509	992
Total Current Liabilities		125,361	210,546
Non-Current Liabilities			
Other non-current financial liabilities	21	268,408	83,966
Non-current accounts payable to related entities	11	13,038	12,071
Other non-current provisions		19	35
Deferred tax liabilities	20	20,695	22,495
Total Non-Current Liabilities		302,160	118,567
Total Liabilities		427,521	329,113
Equity			
Issued Capital	24	135,149	135,149
Retained earnings	25	75,199	70,503
Other reserves	26	(5,682)	1,165
Equity attributable to the parent company's equity holders		204,666	206,817
Non-controlling interest	27	42,875	36,758
Total Equity		247,541	243,575
Total Equity and Liabilities		675,062	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 biannual and quarterly periods ending June 30, 2018 and 2017 (unaudited).

Income Statement	Note	1-Jan-18 30-Jun-18 ThUS\$	1-Jan-17 30-Jun-17 ThUS\$	1-Apr-18 30-Jun-18 ThUS\$	1-Apr-17 30-Jun-17 ThUS\$
Profit (loss)					
Revenue	29	260,683	203,588	84,441	40,128
Cost of sales	30	(228,908)	(167,211)	(78,140)	(29,995)
Gross profit		31,775	36,377	6,301	10,133
Other income, per function	29	1,572	234	596	190
Administrative expenses	30	(17,560)	(14,109)	(8,582)	(7,942)
Other expenses, per function	30	(1,161)	(718)	(347)	(353)
Other profit (loss)		(50)	(165)	3	(49)
Financial income		1,175	700	850	568
Financial expenses	31	(4,982)	(2,579)	(2,552)	(1,310)
Share of profit of equity accounted investees	16	(439)	153	(1,156)	(1,308)
Exchange rate difference	32	445	(2,329)	870	(2,789)
Profit before tax		10,775	17,564	(4,017)	(2,860)
Gains tax expense	20	(2,998)	(2,393)	(391)	727
Profit (loss) from continued operations		7,777	15,171	(4,408)	(2,133)
Profit (loss)		7,777	15,171	(4,408)	(2,133)
Profit (loss) attributable to					
Profit (loss) attributable to parent company equity holders		5,498	14,699	(7,236)	(1,738)
Profit (loss) attributable to non-controlling interests	27	2,279	472	2,828	(395)
Profit (loss)		7,777	15,171	(4,408)	(2,133)
Earnings per share					
Basic earnings per share					
Basic earnings (loss) per share from continued operations (US\$ per share)	28	0.012624	0.033750	(0.016615)	(0.003991)
Basic earnings (loss) per share from discontinued operations (US\$ per share)		-	-	-	-
Basic earnings (loss) per share		0.012624	0.033750	(0.016615)	(0.003991)
Profit per diluted share					
Diluted earnings (loss) per share from continued operations (US\$ per share)		0.012624	0.033750	(0.016615)	(0.003991)
Diluted earnings (loss) per share from discontinued operations (US\$ per share)		-	-	-	-
Diluted earnings (loss) per share		0.012624	0.033750	(0.016615)	(0.003991)

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 biannual and quarterly periods ending June
30, 2018 and 2017 (unaudited).**

Statement of other comprehensive income	1-Jan-18 30-Jun-18	1-Jan-17 30-Jun-17	1-Apr-18 30-Jun-18	1-Apr-17 30-Jun-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (loss)	7,777	15,171	-	2,133
Other comprehensive income				
Exchange rate fluctuations				
Profit (loss) due to exchange rate differences, before tax	(3,744)	6,232	(4,881)	4,410
Other comprehensive income, before tax, exchange rate fluctuations	(3,744)	6,232	(4,881)	4,410
Cash flow hedging				
Profit (loss) due to cash flow hedging, before tax	(5,361)	(1,356)	(3,342)	(509)
Other comprehensive income, before tax, cash flow hedging	(5,361)	(1,356)	(3,342)	(509)
Other components of other comprehensive income, before tax	(9,105)	4,876	(8,223)	3,901
Gains tax related with components of other comprehensive income				
Gains tax related with cash flow hedging of other comprehensive income	1,373	162	903	-
Total gains tax related with components of other comprehensive income	1,373	162	903	-
Other comprehensive income	(7,732)	5,038	(7,320)	3,901
Total comprehensive income	45	20,209	(11,728)	1,768
Comprehensive income attributable to				
Comprehensive income attributable to the company equity holders	(1,349)	18,347	(13,122)	1,009
Comprehensive income attributable to non-controlling interests	1,394	1,862	1,394	759
Total comprehensive income	45	20,209	(11,728)	1,768

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

As of June 30, 2018 and 2017 (unaudited) 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	-	-	-	-	-	-	(802)	(802)	(126)	(928)
Modified opening balance	135,149	-	-	(2,351)	3,516	1,165	69,701	206,015	36,632	242,647
Changes in equity										
Comprehensive income										
Net profit	-	-	-	-	-	-	5,498	5,498	2,279	7,777
Other comprehensive income	-	-	-	(2,973)	(3,874)	(6,847)	-	(6,847)	(885)	(7,732)
Total comprehensive income	-	-	-	(2,973)	(3,874)	(6,847)	5,498	(1,349)	1,394	45
Dividend	-	-	-	-	-	-	-	-	(157)	(157)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	-	-	-	5,006	5,006
Total changes in equity	-	-	-	-	-	-	-	-	4,849	4,849
Closing balance as of 30/06/2018	135,149	-	-	(5,324)	(358)	(5,682)	75,199	204,666	42,875	247,541

	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 01/01/2017	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 and Others 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)	29,027	(7,617)	2,698	24,108	40,094	199,351	30,120	229,471
Increase (decrease) due to changes in accounting policies	-	-	(29,027)	-	-	(29,027)	16,124	(12,903)	(472)	(13,375)
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)	-	-	-	-	-	-	14,699	14,699	472	15,171
Other comprehensive income	-	-	-	4,842	(1,194)	3,648	-	3,648	1,390	5,038
Comprehensive income	-	-	-	4,842	(1,194)	3,648	14,699	18,347	1,862	20,209
Closing balance as of 30/06/2017	136,411	(1,262)	-	(2,775)	1,504	(1,271)	70,917	204,795	31,510	236,305

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 June 30, 2018 and 2017 (unaudited)

Direct Cash Flow Statement	1-Jan-18 30-Jun-18 ThUS\$	1-Jan-17 30-Jun-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	283,705	233,670
Types of payments		
Payments to suppliers for the providing of goods and services	(176,791)	(131,178)
Payment to and on behalf of employees	(43,678)	(32,801)
Paid interests	(3,447)	(2,579)
Received interests	1,175	700
Gains tax refund (paid)	(5,783)	(7,653)
Other received (paid) cash	411	(484)
Net cash flow from (used in) operating activities	55,592	59,675
Cash flow from (used in) investment activities		
Other payments to purchase equity or debt instruments from other entities	(1,667)	(290)
Loans to related entities	(4,018)	(742)
Income from the sale of property, plant and equipment	252	885
Purchase of property, plant and equipment	(27,765)	(23,760)
Purchase of intangible assets	(1,508)	(138)
Charges to related entities	7,492	512
Other cash income (expense)	5,006	-
Net cash flow from (used in) investment activities	(22,208)	(23,533)
Cash flow from (used in) financing activities		
Income from long term loans	219,010	23,697
Income from short term loans	79,570	34
Total income from loans	298,580	23,731
Loans from related entities	960	507
Payment of loans	(173,475)	(58,047)
Payment of liabilities for financial lease	(1,368)	(529)
Paid dividends	(6,254)	(7,283)
Net cash flow from (used in) financing activities	118,443	(41,621)
Net increase (decrease) in cash and cash equivalents, before exchange rate fluctuations	151,827	(5,479)
Effects of exchange rate fluctuations on cash and cash equivalents	(183)	(250)
Effects of exchange rate fluctuations on cash and cash equivalents.	(183)	(250)
Net increase (decrease) of cash and cash equivalents	151,644	(5,729)
Cash and cash equivalents, opening balance	27,838	35,245
Cash and cash equivalents, closing balance	179,482	29,516

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

HORTIFRUT S.A. AND SUBSIDIARIES

INTERIM CLASSIFIED CONSOLIDATED FINANCIAL STATEMENT NOTES

As of June 30, 2018 (unaudited) and December 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, 4th floor, Huechuraba, Santiago, regardless of the agencies, offices or branches which could be established in the country and overseas. The Company’s corporate life is indefinite.

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 concretes the first strategic alliance when it associates with the Californian company Coastal Berries.

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

Hortifrut defines its company dream and Vision, to supply the counter-season market with the full berries category (strawberries, raspberries, blackberries and blueberries), in just one organization, under one brand, supplying the market 52 weeks a year, integrated from the paddock to the final customer, defining the great dream with the sentence: "**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 June 30, 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.	36,773,594	8.44%	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.	-	0.00%	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 June 30, 2018

<u>Shareholders</u>	<u>30-Jun-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%
San José Farms S.A.	36,773,594	36,773,594	8.44%
Costanera SACI	30,079,545	30,079,545	6.91%
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	24,935,699	24,935,699	5.73%
Inmobiliaria Alianza S.A.	22,072,009	22,072,009	5.07%
Comercial Epysa S.A.	16,800,000	16,800,000	3.86%
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%
Exportadora San José Trading Ltda.	13,359,181	13,359,181	3.07%
AFP Cuprum S.A. para Fondo de Pensiones (A,B,C,D)	10,999,462	10,999,462	2.53%
Siglo XXI Fondo de Inversión	10,648,555	10,648,555	2.45%
Chile Fondo de Inversión Small Cap	8,521,547	8,521,547	1.96%
San Juan de Virquenco Tres S.A.	7,344,255	7,344,255	1.69%
Fondo de Inversión Santander Small Cap.	6,245,682	6,245,682	1.43%
Banchile C de B S.A.	5,809,678	5,809,678	1.33%
Asesorías e Inversiones Pacific Trust Limitada	4,732,485	4,732,485	1.09%
Banco Santander Chile - on behalf of foreign investors	4,653,029	4,653,029	1.07%
BCI Small Cap Chile Fondo de Inversión	2,616,787	2,616,787	0.60%
Inversiones Fural Limitada	1,982,756	1,982,756	0.46%
Banco Itau on behalf of foreign investors	1,679,681	1,679,681	0.39%
Inversiones Canihua S.A.	1,577,475	1,577,475	0.36%
Inversiones Visionario SpA	1,560,000	1,560,000	0.36%
Inversiones Tricahue Limitada	1,560,000	1,560,000	0.36%
Inversiones Barlovento Limitada	1,560,000	1,560,000	0.36%
Inversiones Alba S.A.	1,163,066	1,163,066	0.27%
Banco de Chile (on behalf of third parties)	1,160,025	1,160,025	0.27%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	1,003,672	1,003,672	0.23%
Agrícola San Nicolás Limitada	929,550	929,550	0.21%
Inmobiliaria e Inversiones Alqueria Ltda.	815,947	815,947	0.19%
BTG Pactual Chile S.A. C de B	564,549	564,549	0.13%
Toesca Small Cap Chile Fondo de Inversión	515,231	515,231	0.12%
Valores Security S.A. C de B	467,616	467,616	0.11%
Asesorías e Inversiones A y D S.A.	397,483	397,483	0.09%
Soc. de Inversiones Santa Isabel Limitada	350,000	350,000	0.08%
Inversiones FJ	330,019	330,019	0.08%
BICE Inversiones Corredores de Bolsa S.A.	283,244	283,244	0.07%
BBVA Asset Management Administradora General de Fondos S.A.	207,085	207,085	0.05%
Santander C de B	203,555	203,555	0.05%
BCI Corredores de Bolsa S.A.	107,394	107,394	0.02%
Fondo de Inversión Larraín Vial Chile Equity	284,459	284,459	0.07%
Fondo de Inversion IM Trust Small Cap Chile	206,257	206,257	0.05%
Fondo Mutuo Sura Acciones Chile MID Cap	166,953	166,953	0.04%
AFP Planvital S.A. Para Fdo. Pensión E	142,113	142,113	0.03%
Others	729,969	729,969	0.11%
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%
Comercial Epysa S.A.	MBI Corredores de Bolsa S.A.	2,800,000	0.64%
Inversiones Fural Limitada	BCI Corredores de Bolsa S.A.	1,982,756	0.46%
Inversiones Canihua S.A.	BCI Corredores de Bolsa S.A.	1,577,475	0.36%
Inversiones Visionario SpA	MBI Corredores de Bolsa S.A.	1,560,000	0.36%
Inversiones Tricahue Limitada	MBI Corredores de Bolsa S.A.	1,560,000	0.36%
Inversiones Barlovento Limitada	MBI Corredores de Bolsa S.A.	1,560,000	0.36%
Asesorías, Inversiones e Inmobiliaria María Elena Ltda.	BTG Pactual Chile S.A. C de B	1,003,672	0.23%
Asesorías e Inversiones A y D.S.A.	Larrain Vial S.A. Corredores de Bolsa	67,464	0.02%
	Total shares	21,843,849	5.03%

NOTE 2 – PREPARATION BASES

2.1 Compliance Declaration

Hortifrut S.A. and subsidiaries' interim consolidated financial statements corresponding to the period ending June 30, 2018, were approved by the Board at meeting held on September 04, 2018 and for the period ending June 30, 2017, they were approved by the Board at meeting held on September 05, 2017.

2.2 Preparation Bases

The current interim consolidated financial statements for Hortifrut S.A and Subsidiaries as of June 30, 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.

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

Since this is interim financial information, the international financial reporting standards have been applied (IAS 34).

2.3 Covered period

The current interim consolidated financial statements cover the following periods:

- Interim consolidated financial statements as of June 30, 2018 and December 31, 2017.
- Interim consolidated income statement, for the periods and quarters ending June 30, 2018 and 2017.
- Interim consolidated Cash Flow Statement, for the periods ending June 30, 2018 and 2017.
- Interim consolidated Statement of Changes in Net Equity, for the periods ending June 30, 2018 and 2017 and December 31, 2017.

2.4 Functional and presentation currency

The items included in the interim 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	30-Jun-18		31-Dec-17	
		Closing	Annual average	Closing	Annual average
Chilean Peso	CLP	651.21	611.51	614.75	636.92
Euro	EUR	0.86	0.83	0.83	0.89
Mexican Peso	MXN	19.86	19.06	19.74	18.92
Argentine Peso	ARS	28.90	23.12	18.57	16.54
Brazilian Real	RBL	3.91	3.42	3.27	3.19
Peruvian Nuevo sol	PEN	3.27	3.25	3.25	3.26
British Pound	GBP	0.71	0.73	0.74	0.78
Yuan	CNY	6.62	6.36	6.51	6.73
Unidad de fomento	UF	0.0240	0.0227	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:

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)
- Other Cost Estimations (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.

During the period ending June 30, 2018, no other changes have taken place in the Company's accounting policies.

New accounting pronouncements, IFRS 9 and IFRS 15 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	01-ene-18 ThUS\$
Initial application of impairment in valid Accounts receivable	(1,287)
Deferred tax	485
Total equity	(802)
Minority interest	(126)
Equity attributable to parent company equity holders	(928)

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.

NOTE 3 – PRINCIPAL APPLIED ACCOUNTING POLICIES

3.1 Consolidation Basis

3.1.1 Business combination

Hortifrut S.A. and its subsidiaries, recognize in their interim 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>30-Jun-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 June 30, 2018, the consolidation perimeter was modified with the incorporation of the Pacific Berry Breeding LLC company, through the company Hortifrut North América Inc. in Hortifrut Inversiones Internacionales S.A.'s consolidation. HFII Perú SAC. is also incorporated into this consolidation, likewise Hortifrut Inversiones Internacionales S.A. and subsidiaries are consolidated in Inversiones Hortifrut S.A.

Furthermore, through the subsidiary Euroberry Marketing S.A. the subsidiaries Euroberry UK Ltd. and Euroberry GmbH are incorporated.

During the period ending December 31, 2017, modifications have been made to the consolidation perimeter, by incorporating the company Asian Berries Limited and Subsidiaries to the consolidation of the subsidiary Inversiones Hortifrut S.A..

3.1.3 Transactions and non-controlling interests

The interests of non-parent companies are presented in the item Net Equity of the interim consolidated statement of financial position. The profit or loss attributable to the non-controlling interest is presented in the interim 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 Company'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 information per segment, considering two segments:

Fresh fruit which includes

- Blueberry
- Raspberry
- Blackberry
- Strawberry
- Cherry

Value Added Products Segment which is made up of frozen, dehydrated, retail products and any other fruit product which is not fresh.

Fresh fruits show similar economic characteristics, which allow the aggregation in a single aggregate operating segment (IFRS 8.12). The segment denominated "Value Added Products" considers 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, which share similar characteristics in the nature of the products, production processes, customers and distribution methods, as well as if said aggregation results coherent, such as:

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.

"Fresh Fruit" and the "Value Added Products" segment, enable access to information regarding business activities and their economic environment.

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, expenses or other expenses per function.

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 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.

- (d) 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.

- (e) 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

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 Other 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

Is described as follows:

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.

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 June 30, 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 June 30, 2018 reach US\$235.05 million, distributed among 14 banks. The used amount reaches US\$67.6 million, with an unused balance of US\$167.4 million. The credit lines are distributed among the following companies: Hortifrut Chile S.A. with US\$217.8 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, Hortifrut Import Inc., with US\$3 million and Euroberry Marketing with US\$5.8 million. As of June 30, 2017 the Company has approved credit lines for US\$203.9 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 June 30, 2018, based on undiscounted contractual cash flows:

<u>Creditor Bank</u>	Cash Flows						
	Capital	Interests	Between 0 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	93,897	72	15,595	7,450	49,619	41,312	113,976
Banco Santander Chile	74,726	91	22,000	2,449	59,496	-	83,945
Banco Bilbao Vizcaya Argentaria	21,627	18	8,073	5,757	8,241	-	22,071
Banco Estado	14,499	36	10,017	4,534	11	-	14,562
Banco RaboFinance Chile	55,955	966	926	1,816	46,172	18,451	67,365
Banco Santander Central Hispano S.A.	16,751	-	1,318	6,813	8,897	-	17,028
Banco de Chile	3,077	3	3,020	63	-	-	3,083
Banco Scotiabank	62,762	74	10,038	2,590	59,305	-	71,933
Banco Itaú	194	-	32	163	29	-	224
La Caixa	5,844	-	746	2,237	2,983	-	5,966
Banco Intercontinental Español	3,287	-	447	1,118	1,788	-	3,353
Banco Sabadell	2,331	-	155	894	1,341	-	2,390
Caja Madrid	23	-	6	17	-	-	23
Caja Rural Asturias	13	-	5	9	-	-	14
Financial Services	19	-	1	2	19	-	22
GC Rent Chile SPA	3	-	-	3	-	-	3
HSBC México SA, Institucion de Banca Multiple	4,500	-	-	-	4,500	-	4,500
Banco de Crédito Perú	1	-	1	-	-	-	1
Total as of June 30, 2018	359,509	1,260	72,380	35,915	242,401	59,763	410,459
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 maturity of the total financial liabilities as of June 30, 2018:

<u>Detail</u>	Cash Flows						
	Capital	Fair Value	Between 0 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank loan	359,509	360,769	72,380	35,915	242,401	59,763	410,459
Trade accounts and other accounts payable	18,049	18,049	16,504	1,545	-	-	18,049
Accounts payable to related entities	21,347	21,347	-	8,309	13,038	-	21,347

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 June 30, 2018:

	<u>Peso/UF</u>	<u>Euro</u>	<u>Mexican\$</u>	<u>Argentine\$</u>	<u>Real/others</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
As of June 30, 2018					
<u>Activos Financieros</u>					
Cash and Cash Equivalents	956	6,999	566	45	458
Other current non-financial assets	4,943	743	2,365	14	217
current trade debtors and other accounts receivable	7,077	14,238	1,715	1,327	9,775
Current accounts receivable with Related Entities	12	91	-	-	-
Non-current accounts receivable with Related Entities	-	4,098	-	-	-
<u>Total Financial Assets</u>	12,988	26,169	4,646	1,386	10,450
<u>Current Liabilities</u>					
Other current financial liabilities	491	13,693	-	-	174
Current trade accounts and other accounts payable	5,716	3,716	1,067	20	407
Current accounts payable to Related Entities	2,124	2,684	-	-	-
Current provisions for employee benefits	441	-	507	-	-
Other non-current financial liabilities	11	27,046	-	-	21
Non-current accounts payable with Related Entities	1,443	11,595	-	-	-
<u>Total Financial Liabilities</u>	10,226	58,734	1,574	20	602
Net exposure as of June 30, 2018	2,762	(32,565)	3,072	1,366	9,848
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\$1,551 (ThUS\$769 as of December 31, 2017) as a higher charge to the Company's results as of June 30, 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.

<u>Currencies</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net</u>	<u>Net (10% Devaluation)</u>	<u>Variation</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Peso/UF	12,988	10,226	2,762	2,486	(276)
Euro	26,169	58,734	(32,565)	(29,309)	3,256
Mexican \$	4,646	1,574	3,072	2,765	(307)
Argentine \$	1,386	20	1,366	1,229	(137)
Real	10,450	602	9,848	8,863	(985)
Total	55,639	71,156	(15,517)	(13,966)	1,551

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\$68,598 as of June 30, 2018 (ThUS\$123,233 as of December 31, 2017) and the rate increased 10%, the impact on the annual financial cost would be ThUS\$151 (ThUS\$213 as of December 31, 2017).

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

<u>Creditor Bank</u>	<u>Capital</u>	<u>Annual</u>	<u>10% interest</u>	<u>Due to</u>
	<u>ThUS\$</u>	<u>Interest</u>	<u>variation</u>	<u>Variation</u>
		<u>ThUS\$</u>	<u>in the rate</u>	<u>in Rate</u>
			<u>ThUS\$</u>	<u>ThUS\$</u>
Banco Santander Chile	21,900	507	555	48
Banco Itaú	114	2	3	1
Banco Bilbao Vizcaya Argentaria	5,000	115	127	12
Banco de Crédito e Inversiones	15,000	367	404	37
Banco de Chile	3,000	87	96	9
Banco Scotiabank	10,000	226	248	22
Banco Estado	10,280	221	243	22
Banco China Construction Bank Corp.	1	-	-	-
Banco de Crédito Perú	3,303	-	-	-
Total	68,598	1,525	1,676	151

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 June 30, 2018 are the following:

<u>COUNTRY</u>	<u>TYPE OF INSURANCE</u>	<u>CURRENCY</u>	<u>30-Jun-18 COVERED AMOUNT</u>
Chile	Infrastructure Fire	UF	1,658,152
Chile	Mobile Agricultural Equipment	UF	48,092
Chile	MotorVehicles	UF	48,563
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 Liaibility	USD	48,000,000
Mexico	MotorVehicles	USD	Commercial Value
Spain	MotorVehicles	EUR	Commercial Value / without limit
Spain	Installations	EUR	350,000 per event
Spain	Goods	EUR	50,000 per event
Spain	Civil Libility	EUR	6,500,000
Spain	Credit Insurance	EUR	90% unpaid
Peru	Fire	PEN	618,320
Peru	MotorVehicles	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 standard, 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 June 30, 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 June 30, 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 2.7 letter (a).

During the period ending June 30, 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

Results per segments	Fresh Fruit		Value Added Products		Total	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Operating Results						
Operating Revenue	246,436	193,333	15,819	10,489	262,255	203,822
Operating Costs and Expenses	(233,449)	(171,598)	(14,181)	(10,440)	(247,630)	(182,038)
Other results per segments						
Other profit (loss)	(50)	(165)	-	-	(50)	(165)
Net financial income (expenses)	(3,721)	(1,878)	(86)	(1)	(3,807)	(1,879)
Interest in profit (loss) of associated companies	(439)	153	-	-	(439)	153
Exchange rate differences	329	(2,329)	-	-	329	(2,329)
Income tax expense	(2,800)	(2,381)	(418)	(12)	(3,218)	(2,393)
	6,306	15,135	1,134	36	7,440	15,171

6.2 Results of the operation per segments

The results of the operation per segments as per June 30, 2018 and 2017, are as follows:

<u>Segments</u>	<u>30-Jun-18</u>			<u>30-Jun-17</u>		
	<u>Total</u>	<u>Total costs and</u>	<u>Operating</u>	<u>Total</u>	<u>Total costs and</u>	<u>Operating</u>
	<u>revenue</u>	<u>expenses</u>	<u>Result</u>	<u>Revenue</u>	<u>expenses</u>	<u>result</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Fresh Fruit	246,436	(233,448)	12,988	193,333	(171,598)	21,735
Blueberries	217,349	(203,730)	13,619	159,661	(138,293)	21,368
Raspberries	10,990	(10,640)	350	11,685	(11,325)	360
Blackberries	8,467	(8,663)	(196)	11,149	(11,271)	(122)
Strawberries	5,221	(6,425)	(1,204)	7,965	(8,440)	(475)
Cherries	4,409	(3,990)	419	2,873	(2,269)	604
Value Added Products	15,819	(14,181)	1,638	10,489	(10,440)	49
Value Added Products	15,819	(14,181)	1,638	10,489	(10,440)	49
Total	262,255	(247,629)	14,626	203,822	(182,038)	21,784

For the second quarter of 2018 and 2017, the results of the operation per segments are the following:

<u>Segments</u>	<u>Second quarter 2018</u>			<u>Second quarter 2017</u>		
	<u>Total</u>	<u>Total costs and</u>	<u>Operating</u>	<u>Total</u>	<u>Total costs and</u>	<u>Operating</u>
	<u>revenue</u>	<u>expenses</u>	<u>Result</u>	<u>Revenue</u>	<u>expenses</u>	<u>result</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Fresh Fruit	72,274	(75,790)	(3,516)	34,685	(33,019)	1,666
Blueberries	63,729	(65,534)	(1,805)	22,980	(21,509)	1,471
Raspberries	4,774	(4,896)	(122)	5,440	(4,978)	462
Blackberries	3,049	(3,226)	(177)	4,232	(4,560)	(328)
Strawberries	566	(1,303)	(737)	1,820	(1,957)	(137)
Cherries	156	(831)	(675)	213	(15)	198
Value Added Products	12,763	(11,279)	1,484	5,633	(5,271)	362
Value Added Products	12,763	(11,279)	1,484	5,633	(5,271)	362
Total	85,037	(87,069)	(2,032)	40,318	(38,290)	2,028

Calculating Total Revenue

	<u>QUARTER</u>			
	<u>30-Jun-18</u>	<u>30-Jun-17</u>	<u>1-Apr-18</u>	<u>1-Apr-17</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
TOTAL REVENUE				
Revenue from operating activities	260,683	203,588	84,441	40,128
Other revenue, per function	1,572	234	596	190
Total Revenue	262,255	203,822	85,037	40,318

Calculating Total Costs and Expenses

	QUARTER			
	30-Jun-18	30-Jun-17	1-Apr-18 30-Jun-18	1-Apr-17 30-Jun-17
TOTAL COSTS AND EXPENSES	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Cost of Sales	228,908	167,211	78,140	29,995
Administration Expenses	17,560	14,109	8,582	7,942
Other expenses, per function, excluding impairment in the value of assets	1,161	718	347	353
Total Costs and Expenses	247,629	182,038	87,069	38,290

6.3 Assets and liabilities per segments

Balance per segments	Fresh Fruit		Value Added Products		Total	
	6/30/2018	12/31/2017	6/30/2018	12/31/2017	6/30/2018	12/31/2017
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Assets						
Related and third party trade debtors	59,652	81,470	11,694	12,754	71,346	94,224
Inventories	10,532	42,473	5,352	2,083	15,884	44,556
Other current assets	191,484	48,727	-	-	191,484	48,727
Property, plant and equipment	249,481	233,684	10,981	11,376	260,462	245,060
Other non-current assets	135,886	139,928	-	193	135,886	140,121
Total Assets	647,035	546,282	28,027	26,406	675,062	572,688
Liabilities						
Commercial, related and third party accounts payable	25,408	55,423	950	443	26,358	55,866
Other current and non-current financial liabilities	356,213	230,605	4,556	4,892	360,769	235,497
Other liabilities	40,394	37,671	-	79	40,394	37,750
Total Liabilities	422,015	323,699	5,506	5,414	427,521	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.

6.4 Cash flows per segments

Cash Flows per Segments	Fresh Fruit		Value Added Products		Total	
	6/30/2018	6/30/2017	6/30/2018	6/30/2017	6/30/2018	6/30/2017
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
From operating activities	57,435	57,420	(1,843)	2,255	55,592	59,675
- Types of collections from operating activities	266,826	218,069	16,879	15,601	283,705	233,670
- Types of payments	(209,391)	(160,649)	(18,722)	(13,346)	(228,113)	(173,995)
					0	0
From investment activities	(22,025)	(23,375)	(183)	(158)	(22,208)	(23,533)
From financing activities	118,779	(41,295)	(336)	(326)	118,443	(41,621)

6.5 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 June 30, 2018 and 2017, operating income per geographic location is as follows:

Sales per geographic destination	30-Jun-18		30-Jun-17	
	ThUS\$	%	ThUS\$	%
North America	142,089	54.18%	113,779	55.82%
Europe	88,317	33.68%	56,096	27.52%
South America	10,167	3.88%	16,858	8.27%
Asia and others	21,682	8.26%	17,089	8.39%
Total revenue	262,255	100.00%	203,822	100.00%

For the second quarter of 2018 and 2017, operating income per geographic location is as follows:

Sales per geographic destination	Second quarter 2018		Second quarter 2017	
	ThUS\$	%	ThUS\$	%
North America	26,533	10.12%	14,072	6.90%
Europe	50,606	19.30%	21,175	10.39%
South America	5,054	1.93%	3,998	1.96%
Asia and others	2,844	1.08%	1,073	0.53%
Total revenue	85,037	32.43%	40,318	19.78%

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 <u>ThUS\$</u>	Assets at fair value through results <u>ThUS\$</u>	Hedging instruments <u>ThUS\$</u>	Total <u>ThUS\$</u>
<u>30-Jun-18</u>				
Cash and cash equivalents	164,145	15,337	-	179,482
Other current financial assets	-	-	715	715
Current trade debtors and other accounts receivable	48,591	-	-	48,591
Current accounts receivable from related entities	22,755	-	-	22,755
Other non-current financial assets	-	-	224	224
Non-current accounts receivable from related entities	4,098	-	-	4,098
Non-current fees receivable	1,677	-	-	1,677
Total	<u>241,266</u>	<u>15,337</u>	<u>939</u>	<u>257,542</u>

Liabilities	Other financial liabilities <u>ThUS\$</u>	Liabilities at fair value with changes in results <u>ThUS\$</u>	Hedging instruments <u>ThUS\$</u>	Total <u>ThUS\$</u>
<u>30-Jun-18</u>				
Current trade accounts and other accounts payable	18,049	-	-	18,049
Current accounts payable to related entities	8,309	-	-	8,309
Non-current accounts payable to related entities	13,038	-	-	13,038
Other current financial liabilities	91,791	-	570	92,361
Other non-current financial liabilities	267,843	-	565	268,408
Total	<u>399,030</u>	<u>-</u>	<u>1,135</u>	<u>400,165</u>

Assets	Financial assets and accounts receivable <u>ThUS\$</u>	Assets are fair value through results <u>ThUS\$</u>	Hedging instruments <u>ThUS\$</u>	Total <u>ThUS\$</u>
<u>31-Dec-17</u>				
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 liabilities	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	<u>124,926</u>	<u>7,086</u>	<u>5,543</u>	<u>137,555</u>

Liabilities	Other financial liabilities <u>ThUS\$</u>	Liabilities at fair value with changes in result <u>ThUS\$</u>	Hedging instruments <u>ThUS\$</u>	Total <u>ThUS\$</u>
<u>31-Dec-17</u>				
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	<u>302,442</u>	<u>-</u>	<u>992</u>	<u>303,434</u>

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	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Mutual Funds and term deposits classification		
AA+fm/M1	15,337	7,086
Current Bank Accounts AAA	164,145	20,752
Sub-total Cash and Cash Equivalents	<u>179,482</u>	<u>27,838</u>
Swap rate operations	9	2
Forwards currency operations	706	3,606
Hedging operations - options	-	834
Other financial assets	-	31
Total other current financial assets	<u>715</u>	<u>4,473</u>
Trade debtors and other accounts receivable without credit rating	48,591	46,092
Sub-total current trade debtors and other accounts receivable	<u>48,591</u>	<u>46,092</u>
Total	<u>228,788</u>	<u>78,403</u>

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 June 30, 2018 and December 31, 2017:

<u>Assets/(Liabilities)</u>	Fair value as of June 30, 2018 <u>ThUS\$</u>	Fair value measurements using values considered as		
		Level I	Level II	Level III
		<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Assets				
Short term mutual funds	15,337	15,337	-	-
Cross Currency Swap Operations	9	-	9	-
Forwards currency operations	706	-	706	-
Non-current Cross Currency Swap operations	224	-	224	-
Liabilities				
Forwards currency operations	(570)	-	(570)	-
Non-current Forwards Currency Operations	(93)	-	(93)	-
Non-current Cross Currency Swap Operations	(472)	-	(472)	-

<u>Assets/(Liabilities)</u>	Fair value as of December 31, 2017 <u>ThUS\$</u>	Fair value measurements using values considered as		
		Level I	Level II	Level III
		<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Assets				
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	-
Liabilities				
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	30-Jun-18		31-Dec-17	
		Book value ThUS\$	Fair value ThUS\$	Book value ThUS\$	Fair value ThUS\$
Assets					
Cash and cash equivalents	8				
Bank balances		164,145	164,145	20,752	20,752
Term deposits		-	-	-	-
Mutual funds		15,337	15,337	7,086	7,086
Other current financial assets	9	715	715	4,473	4,473
Current trade debtors and other accounts receivable and non-current fees receivable	10	50,268	50,268	47,707	47,707
Current accounts receivable from related entities	11	22,755	22,755	48,132	48,132
Other non-current financial assets	9	224	224	1,345	1,345
Non-current accounts receivable from related entities	11	4,098	4,098	8,060	8,060
Liabilities					
Other current financial liabilities	21	92,361	92,361	151,531	151,531
Other non-current financial liabilities	21	268,408	268,408	83,966	83,966
Current trade accounts and other accounts payable	22	18,049	18,049	49,724	49,724
Other non-current accounts payable		-	-	-	-
Current accounts payable to related entities	11	8,309	8,309	6,142	6,142
Non-current accounts payable to related entities	11	13,038	13,038	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 June 30, 2018 and December 31, 2017, is as follows:

Types of Cash and Cash Equivalents	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Bank balances	164,145	20,752
Mutual funds	15,337	7,086
Total cash and cash equivalents	179,482	27,838

The detail per currency of Cash and cash equivalents as of June 30, 2018 and December 31, 2017, is as follows:

Type of currency	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
United States Dollar	168,677	14,519
Chilean Peso	956	2,313
Mexican Peso	566	430
Euro	6,999	9,770
Pound	1,781	-
Brazilian Real	83	89
Peruvian Nuevo Sol	375	608
Argentine Peso	45	109
Total	179,482	27,838

The detail of mutual funds per bank as of June 30, 2018 and December 31, 2017, is as follows:

Investments in mutual funds	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Banco Crédito e Inversiones	14,730	5,085
Banco Santander Chile	576	1,801
Banco Estado	31	116
Itaú - Brasil	-	84
Total investments in mutual funds	15,337	7,086

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 June 30, 2018 and December 31, 2017, is as follows:

Current	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Swap rate operations	9	2
Forward currency operations	706	3,606
Hedging operations - options	-	834
Other financial assets	-	31
Other other current financial assets	715	4,473

Non-Current	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Swap rate operations	224	219
Forward currency operations	-	1,126
Total other non-current financial assets	224	1,345

As of June 30, 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

Hedging instruments

Entities	Instruments	Type	Capital	MtoM Value	
				30-Jun-18	31-Dec-17
			ThUS\$	ThUS\$	ThUS\$
Banco Estado	Cross Currency Swaps CLP/USD	Rate	4,000	9	2
Total current			4,000	9	2
BCI	Cross Currency Swaps - USD	Rate	763	8	7
BBVA	Cross Currency Swaps - USD	Rate	3,750	53	40
BBVA	Cross Currency Swaps CLP/USD	Currency	559	-	55
BCI	Cross Currency Swaps - USD	Rate	4,528	163	117
Total non-current			9,600	224	219

- b) The detail of the current and non-current forward operations, as of June 30, 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	Maturity up to				Total Current
					Amount	Currency	Amount	Offsetting	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	6/30/2018
					ThUS\$		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile S.A.	BBVA	Offsetting	Sale	USD	6,689	CLP	6,834	145	15	31	44	20	110
Hortifrut Chile S.A.	Santander	Offsetting	Sale	USD	2,235	CLP	2,329	94	15	26	36	16	93
Hortifrut Chile S.A.	Scotiabank	Offsetting	Sale	USD	4,614	CLP	4,655	41	1	4	8	6	19
Hortifrut España Southern Sun S.L.	Santander	Offsetting	Sale	USD	20,000	EUR	20,092	92	371	-	-	-	371
Hortifrut S.A.	BBVA	Offsetting	Sale	USD	3,317	CLP	3,390	73	7	11	35	4	57
Hortifrut S.A.	Santander	Offsetting	Sale	USD	1,144	CLP	1,192	48	7	9	28	3	47
Hortifrut S.A.	Scotiabank	Offsetting	Sale	USD	2,166	CLP	2,186	20	-	2	6	1	9
	Total		30-Jun-18		40,165		40,678	513	416	83	157	50	706

Company	Bank	Contract Type	Fees Type	Currency	Liabilities		Closing Value	Net Effect	Maturity up to				MTM		Total Current	Maturity Up to	Total non-current
					Amount	Currency	Amount	Offsetting	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	12/31/2017	1 to 2 years	12/31/2017		
					ThUS\$		ThUS\$	ThUS\$	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 Santa Rosa del Parque S.A.	Santander	Offsetting	Sale	USD	383	CLP	403	20	17	3	-	-	20	-	-		
	Total		31-Dec-17		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.

- c) As of June 30, 2018 the Company does not maintain option operations, as of December 31, 2017, the detail of the current option operations held by Hortifrut S.A. and subsidiaries is as follows:

<u>Company</u>	<u>Bank</u>	<u>Contract Type</u>	<u>Fees</u>		<u>Liabilities</u>		<u>Closing Value</u>	<u>Net Effect</u>	<u>MTM Closing</u>	<u>Maturity Date</u>
			<u>Type</u>	<u>Currency</u>	<u>Amount</u>	<u>Currency</u>	<u>Amount</u>	<u>Offsetting</u>	<u>Exch. Rate</u>	
					<u>ThUS\$</u>		<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
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			31-Dec-17		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 June 30, 2018 and December 31, 2017, is as follows:

30-Jun-18						
Current per country of origin	<u>Sales</u>	<u>Receivable</u>	<u>Other</u>	<u>Recoverable</u>	<u>Allowance</u>	<u>Total</u>
	<u>ThUS\$</u>	<u>documents</u>	<u>receivables</u>	<u>taxes</u>	<u>for doubtful</u>	<u>accounts</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Chile	2,783	1,738	950	4,741	(368)	9,844
Spain	20,138	-	172	1,189	(318)	21,181
Mexico	31	-	8,808	29	(2,733)	6,135
Brazil	451	-	143	195	(48)	741
Argentina	-	-	1,492	-	(59)	1,433
Peru	-	-	261	8,996	-	9,257
Total	23,403	1,738	11,826	15,150	(3,526)	48,591

31-Dec-17						
Current per country of origin	<u>Sales</u>	<u>Receivable</u>	<u>Other</u>	<u>Recoverable</u>	<u>Allowance</u>	<u>Total</u>
	<u>ThUS\$</u>	<u>documents</u>	<u>receivables</u>	<u>taxes</u>	<u>for doubtful</u>	<u>accounts</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 June 30, 2018 and December 31, 2017, is as follows:

Non-current	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Non-current debtors and accounts receivable	587	660
Other non-current fees receivable	1,090	955
Total non-current fees receivable	1,677	1,615

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

	30-Jun-18	31-Dec-17
<u>Tax receivable accounts</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Iva (VAT) tax credit	14,066	16,526
Other recoverable taxes	1,084	295
Total	<u>15,150</u>	<u>16,821</u>

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 June 30, 2018 and December 31, 2017. Below is an analysis by age of trade debts and accounts receivable:

Terms	30-Jun-18		31-Dec-17	
	NON SECURITIZED PORTFOLIO		NON SECURITIZED PORTFOLIO	
	Customers non re-negotiated portfolio	Amount non re-negotiated portfolio	Customers non re-negotiated portfolio	Amount non re-negotiated portfolio
	<u>N°</u>	<u>ThUS\$</u>	<u>N°</u>	<u>ThUS\$</u>
Non past due	473	4,381	503	20,797
From 1 - 30 days	149	20,413	164	764
From 31-60 days	30	224	50	575
From 61-90 days	25	73	24	839
From 91-120 days	18	2	7	51
From 121-150 days	10	23	6	8
From 151 - 180 days	9	22	4	1
From 181 - 210 days	12	12	7	6
From 211 - 250 days	8	107	17	176
Over 250 days	66	471	109	628
Total	<u>800</u>	<u>25,728</u>	<u>891</u>	<u>23,845</u>
Provision		(662)		(412)
Total (net)		<u>25,066</u>		<u>23,433</u>

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	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Non past due	5,066	7,569
From 1 - 30 days	25,705	19,368
From 31-60 days	5,656	7,380
From 61-90 days	538	353
From 91-120 days	93	2,570
From 121-150 days	251	139
From 151 - 180 days	19	79
From 181 - 210 days	382	6
From 211 - 250 days	564	-
Over 250 days	10,317	8,628
Total	48,591	46,092

Balances of currencies that make-up trade debtors and other current accounts receivable as of June 30, 2018 and December 31, 2017, are as follows:

Type of currency	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
United States dollar	7,373	8,830
Chilean Peso	7,077	9,700
Euro	14,238	15,342
Pound	6,980	-
Mexican Peso	1,715	2,969
Argentine Peso	1,433	240
Brazilian Real	713	801
Peruvian Nuevo Sol	9,062	8,210
Total	48,591	46,092

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 June 30, 2018			As of June 30, 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
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade Debtors	23,403	(434)	22,969	20,639	(202)	20,437
Notes receivable	1,738	(228)	1,510	2,546	(210)	2,336
Other accounts receivable	11,825	(2,864)	8,961	8,948	(2,450)	6,498
Recoverable taxes	15,151	-	15,151	16,821	-	16,821
Total	52,117	(3,526)	48,591	48,954	(2,862)	46,092

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

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
National trade debtors	434	202
Receivable documents	228	210
Other accounts receivable	2,864	2,450
Total	<u>3,526</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 June 30, 2018 and December 31, 2017, is as follows:

Movement	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
As of January 01	2,862	2,119
Provision reversal	(90)	-
Write-offs	-	(356)
Increase in provision	756	1,058
Exchange rate difference	(2)	41
Total	<u>3,526</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 June 30, 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>30.06.2018</u>	<u>01.01.2018</u>
0-30	0.86%	1.12%
31-60	11.95%	12.14%
61-90	20.28%	20.28%
91-120	29.44%	28.88%
121-150	37.03%	36.99%
151-180	45.83%	45.79%
>180	81.05%	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 June 30, 2018 is ThUS\$756 and as of January 01, 2018 it is ThUS\$1,380.

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 fruits and 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 June 30, 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>30-Jun-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Naturipe Value Added Foods LLC	0-E	USA	Associated	USD	10,289	12,181
Naturipe Farms LLC	0-E	USA	Associated	USD	5,665	22,707
Qingdao Wallen Blueberry Co.,Ltd.	0-E	China	Common shareholder	USD	3,530	-
Munger Hortifrut North America, LLC	0-E	USA	Associated	USD	716	3
Hortifrut Tal S.A.C	0-E	Peru	Associated	USD	827	-
Hortifrut Expofresh S.A.	0-E	Argentina	Associated	USD	797	993
Tierras de Berries S.A.	0-E	Argentina	Common shareholder	USD	536	-
Expofresh S.A.	0-E	Argentina	Common shareholder	USD	138	-
Tierra de Arándanos S.R.L.	0-E	Argentina	Common shareholder in associated	USD	116	43
Cooperativa de Agricultores Gijon.	0-E	Spain	Affiliate of a common shareholder in subsidiary	EUR	48	47
Atlantic Blue,S.L.	0-E	Spain	Common shareholder	EUR	43	1
Tal S.A.C.	0-E	Peru	Affiliate of a shareholder in associated	USD	23	-
Tierra de Ibatin S.A.	0-E	Argentina	Common shareholder	USD	15	-
Agrícola e Inmobiliaria Lumaco S.A.	96.761.430-0	Chile	Common shareholder	CLP	6	-
Global Organics S.A.	76.404.690-0	Chile	Common shareholder	CLP	4	2
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	2	-
Euroberry GmbH	0-E	Germany	Associated	EUR	-	4,714
Valles del Sur SpA	76.243.329-k	Chile	Shareholder	USD	-	3,394
Euroberry UK Ltd.	0-E	England	Common shareholder	EUR	-	3,320
Naturipe Berry Growers, LLC	0-E	USA	Associated	USD	-	615
Atlantic Green S.L.	0-E	Spain	Common shareholder	EUR	-	35
Juan Carlos Garcia	0-E	Spain	Common shareholder	USD	-	28
Agrícola San José de Tilama S.A.	76.043.289-K	Chile	Common shareholder	USD	-	25
Agrícola Nueva Cabildo S.A.	76.107.465-2	Chile	Common shareholder	USD	-	24
Total					22,755	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>30-Jun-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
Hortifrut Berries Maroc SRL	0-E	Morocco	Associated	EUR	4,098	4,243
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	-	2,729
Tierras de Berries S.A.	0-E	Argentina	Common shareholder in associated	USD	-	1,088
Total					4,098	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.

11.2. Accounts payable to related entities

Accounts payable to related entities as of June 30, 2018 and December 31, 2017, are detailed below:

<u>Current accounts payable</u>	<u>RUT</u>	<u>Country of Origin</u>	<u>Nature of the relationship</u>	<u>Type of Currency</u>	<u>30-Jun-18</u>	<u>31-Dec-17</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>
S.A.T. Hortifrut H-0030	0-E	Spain	Associated	EUR	2,164	-
Andes Sur Inversiones Ltda.	76.463.392-K	Chile	Common shareholder	CLP	2,124	2,192
Techagri	0-E	Spain	Common shareholder	USD	1,963	-
Naturipe Berry Growers, LLC	0-E	USA	Associated	USD	670	-
Atlantic Blue Berries Maroc, SARL	0-E	Spain	Common shareholder	EUR	520	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	327	724
Munger Bros, LLC	0-E	USA	Common shareholder	USD	125	125
Valles del Sur SpA	76.243.329-k	Chile	Common shareholder	USD	52	-
Hortifrut Tal S.A.C	0-E	Peru	Associated	USD	-	1,124
Expofresh S.A.	0-E	Argentina	Common shareholder	USD	-	1,002
Tal S.A.C.	0-E	Peru	Subsidiary of a Shareholder in associated	USD	-	736
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Chile	Common shareholder	CLP	-	45
Santa María de Gorbea S.A.	99.567.570-6	Chile	Common shareholder	CLP	-	26
Pacific Berry Breeding, LLC	0-E	USA	Associated	USD	-	9
Berry Blue, LLC	0-E	USA	Associated	USD	-	7
Total					8,309	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>30-Jun-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	11,595	10,542
Inversiones Canihua S.A.	95.526.000-7	Chile	Common shareholder	CLP	998	1,057
Inversiones Purranque S.A.	96.539.710-8	Chile	Shareholder in subsidiary	CLP	445	472
Total					13,038	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 paying 50% on the spot. 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 and which are not subject to interests.

11.3. Transactions with related parties and their effects on results

The operations and their effects on results for the periods ending June 30, 2018 and June 30, 2017:

Company	RUT	Nature of the relationship	Description of the transaction	30-Jun-18		30-Jun-17	
				Amount of transaction ThUS\$	Effect on profit or loss(charge)/ deposit ThUS\$	Amount of transaction ThUS\$	Effect on profit or loss(charge) / deposit ThUS\$
Naturipe Farms LLC	0-E	Associated	Fruit sales	117,026	6,381	96,907	10,599
Naturipe Farms LLC	0-E	Associated	Income from Packing services, materials and others	44	-	-	-
S.A.T. Hortifrut H-0030	0-E	Associated	Fruit sales	14,720	803	14,184	1,551
S.A.T. Hortifrut H-0030	0-E	Associated	Earned interests	-	-	41	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Fruit purchase	3,542	-	3,787	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Income from Packing services, materials and others	242	-	303	-
Agrícola Santa Carmen Ltda.	86.776.400-3	Common shareholder	Ingresos por venta de plantas	-	-	67	7
Naturipe Value Added Foods LLC	0-E	Associated	Fruit sales	10,301	562	7,724	845
Naturipe Berry Growers	0-E	Associated	Fruit sales	2,194	120	2,455	269
Naturipe Berry Growers	0-E	Associated	Purchase of shares	1,440	-	-	-
Sociedad Agrícola Catapilco Ltda.	78.241.100-4	Common shareholder	Advanced purchase of plants (Nursery)	-	-	2,676	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Fruit purchase	50	-	28	-
Agrícola e Inmobiliaria Don Vitoco Ltda.	76.849.930-6	Common shareholder	Income from Packing services, materials and others	38	-	23	-
Valles del Sur SpA	76.243.329-k	Shareholder	Fruit purchase	5,706	-	5,441	-
Valles del Sur SpA	76.243.329-k	Shareholder	Income from Packing services, materials and others	880	-	476	-
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	719	-	390	-
Agrícola San José de Tilama S.A.	76.043.289-K	Common shareholder	Income from Packing services, materials and others	3	-	-	-
Santa María de Gorbea S.A.	99.567.570-6	Common shareholder	Fruit purchase	307	-	27	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Fruit purchase	124	-	30	-
Agrícola Nueva Cabildo S.A.	76.107.465-2	Common shareholder	Income from Packing services, materials and others	2	-	-	-
Andes Sur Inversiones Limitada	76.463.392-K	Shareholder in subsidiary	Received loan	-	-	504	-
Hortifrut Tal S.A.C	0-E	Associated	Fruit purchase	16,509	-	6,027	-
Qingdao Wallen Blueberry Co.,Ltd.	0-E	Common shareholder	Contribution of capital	3,530	-	-	-
Munger Hortifrut North America, LLC	0-E	Associated	Collection plants	381	-	-	-
Tierra de Ibatin S.A.	0-E	Common shareholder	Income from the sale of materials	15	-	-	-
Techagri	0-E	Common shareholder	Fruit purchase	1,963	-	-	-

<u>Company</u>	<u>RUT</u>	<u>Nature of the relationship</u>	<u>Description of the transaction</u>	<u>30-Jun-18</u>		<u>30-Jun-17</u>	
				<u>Amount of transaction</u> <u>ThUS\$</u>	<u>Effect on profit or loss(charge)/ deposit</u> <u>ThUS\$</u>	<u>Amount of transaction</u> <u>ThUS\$</u>	<u>Effect on profit or loss(charge) / deposit</u> <u>ThUS\$</u>
Hortifrut Tal S.A.C	0-E	Associated	Income from plant sales	16	1	-	-
Tal S.A.C	0-E	Subsidiary of a Shareholder in associated	Fruit purchase	4,011	-	688	-
Tal S.A.C	0-E	Subsidiary of a Shareholder in associated	Income from plant sales	23	1	-	-
Tierras de Berries S.A.	0-E	Common shareholder in associated	Collection loans	488	-	-	-
Tierras de Berries S.A.	0-E	Common shareholder	Income from sale of materials	48	-	-	-
Tierras de Berries S.A.	0-E	Common shareholder	Fruit purchase	113	-	-	-
Expofresh S.A.	0-E	Common shareholder	Fruit purchase	657	-	105	-
Expofresh S.A.	0-E	Common shareholder	Payments to producer	(1,797)	-	(2,950)	-
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	1	166	18
Royal Berries S.L	0-E	Common shareholder	Plant purchase (Royalty)	1,042	-	1,132	-
Agricola e Inmobiliaria Lumaco S.A.	96.761.430-0	Common shareholder	Income from Packing services, materials and others	10	-	11	-
Hortifrut Berries Maroc SRL	0-E	Associated	Granted loans	-	-	742	-
Hortifrut Berries Maroc SRL	0-E	Associated	Earned interests	-	-	114	114
Hortifrut Berries Maroc SRL	0-E	Associated	Income from plant sales	-	-	227	25
Hortifrut Berries Maroc SRL	0-E	Associated	Fruit purchase	-	-	26	-
Atlantic Blue Berries Maroc, SRL	0-E	Common shareholder in subsidiary	Fruit purchase	3,896	-	6,651	-
Atlantic Blue Berries Maroc, SRL	0-E	Common shareholder in subsidiary	Payments and advanced payments for fruit purchase	(3,415)	-	-	-
Tierras de Arándanos S.A.	0-E	Common shareholder in associated	Income from plant sales	56	3	-	-
Tierras de Arándanos S.A.	0-E	Common shareholder in associated	Income from the sale of materials	16	1	-	-
Euroberry GMBH	0-E	Associated	Fruit sales	-	-	3,810	417
Munger Farm LLC	0-E	Common shareholder	Income from plant sales	-	-	1,440	158
Munger Farm LLC	0-E	Common shareholder	Purchase of machine	-	-	820	-
Munger Farm LLC	0-E	Common shareholder	Income from Packing services, materials and others	-	-	122	13
Munger Hortifrut North America, LLC	0-E	Associated	Income from Packing services, materials and others	257	-	35	-
Munger Hortifrut North America, LLC	0-E	Associated	Ingresos por venta de plantas	-	-	2,545	278
Munger Hortifrut North America, LLC	0-E	Associated	Granted loans	-	-	8,207	-
Global Organics S.A.	76.404.690-0	Common shareholder	Income from Packing services, materials and others	9	-	-	-
Hortifrut Perú S.A.C	0-E	Common shareholder in associated	Fruit purchase	32	-	-	-

Hortifrut and subsidiaries, have as their policy to inform the main transactions that are performed with related parties, 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 June 30, 2018 reach ThUS\$667. For the same period in 2017 the total of allowances, remunerations and ownership interests reached ThUS\$529.

The total gross remuneration received by the main executives at Hortifrut and subsidiaries reached ThUS\$5,153 as of June 30, 2018 and ThUS\$1,543 as of June 30, 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 June 30, 2018 and the period ending December 31, 2017, is as follows:

<u>Types of inventory</u>	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Finished products	2,527	29,016
Raw material	18	1,352
Frozen finished products	5,352	1,937
Materials and supplies	8,868	13,358
Provision for obsolescence	(881)	(1,107)
Total	<u>15,884</u>	<u>44,556</u>

	30-Jun-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 June 30, 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 June 30, 2018 and 2017, reaches ThUS\$138,831 and ThUS\$82,294 respectively (see Note 30.1).

In order to mitigate the risk of loss of inventory, the Company maintains contracted insurances as of June 30, 2018 (See Note 4.3).

NOTE 13 – BIOLOGICAL ASSETS, CURRENT

The movements of biological assets, for the periods ending June 30, 2018 and December 31, 2017 are the following:

<u>Movement</u>	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening biological assets	9,716	6,856
Increase due to capitalization of costs	8,982	21,538
Exchange rate adjustment	(20)	(10)
Adjustment to fair value	-	1,640
Amortization	(67)	(234)
Consumption	(16,730)	(20,074)
Total	<u>1,881</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 June 30, 2018, this effect was not recorded because there are no fruits on the plants.

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:

	30-Jun-18	31-Dec-17
<u>Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Advanced payment of blueberry plants	1,015	2,326
Advanced expenses (lease)	1,398	826
Advanced expenses	6,040	2,368
Advanced payment for water fee collection	58	-
Payments in guarantee	87	94
Total	<u>8,598</u>	<u>5,614</u>

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

	30-Jun-18	31-Dec-17
<u>Non-Current</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Advanced payment for water fee collection	1,320	1,361
Advanced expenses (lease)	22	56
Total	<u>1,342</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 June 30, 2018 and December 31, 2017, is as follows:

Companies	RUT	Country of Origin	Functional Currency	30-Jun-18			31-Dec-17
				Direct	Indirect	Total	Total
Agrícola El Avellano S.A. and subsidiaries	96.923.620-6	Chile	US\$	40.000	-	40.000	40.000
Agrícola El Pampino S.A.	76.884.880-7	Chile	US\$	-	20.000	20.000	20.000
Agrícola Mataquito S.A.	76.306.130-2	Chile	US\$	50.000	-	50.000	50.000
Agrícola Sta. Rosa del Parque S.A.	99.584.440-0	Chile	US\$	30.000	-	30.000	30.000
Agrícola Hortifrut S.A.	79.764.840-k	Chile	US\$	99.990	0.010	100.000	100.000
Agrícola y Gan. Santa Rebeca Ltda.	78.988.990-2	Chile	US\$	25.000	-	25.000	25.000
Agrícola Vida Nueva S.A.	96.996.290-k	Chile	US\$	50.000	-	50.000	50.000
Hortifrut Chile S.A. and subsidiaries	99.524.450-0	Chile	US\$	99.990	0.010	100.000	100.000
Hortifrut Comercial S.A.	99.535.510-8	Chile	CLP	0.010	99.990	100.000	100.000
Viveros Hortifrut Chile S.A.	99.524.470-5	Chile	CLP	-	51.000	51.000	51.000
Inversiones Hortifrut S.A. and subsidiaries	99.524.540-k	Chile	US\$	100.000	0.000	100.000	100.000
Berrygood Comercial Importadora	Foreigner	Brazil	RBR	40.010	59.990	100.000	100.000
Hortifrut Inversiones Int. S.A.	76.043.425-6	Chile	US\$	49.487	50.513	100.000	100.000
Hortifrut Argentina S.A.	Foreigner	Argentina	\$AR	-	95.900	95.900	95.900
Hortifrut North America Inc. and subsidiary	Foreigner	USA	US\$	-	100.000	100.000	100.000
Pacifie Berry Breeding LLC	Foreigner	USA	US\$	-	100.000	100.000	-
Hortifrut S.A. de C.V. and subsidiaries	Foreigner	Mexico	US\$	-	99.990	99.990	99.990
Hortifrut Import, Inc.	Foreigner	USA	US\$	-	100.000	100.000	100.000
Naturipe Farm Import, Inc.	Foreigner	USA	US\$	-	100.000	100.000	100.000
Hortifrut Europa SL	Foreigner	España	EUR	0.030	99.970	100.000	100.000
Euroberry UK Ltd.	Foreigner	England	EUR	-	100.000	100.000	-
Euroberry GmbH	Foreigner	Germany	LIBRA	-	100.000	100.000	-
Hortifrut España Southern Sun SL	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Asturian Berries SL	Foreigner	Spain	EUR	-	25.500	25.500	25.500
HFE Berries Perú S.A.C.	Foreigner	Peru	US\$	-	50.000	50.000	50.000
Euroberry Marketing S.A. and subsidiaries	Foreigner	Spain	EUR	-	50.000	50.000	50.000
Asian Berries Limited and subsidiary	Foreigner	Yuan	US\$	-	100.000	100.000	100.000
Honghe Jiayu Agriculture Limited	Foreigner	Yuan	CNY	-	51.000	51.000	51.000

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 direct subsidiaries (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 June 30, 2018, new companies have been incorporated into the consolidation of the Hortifrut group's financial statement:

- At the subsidiary Euroberry Marketing S.A., the subsidiaries Euroberry UK Ltd. and Euroberry GmbH were incorporated.
- At the subsidiary Hortifrut North America Inc., the company Pacific Berry Breeding LLC was incorporated, with the acquisition of 50% of its property, with this it now has a 100% interest.
- Also the company HFII Perú SAC., Hortifrut Inversiones Internacionales S.A. was incorporated.

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.

Summarized financial information of significant subsidiaries

Below we present the statements of financial position as of June 30, 2018 and December 31, 2017, income statements and cash flow statements as of June 30, 2018 and 2017:

	30-Jun-18						
	Assets		Assets	Liabilities		Liabilities	Equity
	Current	Non-current	Total	Current	Non-current	Total	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Balance							
Hortifrut Chile and Subsidiaries	76,107	138,456	214,563	90,578	47,987	138,565	75,998
Inversiones Hortifrut S.A. and Subsidiaries	231,404	203,398	434,802	33,226	315,224	348,450	86,352
Agrícola Vida Nueva S.A.	1,267	10,708	11,975	2,604	1,591	4,195	7,780
Agrícola El Avellano S.A. and Subsidiaries	556	7,725	8,281	1,896	1,161	3,057	5,224
Agrícola Hortifrut S.A.	7,658	44,901	52,559	1,202	8,504	9,706	42,853
Agrícola Mataquito S.A.	717	17,183	17,900	7,015	7,135	14,150	3,750
Agrícola Santa Rosa del Parque S.A.	795	5,859	6,654	983	1,746	2,729	3,925
Agrícola y Ganadera Sta Rebeca Ltda	16	154	170	5	7	12	158
Total	318,520	428,384	746,904	137,509	383,355	520,864	226,040

	30-Jun-18				
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Gains (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Results					
Hortifrut Chile and Subsidiaries	132,535	(123,154)	(1,428)	(2,039)	5,914
Inversiones Hortifrut S.A. and Subsidiaries	214,497	(210,021)	(1,516)	(1,156)	1,804
Agrícola Vida Nueva S.A.	3,028	(3,177)	134	21	6
Agrícola El Avellano S.A. and Subsidiaries	2,426	(2,402)	124	(131)	17
Agrícola Hortifrut S.A.	10,721	(11,331)	94	(80)	(596)
Agrícola Mataquito S.A.	2,803	(1,746)	211	(401)	867
Agrícola Santa Rosa del Parque S.A.	1,105	(1,288)	(72)	58	(197)
Agrícola y Ganadera Sta Rebeca Ltda	32	(21)	(1)	(5)	5
Total	367,147	(353,140)	(2,454)	(3,733)	7,820

Flows	30-Jun-18			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	71,188	(2,452)	(69,375)	(639)
Inversiones Hortifrut S.A. and Subsidiaries	36,829	(24,562)	141,308	153,575
Agrícola Vida Nueva S.A.	181	(187)	-	(6)
Agrícola El Avellano S.A. and Subsidiaries	124	(334)	(46)	(256)
Agrícola Hortifrut S.A.	38	(252)	-	(214)
Agrícola Mataquito S.A.	1,580	(1,174)	(500)	(94)
Agrícola Santa Rosa del Parque S.A.	248	(25)	(247)	(24)
Agrícola y Ganadera Sta. Rebeca Ltda.	18	-	(13)	5
Total	110,206	(28,986)	71,127	152,347

Balance	31-Dec-17							
	Assets		Assets	Liabilities		Liabilities	Equity	
	Current	Non-current	Total	Current	Non-current	Totales	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	
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	
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	30-Jun-17				
	Operating Revenue	Costs and Expenses	Other Results	Taxes	Gains (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	128,004	(112,114)	(1,697)	(3,412)	10,781
Inversiones Hortifrut S.A. and Subsidiaries	162,445	(160,541)	(1,807)	1,593	1,690
Agrícola Vida Nueva S.A.	3,358	(2,836)	(40)	(81)	401
Colmenares Hortisur SpA	2	(85)	2	24	(57)
Agrícola El Avellano S.A. and Subsidiaries	2,894	(2,524)	(29)	(43)	298
Agrícola Hortifrut S.A.	6,884	(5,820)	(8)	(238)	818
Agrícola Mataquito S.A.	2,000	(1,800)	(205)	20	15
Agrícola Santa Rosa del Parque S.A.	1,336	(992)	(46)	(43)	255
Top Berries & Fruit SpA	2,391	(1,301)	(117)	(206)	767
Berries de Panguipulli SpA	4,474	(3,829)	(26)	(104)	515
Agrícola y Ganadera Sta. Rebeca Ltda.	18	(28)	0	4	(6)
Total	313,806	(291,870)	(3,973)	(2,486)	15,477

Flows	30-Jun-17			
	Operating Flows	Investment Flows	Financing Flows	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Hortifrut Chile and Subsidiaries	13,751	(9,840)	(13,264)	(9,353)
Inversiones Hortifrut S.A. and Subsidiaries	19,416	(40,873)	23,614	2,157
Agrícola Vida Nueva S.A.	903	(39)	-	864
Colmenares Hortisur SpA	55	32	-	87
Agrícola El Avellano S.A. and Subsidiaries	778	(393)	(46)	339
Agrícola Hortifrut S.A.	551	(424)	-	127
Agrícola Mataquito S.A.	1,376	(3,070)	1,918	224
Agrícola Santa Rosa del Parque S.A.	543	(181)	(464)	(102)
Top Berries & Fruit SpA	582	(139)	(361)	82
Berries de Panguipulli SpA	825	(4)	-	821
Agrícola y Ganadera Sta. Rebeca Ltda.	22	-	-	22
Total	38,802	(54,931)	11,397	(4,732)

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>30-Jun-18</u>	<u>31-Dec-17</u>
<u>Detail per country</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
United States	30,599	31,897
Spain	1	1
Morocco	(529)	(561)
Germany	-	15
Argentina	1,097	1,833
Chile	1,235	1,066
Peru	34,400	33,590
	<u>66,803</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 June 30, 2018 and December 31, 2017:

<u>Company</u>	<u>RUT</u>	<u>Country</u>	<u>Functional currency</u>	<u>Interest % Indirect</u>	<u>1-Jan-18</u>	<u>Investment</u>	<u>Share of profit of equity-accounted investees</u>	<u>Exchange rate difference</u>	<u>Other increase (decrease)</u>	<u>Balance 30-Jun-18</u>
					<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Berry Blue LLC	o-E	USA	Dollar	50.00%	47	190	(168)	-	-	69
Pacific Berry Breeding LLC	o-E	USA	Dollar	50.00%	42	1,440	(192)	-	(1,290)	-
Munger Hortifrut N.A. LLC	o-E	USA	Dollar	50.00%	24,504	-	(966)	-	-	23,538
Naturipe Brands LLC	o-E	USA	Dollar	30.00%	2,024	37	(176)	-	-	1,885
Naturipe Farms LLC	o-E	USA	Dollar	30.00%	230	-	36	-	(123)	143
Naturipe Value Added Foods LLC	o-E	USA	Dollar	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	o-E	USA	Dollar	33-33%	4,857	-	(86)	-	-	4,771
S.A.T. Hortifrut H-0030	o-E	Spain	Euro	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	Dirham	51.00%	(561)	-	-	32	-	(529)
Euroberry GmbH	o-E	Germany	Euro	50.00%	15	-	-	-	(15)	-
Margesi S.A.	o-E	Argentina	Argentine \$	50.00%	1,805	-	(4)	(693)	-	1,108
San Clemente Vitalberry (Shanghai) SpA	o-E	Chile	Dollar	50.00%	1,066	-	169	-	-	1,235
Hortifrut Tal S.A.C	o-E	Peru	Nuevo Sol	50.00%	33,590	-	967	(157)	-	34,400
Hortifrut Expofresh S.A.	o-E	Argentina	Argentine \$	50.00%	28	-	(19)	(20)	-	(11)
Total					<u>67,841</u>	<u>1,667</u>	<u>(439)</u>	<u>(838)</u>	<u>(1,428)</u>	<u>66,803</u>

<u>Company</u>	<u>RUT</u>	<u>Country</u>	<u>Functional currency</u>	<u>Interest % Indirect</u>	<u>1-Jan-17</u>	<u>Investment</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>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Berry Blue LLC	o-E	USA	Dollar	50.00%	(5)	380	(328)	-	-	47
Pacific Berry Breeding LLC	o-E	USA	Dollar	50.00%	243	100	(301)	-	-	42
Munger Hortifrut N.A. LLC	o-E	USA	Dollar	50.00%	25,539	-	(1,035)	-	-	24,504
Naturipe Brands LLC	o-E	USA	Dollar	30.00%	855	1,167	2	-	-	2,024
Naturipe Farms LLC	o-E	USA	Dollar	30.00%	1,432	(1,291)	89	-	-	230
Naturipe Value Added Foods LLC	o-E	USA	Dollar	27.00%	193	-	-	-	-	193
Naturipe Value Added Fresh, LLC	o-E	USA	Dollar	33-33%	4,491	-	366	-	-	4,857
S.A.T. Hortifrut H-0030	o-E	Spain	Euro	33.00%	1	-	-	-	-	1
Hortifrut Berries Maroc S.R.L.	o-E	Morocco	Dirham	51.00%	64	-	(601)	(24)	-	(561)
Euroberry GmbH	o-E	Alemania	Euro	50.00%	13	-	-	2	-	15
Margesi S.A.	o-E	Argentina	Argentine \$	50.00%	2,441	-	(368)	(268)	-	1,805
San Clemente Vitalberry (Shanghai) SpA	o-E	Chile	Dollar	50.00%	853	-	213	-	-	1,066
Hortifrut Tal S.A.C	o-E	Peru	Nuevo Sol	50.00%	19,547	-	11,211	2,832	-	33,590
Hortifrut Expofresh S.A.	o-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 June 30, 2018 and December 31, 2017:

<u>Movement</u>	30-Jun-18 <u>ThUS\$</u>	31-Dec-17 <u>ThUS\$</u>
Opening balance as of January 01	67,841	55,474
Share of profit of equity-accounted investees	(439)	9,468
Capital contributions (a)	1,667	356
Other adjustments	(1,428)	-
Adjustments due to exchange rate fluctuations	(838)	2,543
Final Balance	<u>66,803</u>	<u>67,841</u>

a) Capital contributions

Capital contributions during the period ending June 30, 2018 and the period ending December 31, 2017 are shown in the following detail:

Capital contributions (decrease) Company	30-Jun-18 <u>ThUS\$</u>	31-Dec-17 <u>ThUS\$</u>
Berry Blue LLC	190	380
Pacific Berry Breeding LLC	1,440	100
Naturipe Brands LLC	37	1,167
Naturipe Farms LLC	-	(1,291)
Total contributions	<u>1,667</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 June 30, 2018, no new investments were incorporated.

c) Reclassification of investment for sale

During the period ending June 30, 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.

Due to the acquisition of the remaining 50% of the investment over Pacific Berry Breeding LLC, on behalf of the subsidiary Hortifrut North America, Inc., this company came to be included within the consolidation perimeter, during the second quarter of 2018.

e) Summarized financial information

Summarized financial information as of June 30, 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 June 30, 2018 and 2017:

Associated	30-Jun-18										
	Current	Non-current		Current	Non-current	Total	Equity	Operating	Costs and	Other	Net profit
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	304	-	304	166	-	166	138	74	(410)	-	(336)
Pacific Berry Breeding LLC	-	-	-	-	-	-	-	-	(384)	-	(384)
Munger Hortifrut N.A. LLC	4,726	83,768	88,494	7,956	33,462	41,418	47,076	-	(846)	(1,086)	(1,932)
Naturipe Brands LLC	2,371	5,852	8,223	1,940	-	1,940	6,283	56	(643)	-	(587)
Naturipe Farms LLC	108,292	1,641	109,933	109,456	-	109,456	477	404,174	(404,054)	-	120
Naturipe Value Added Foods LLC	9,882	20	9,902	9,169	-	9,169	733	3,573	(3,650)	77	-
Naturipe Value Added Fresh, LLC	4,173	12,207	16,380	2,066	-	2,066	14,314	11,816	(12,074)	-	(258)
S.A.T. Hortifrut H-0030	9	-	9	6	-	6	3	-	-	-	-
Hortifrut Berries Maroc S.R.L	1,113	2,560	3,673	814	3,896	4,710	(1,037)	708	(679)	(29)	-
Margesi S.A.	1,257	1,551	2,808	379	225	604	2,204	210	(215)	(3)	(8)
San Clemente Vitalberry (Shanghai) SpA	8,453	44	8,497	6,027	-	6,027	2,470	12,840	(12,348)	(154)	338
Hortifrut Tal S.A.C	35,672	77,526	113,198	9,134	35,264	44,398	68,800	18,234	(15,197)	(1,103)	1,934
Hortifrut Expofresh S.A.	785	18	803	825	-	825	(22)	250	(262)	(26)	(38)
Total	177,037	185,187	362,224	147,938	72,847	220,785	141,439	451,935	(450,762)	(2,324)	(1,151)

Associated	31-Dec-17						30-Jun-17				
	Current	Non-current		Current	Non-current	Total	Equity	Operating	Costs and	Other	Net profit
	Assets	Assets	Assets	Liabilities	Liabilities	Liabilities		Revenue	Expenses	Results	(loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Berry Blue LLC	197	-	197	103	-	103	94	35	(343)	-	(308)
Pacific Berry Breeding LLC	102	98	200	116	-	116	84	277	(609)	-	(332)
Munger Hortifrut N.A. LLC	7,600	86,811	94,411	4,938	40,465	45,403	49,008	56	(964)	-	(908)
Naturipe Brands LLC	628	7,730	8,358	1,611	-	1,611	6,747	1,000	(760)	-	240
Naturipe Farms LLC	50,550	1,783	52,333	51,566	-	51,566	767	383,519	(382,334)	(952)	233
Naturipe Value Added Foods LLC	14,637	31	14,668	13,953	-	13,953	715	3,448	(3,486)	38	-
Naturipe Value Added Fresh, LLC	5,209	12,156	17,365	2,793	-	2,793	14,572	11,054	(10,214)	-	840
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)	89	(166)	77	-
Euroberry GmbH	7,496	-	7,496	7,466	-	7,466	30	14,200	(14,015)	(185)	-
Margesi S.A.	2,635	2,714	5,349	1,391	348	1,739	3,610	-	(513)	(21)	(534)
San Clemente Vitalberry (Shanghai) SpA	6,675	46	6,721	4,589	-	4,589	2,132	6,044	(5,604)	(122)	318
Hortifrut Tal S.A.C	46,175	71,487	117,662	17,748	32,734	50,482	67,180	6,927	(4,418)	(1,775)	734
Hortifrut Expofresh S.A.	985	49	1,034	978	-	978	56	978	(454)	(32)	492
Total	143,644	185,641	329,285	107,905	77,482	185,387	143,898	427,627	(423,880)	(2,972)	775

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>30-Jun-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Varietal license	Finite	10,582	9,887
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,708	2,841
Software	Finite	383	309
Total		<u>15,119</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 June 30, 2018 and the period ending December 31, 2017, is as follows:

<u>Movement</u>	<u>30-Jun-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance as of January 01	9,887	16,969
Investments	1,401	-
Amortization / consumption	(706)	(7,082)
Closing balance	<u>10,582</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 June 30, 2018 and December 31, 2017, is as follows:

<u>Movement</u>	<u>30-Jun-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
Opening balance as of January 01	309	272
Investments	107	139
Amortization	(33)	(102)
Closing balance	<u>383</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	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
VBM Brand	Indefinite	977	977
Water Rights	Indefinite	469	469
Relationship with Customers	Finite	2,708	2,841
Total		4,154	4,287

<u>Movement</u>	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Opening balance as of January 01	4,287	4,553
Amortization	(133)	(266)
Closing balance	4,154	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 June 30, 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 June 30, 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	30-Jun-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 June 30, 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 June 30, 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	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	4,630	29	2,243	23	113	89	83	14,044	6,511	27,765
Expropriation and write-off	(33)	-	(163)	-	(31)	(6)	(19)	-	-	(252)
Reclassification	4,202	74	296	-	16	3	11	780	(5,382)	-
Depreciation	(2,670)	-	(1,595)	(357)	(214)	(97)	(322)	(5,126)	-	(10,381)
Exchange rate adjustment	(678)	(140)	(95)	(5)	(3)	(9)	(18)	(483)	(299)	(1,730)
Net amount as of 30-06-2018	52,669	20,892	19,123	13,596	630	786	2,739	121,948	28,079	260,462

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 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 01, 2017										
Cost	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)
Reclassification	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 are 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 June 30, 2018, the detail of Property, plant and equipment is as follows:

	Gross Value	Accumulated depreciation	Net value
	ThUS\$	ThUS\$	ThUS\$
Construction and infrastructure works	90,998	(38,329)	52,669
Land	20,892	-	20,892
Machinery and equipment	35,763	(16,640)	19,123
Leased equipment	16,806	(3,210)	13,596
Information technology (IT) equipment	2,337	(1,707)	630
Furniture and supplies	1,995	(1,209)	786
Motor vehicles	7,890	(5,151)	2,739
Bearer plants	159,877	(37,929)	121,948
Works in progress	28,079	-	28,079
Total Property, plant and equipment	364,637	(104,175)	260,462

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>30-Jun-18</u>	<u>31-Dec-17</u>
Blueberries	672	590
Organic Blueberries	618	630
Raspberries	145	136
Blackberries	13	13
Strawberries	65	65
Cherries	7	7
Total Planted Hectares	<u>1,520</u>	<u>1,441</u>
Own Hectares	822	792
Leased Hectares	698	649
Total Hectares	<u>1,520</u>	<u>1,441</u>
Productive Hectares	1,185	1,176
Non-Productive Planted Hectares	335	265
Total Hectares	<u>1,520</u>	<u>1,441</u>

d) Loss due to impairment in value

As of June 30, 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><u>3,215</u></u>

e) Financial lease

The net book value as of June 30, 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>30-Jun-18</u>	<u>31-Dec-17</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
<u>Construction</u>		
Administrative offices	986	1,008
Parking administrative offices	36	36
Metallic structure 5.3 hectares	239	246
Metallic structure 2.0 hectares	57	59
Metallic structure Roof	264	279
Greenhouse 4.08 hectares	1,093	1,093
Greenhouse 4.00 hectares	862	862
Molina Plant	4,056	4,102
Total Constructions	<u>7,593</u>	<u>7,685</u>
<u>Land</u>		
Land Molina Plant	236	236
Total Land	<u>236</u>	<u>236</u>
<u>Machinery and equipment</u>		
Blueberries processing line	477	503
IQF processing lines	198	243
Molina plant processing line and machinery	1,129	1,203
BBC Filling Machine	608	632
BBC Soft Sorter Machine	633	659
Calibrating and classifying machine	1,343	1,396
Plant pots for Greenhouse	1,260	1,260
Fertigation machinery	4	9
Sulphur burners	29	31
Miscellaneous equipment	28	3
Total machinery and equipment	<u>5,709</u>	<u>5,939</u>
<u>Motor vehicles</u>		
Vans	41	56
Tractors	17	19
Total motor vehicles	<u>58</u>	<u>75</u>
General total	<u><u>13,596</u></u>	<u><u>13,935</u></u>

Debt associated to these leasings as of June 30, 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>30-Jun-18</u> <u>ThUS\$</u>	<u>31-Dec-17</u> <u>ThUS\$</u>
<u>Construction</u>		
Administrative offices	384	488
Parking administrative offices	18	19
Metallic structure 5.3 hectares	144	178
Metallic structure 2.0 hectares	40	48
Metallic structure Roof	240	273
Greenhouse 4.08 hectares	929	910
Greenhouse 4.00 hectares	722	901
Molina Plant	3,409	3,622
Total Construction	<u>5,886</u>	<u>6,439</u>
<u>Land</u>		
Land Molina Plant	198	208
Total Land	<u>198</u>	<u>208</u>
<u>Machinery and equipment</u>		
Plant pots for greenhouse	1,056	1,316
Molina plant processing line and machinery	949	1,062
Calibrating and classifying machine	768	953
Sulfur burners	25	32
Other	3	-
Total Machinery and equipment	<u>2,801</u>	<u>3,363</u>
<u>Motor vehicles</u>		
Vans	14	18
Tractors	12	16
Total motor vehicles	<u>26</u>	<u>34</u>
General Total	<u>8,911</u>	<u>10,044</u>

As of June 30, 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 June 30, 2018, the detail of Property, plant and equipment which are totally depreciated is as follows:

	Gross Value ThUS\$
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:

		Movement						
Biologicals	Biologicals	31-Dec-17	Additions	Amortization	Transfers	Exchange rate adjustment	30-Jun-18	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
In production	Productive	82,618	-	(5,126)	-	(483)	77,009	
In development	Works in progress	30,115	14,044	-	780	-	44,939	
Total	Total	<u>112,733</u>	<u>14,044</u>	<u>(5,126)</u>	<u>780</u>	<u>(483)</u>	<u>121,948</u>	

NOTE 20 – CURRENT INCOME TAX AND DEFERRED TAXES

In the period ending June 30, 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 June 30, 2018, a current income tax provision of ThUS\$5,527 (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\$6,335 (ThUS\$10,322 as of December 31, 2017). In this manner, when presented net in the statement of financial position, as of June 30, 2018, a balance is presented in favor of the company for recoverable taxes for ThUS\$808 (ThUS\$1,086 as of December 31, 2017).

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

	30-Jun-18	31-Dec-17
<u>Detail Recoverable Tax</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Monthly provisional payments	6,062	9,883
Personnel training	3	194
Other credits	270	42
Donations law	-	203
Total Credits	<u>6,335</u>	<u>10,322</u>
Income tax provision	(5,527)	(9,236)
Total Credits (Income Tax Provision)	<u>808</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 June 30, 2018 and December 31, 2017, refer to the following concepts:

Detail	30-Jun-18		31-Dec-17	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Manufacturing expenses	-	334	-	2,129
Valuation bearer plants	-	15,179	-	14,251
Land appraisal	-	34	-	34
Tax loss	15,185	-	12,445	-
Provisions	3,413	-	2,857	-
Intangibles	-	1,054	-	1,080
Fixed asset	-	4,092	-	4,639
Forward hedging	133	-	54	-
Price adjustment	-	2	-	362
Others	1,123	-	2,660	-
Non-realized profit in investments	-	-	575	-
Total	19,854	20,695	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 June 30, 2018 the deferred tax asset originated by tax loss reached ThUS\$15,185 (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:

		30-Jun-18	31-Dec-17	Variation
		ThUS\$	ThUS\$	ThUS\$
Hortifrut S.A.	Chile	2,118	-	2,118
Ag. Mataquito S.A.	Chile	981	1,288	(307)
Ag. El Avellano S.A.	Chile	1,735	1,865	(130)
Ag. y Gand. Santa Rebeca Ltda.	Chile	4	5	(1)
Ag. Hortifrut S.A.	Chile	-	714	(714)
Hortifrut S.A. de C.V.	Mexico	9,359	7,620	1,739
Berrygood Comercial Importadora	Brazil	480	573	(93)
Hortifrut Europa SL	Spain	53	55	(2)
Hortifrut España Southern Sun SL and Subsidiaries	Spain	288	106	182
Hortifrut Argentina S.A.	Argentina	140	214	(74)
Asian Berries Limited	China	23	-	23
Viveros Hortifrut Chile S.A.	Chile	4	5	(1)
Total		15,185	12,445	2,740

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 June 30, 2018 and December 31, 2017 is as follows:

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	18,591	14,950
Provisions	556	616
Tax loss	2,740	2,963
Forward hedging	79	(77)
Others	(1,537)	(257)
Profit not realized in investments	(575)	396
Final balance	<u>19,854</u>	<u>18,591</u>

Movement in deferred tax liabilities as of June 30, 2018 and December 31, 2017 is as follows:

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	22,495	22,680
Manufacturing expenses	(1,795)	835
Fixed asset	(547)	(4,347)
Intangibles	(26)	(23)
Advanced income	-	(151)
Valuation bearer plants	928	3,139
Price adjustment	(360)	362
Final balance	<u>20,695</u>	<u>22,495</u>

Income tax expense for the periods and quarters ending June 30, 2018 and 2017 have the following detail:

	30-Jun-18	30-Jun-17	1-Apr-18	1-Apr-16
Detail	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Current tax expense	5,848	6,406	1,195	2,332
Deferred tax effect	(2,240)	(4,255)	(427)	(3,450)
Adjustment previous year	(618)	248	(425)	248
Adjustment of conversion	8	(6)	48	143
Total	<u>2,998</u>	<u>2,393</u>	<u>391</u>	<u>(727)</u>

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

	30-Jun-18		30-Jun-17	
	ThUS\$	%	ThUS\$	%
Tax expense (income) using the legal rate	2,909	27.00%	4,479	25.50%
Tax effect of rate in other jurisdictions	(368)	-3.42%	51	0.29%
Tax effect of non taxable operating income	(738)	-6.85%	(341)	-1.94%
Tax effect of non deductible tax expense	1,555	14.43%	346	1.97%
Tax effect of fiscal currency other than functional currency	258	2.39%	(2,384)	-13.57%
Tax effect of tax provided in excess previous periods	(618)	-5.74%	242	1.38%
Total tax expense adjustment using the legal rate	89	0.81%	(2,086)	-11.87%
Tax expense using the effective rate	2,998	27.81%	2,393	13.63%

	QUARTER			
	1-Apr-18		1-Apr-17	
	30-Jun-18	%	30-Jun-17	%
Tax expense (income) using the legal rate	(1,085)	27.00%	(729)	25.50%
Tax effect of rate in other jurisdictions	(358)	-3.35%	5	0.07%
Tax effect of non taxable operating income	599	2.19%	(85)	-0.69%
Tax effect of non deductible tax expense	457	7.01%	545	2.94%
Tax effect of fiscal currency other than functional currency	1,203	8.78%	(705)	-5.35%
Tax effect of tax provided in excess previous periods	(425)	-4.44%	242	1.38%
Total tax expense adjustment using the legal rate	1,476	10.19%	2	-1.65%
Tax expense using the effective rate	391	37.19%	(727)	23.85%

NOTE 21 – OTHER FINANCIAL LIABILITIES

As of June 30, 2018 and December 31, 2017, Hortifrut and subsidiaries maintain financial liabilities which are detailed below:

Other current financial liabilities

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Obligations with banks and financial institutions	89,656	148,691
Financial Leasing	2,135	2,128
Forwards currency operations	570	712
Total current bank obligations	<u>92,361</u>	<u>151,531</u>

Other non-current financial liabilities

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Obligations with banks and financial institutions	261,067	75,770
Financial Leasing	6,776	7,916
Forwards currency operations	93	-
Cross Currency Swap Operations	472	280
Total non-current obligations	<u>268,408</u>	<u>83,966</u>

Detail of balance and expiries

a) Obligations with banks and financial institutions, grouped by maturity, as of June 30, 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	1-3 months 3-12 months		30-Jun-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	30-Jun-18		
									ThUS\$	ThUS\$								ThUS\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	2.98%	2.98%	401	-	-	401	-	-	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	5.52%	5.20%	165	-	-	165	150	-	-	-	-	-	-	150
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.03%	88	-	-	88	-	1,500	-	-	-	-	-	1,500
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.98%	2.98%	501	-	-	501	-	-	-	-	-	-	-	-
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.98%	2.98%	501	-	-	501	-	-	-	-	-	-	-	-
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	98	-	-	98	85	90	-	-	-	-	-	175
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	53	-	-	53	-	900	-	-	-	-	-	900
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	2.98%	2.98%	501	-	-	501	-	-	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	-	-	72	72	-	-	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	2	11	14	11	-	-	-	-	-	-	11
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	2	10	13	10	-	-	-	-	-	-	10
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.11%	2.11%	2	3	-	5	-	-	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	3	5	5	13	-	-	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	2	5	7	14	-	-	-	-	-	-	-	-
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	-	-	42	42	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.88%	2.06%	-	-	2,513	2,513	1,250	-	-	-	-	-	-	1,250
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.30%	2.30%	5,005	-	-	5,005	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inverciones	US\$	Annual	2.45%	2.45%	10,003	-	-	10,003	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inverciones	US\$	Annual	2.44%	2.44%	5,005	-	-	5,005	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inverciones	US\$	Annual	4.80%	4.80%	-	-	27	27	19,801	-	-	-	-	-	-	19,801
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	2.90%	2.90%	3,003	-	-	3,003	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	-	-	4,021	4,021	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	6	-	-	-	-	-	-	6
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.21%	2.21%	10,015	-	-	10,015	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	108	108	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco RaboFinance Chile	US\$	Annual	4.26%	4.26%	-	308	-	308	-	-	-	-	3,518	16,362	19,880	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.22%	2.22%	10,015	-	-	10,015	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.28%	2.28%	5,005	-	-	5,005	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	2.28%	2.28%	5,005	-	-	5,005	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.23%	2.23%	5,007	-	-	5,007	-	-	-	-	-	-	-	-
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	2.28%	2.28%	5,005	-	-	5,005	-	-	-	-	-	-	-	-
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	2.96%	2.96%	125	366	1,107	1,598	1,119	-	-	-	-	-	-	1,119
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	-	717	2,164	2,881	2,914	2,948	1,487	-	-	-	-	7,349
Hortifrut España Southern Sun SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Biannual	1.16%	1.16%	1,484	-	1,436	2,920	2,897	2,931	2,965	-	-	-	-	8,793
Hortifrut España Southern Sun SL	0-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	373	-	1,076	1,449	1,449	1,465	1,481	-	-	-	-	4,395
Hortifrut España Southern Sun SL	0-E	Spain	Banco Intercontinental Español	EUR	Monthly	1.10%	1.10%	75	143	647	865	799	880	743	-	-	-	-	2,422
Hortifrut España Southern Sun SL	0-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	-	-	429	429	530	584	590	198	-	-	-	1,902
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.38%	1.38%	9	26	70	105	-	-	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.50%	1.50%	13	39	53	105	-	-	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.45%	1.45%	-	-	-	-	-	114	177	-	-	-	-	291
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	4	17	23	-	-	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Caja Rural Asturias	EUR	Monthly	5.00%	5.00%	2	4	7	13	-	-	-	-	-	-	-	-
Asturian Berries SL	0-E	Spain	Financial Services	EUR	Monthly	9.20%	9.20%	-	-	2	2	2	15	-	-	-	-	-	17
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Monthly	1.40%	1.40%	-	-	-	-	126	279	155	-	-	-	-	560
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Monthly	1.50%	1.50%	-	-	-	-	44	99	55	-	-	-	-	198
Berries Peru	0-E	Peru	Banco de Crédito Perú	SOL	Monthly	5.00%	5.00%	1	-	-	1	-	-	-	-	-	-	-	-
Euroberry Marketing S.A.	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.08%	1.08%	-	-	3,303	3,303	-	-	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	100	100	-	-	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	-	5	-	-	-	-	-	5
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	64	64	-	-	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	UF	Annual	0.30%	0.30%	-	-	70	70	-	-	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.30%	0.30%	-	-	146	146	-	-	-	-	-	-	-	-
Hortifrut S.A.	96.896.990-0	Chile	Banco de Crédito e Inverciones	US\$	Annual	5.20%	4.22%	-	-	2,893	2,893	2,636	3,000	4,000	4,000	34,000	-	47,636	
Hortifrut Inverciones Internacionales S.A.	76.043.425-6	Chile	Banco RaboFinance Chile	US\$	Monthly	4.86%	4.20%	-	-	39	39	33,565	-	-	-	-	-	-	33,565
Hortifrut Inverciones Internacionales S.A.	76.043.425-6	Chile	Banco Santander Chile	US\$	Monthly	4.54%	4.20%	-	-	62	62	-	16,983	17,667	17,666	17,666	-	-	52,316
Hortifrut Inverciones Internacionales S.A.	76.043.425-6	Chile	Banco Scotiabank	US\$	Monthly	4.54%	4.20%	-	-	62	62	-	16,983	17,667	17,666	17,666	-	-	52,316
HF Sarbanand S de R.L.	0-E	Mexico	HSBC México SA, Institucion de Banca Multiple	US\$	Annual	4.08%	4.08%	-	-	-	-	2,250	2,250	-	-	-	-	-	4,500
Total								67,409	1,624	20,563	89,656	69,644	51,026	46,987	43,048	50,362	261,067		

Debtor Company	RUT	Country	Creditor Bank	Currency	Type of Amortization	Effective Annual Rate	Nominal Annual rate	Current			Total current	No corrientes					Total Non-current		
								Maturity up to 1 month	1-3 months	3-12 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\$	ThUS\$
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	6.06%	6.06%	-	-	217	217	-	-	-	-	-	-	-	
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	401	-	-	401	-	-	-	-	-	-	-	
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	5.52%	5.20%	-	-	157	157	150	-	-	-	-	-	150	
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco RaboFinance Chile	US\$	Annual	6.26%	6.03%	-	-	42	42	-	1,500	-	-	-	-	1,500	
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-	-	
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-	-	
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	5.58%	5.31%	-	-	91	91	85	90	-	-	-	-	175	
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco RaboFinance Chile	US\$	Annual	6.23%	6.01%	-	-	25	25	-	900	-	-	-	-	900	
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	2.68%	2.68%	501	-	-	501	-	-	-	-	-	-	-	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	-	-	85	85	-	-	-	-	-	-	-	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	3	13	17	17	4	-	-	-	-	21	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	1.66%	1.66%	1	3	13	17	17	4	-	-	-	-	21	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.11%	2.11%	2	4	11	17	-	-	-	-	-	-	-	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	3	6	26	35	-	-	-	-	-	-	-	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.02%	2.02%	3	6	24	33	-	-	-	-	-	-	-	
Berry Good Com Imp E Dist	0-E	Brazil	Banco Itaú	BRL	Monthly	2.14%	2.14%	-	-	50	50	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	2.88%	2.06%	-	-	2,525	2,525	2,500	-	-	-	-	-	2,500	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	1.99%	1.99%	5,004	-	-	5,004	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	1.99%	1.99%	5,004	-	-	5,004	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Annual	1.20%	1.20%	-	110	-	110	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Bice	US\$	Annual	1.77%	1.77%	5,005	-	-	5,005	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.42%	3.02%	-	3,581	-	3,581	2,661	3,000	3,000	3,000	3,000	6,000	17,661	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	5,015	-	-	5,015	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	1.78%	1.78%	10,028	-	-	10,028	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	EUR	Annual	0.41%	0.41%	-	2,038	-	2,038	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	EUR	Annual	0.75%	0.75%	-	927	-	927	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	1.70%	1.70%	6,017	-	-	6,017	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Chile	US\$	Annual	1.70%	1.70%	6,017	-	-	6,017	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	2.20%	5.03%	-	-	5,227	5,227	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	7	-	-	-	-	-	7	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	5,018	-	-	5,018	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	5,015	-	-	5,015	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	US\$	Annual	1.66%	1.66%	10,038	-	-	10,038	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	114	-	-	-	-	-	114	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	1.83%	1.83%	5,005	-	-	5,005	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Itaú	US\$	Annual	1.99%	1.99%	-	5,004	-	5,004	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco RaboFinance Chile	US\$	Annual	4.26%	4.26%	-	272	-	272	-	-	-	-	-	-	20,000	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	3,021	-	-	3,021	-	-	-	1,819	18,181	-		
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	5,035	-	-	5,035	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.66%	1.66%	7,058	-	-	7,058	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.68%	1.68%	10,031	-	-	10,031	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Santander Chile	US\$	Annual	1.76%	1.76%	-	5,020	-	5,020	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	3,011	-	-	3,011	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	3,011	-	-	3,011	-	-	-	-	-	-	-	
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco Scotiabank	US\$	Annual	1.70%	1.70%	5,019	-	-	5,019	-	-	-	-	-	-	-	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	2.96%	2.96%	249	250	1,130	1,629	-	-	-	-	-	-	1,910	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Quarterly	1.15%	1.15%	-	734	2,213	2,947	1,525	385	3,050	-	-	-	9,046	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Biannual	1.46%	1.16%	-	-	1,469	2,965	2,998	3,033	3,033	1,530	764	-	10,526	
Hortifrut España Southern Sun SL	0-E	Spain	La Caixa	EUR	Quarterly	1.10%	1.10%	-	-	735	735	1,483	1,499	1,516	764	-	-	5,262	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Intercontinental Español	EUR	Monthly	1.10%	1.10%	-	-	663	663	817	901	911	307	-	-	2,936	
Hortifrut España Southern Sun SL	0-E	Spain	Banco Sabadell	EUR	Monthly	1.10%	1.10%	-	-	147	147	591	597	604	458	-	-	2,250	
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.38%	1.38%	9	27	-	108	54	-	-	-	-	-	54	
Asturian Berries SL	0-E	Spain	Banco Santander Central Hispano S.A.	EUR	Monthly	1.50%	1.50%	13	40	107	160	29	-	-	-	-	-	29	
Asturian Berries SL	0-E	Spain	Caja Madrid	EUR	Monthly	0.87%	0.87%	2	4	19	25	11	-	-	-	-	-	11	
Asturian Berries SL	0-E	Spain	Caja Rural Asturias	EUR	Monthly	5.00%	5.00%	2	6	19	27	-	-	-	-	-	-	-	
Asturian Berries SL	0-E	Spain	Financial Services	EUR	Monthly	9.20%	9.20%	-	-	1	1	2	16	-	-	-	-	18	
Asturian Berries SL	0-E	Spain	Banco Bilbao Vizcaya Argentaria	EUR	Monthly	1.40%	1.40%	-	-	-	-	129	287	-	-	159	-	-	575
Berries Peru	0-E	Peru	Banco de Crédito Perú	SOL	Monthly	5.00%	5.00%	4	-	-	4	-	-	-	-	-	-	-	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	99	-	-	-	-	-	99	
Hortifrut S.A.	96.896.990-0	Chile	Banco Estado	CLP	Annual	0.70%	0.70%	-	-	-	-	-	5	-	-	-	-	5	
Total								115,575	14,454	18,662	148,691	16,237	15,201	12,273	7,878	24,181	75,770		

b) Financial Leasing Obligations

Obligations with Banks and financial institutions per financial leasing, grouped by maturity, are detailed below, as of June 30, 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			30-Jun-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	30-Jun-18	
								1 month	1-3 months	3-12 months								
								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%	-	35	35	70	74	-	-	-	-	-	74
Agrícola El Pampino S.A.	76.884.880-7	Chile	Banco Santander Chile	US\$	Annual	3.91%	3.91%	-	-	16	16	16	8	-	-	-	-	24
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	4.29%	4.29%	246	-	-	246	218	228	237	-	-	-	683
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.10%	5.10%	-	-	173	173	169	178	202	-	-	-	549
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.54%	5.54%	-	-	251	251	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	4	-	-	-	-	-	4
Agrícola Mataquito S.A.	76.306.130-2	Chile	Banco de Crédito e Inversiones	US\$	Annual	5.45%	5.45%	-	-	6	6	6	7	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	-	-	-	-	-	7
Agrícola Santa Rosa del Parque S.A.	99.584.440-0	Chile	Banco Santander Chile	US\$	Annual	3.74%	3.74%	-	-	65	65	68	71	36	-	-	-	175
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Annual	2.79%	3.68%	98	-	283	381	387	-	-	-	-	-	387
Hortifrut Chile S.A.	99.524.450-0	Chile	Banco de Crédito e Inversiones	US\$	Quarterly	3.29%	4.05%	-	199	523	722	717	741	766	792	818	-	3,834
Hortifrut S.A.	96.896.990-0	Chile	Banco Bilbao Vizcaya Argentaria	US\$	Monthly	9.79%	9.79%	30	30	127	187	197	18	-	-	-	-	215
Hortifrut Comercial S.A.	99.535.510-8	Chile	GC Rent Chile SPA	CLP	Annual	16.93%	16.93%	-	-	3	3	-	-	-	-	-	-	-
Total								376	266	1,493	2,135	2,110	1,511	1,545	792	818	6,776	

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			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	
								1 month	1-3 months	3-12 months								
								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 June 30, 2018 and December 31, 2017 are the following:

LIABILITIES			Balance Capital	MtoM Value	
Hedging Instruments				30-Jun-18	31-Dec-17
Entities	Instruments	Type	ThUS\$	ThUS\$	ThUS\$
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	21,000	-	280
Banco de Crédito e Inversiones	Cross Currency Swaps - USD	Rate	51,000	468	-
Banco Bilbao Vizcaya Argentaria	Cross Currency Swaps CLP/USD	Currency	506	4	-
Total Non-Current			72,506	472	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 June 30, 2018 and December 31, 2017, is as follows:

Company	Bank	Contract Type	Fees Type	Liabilities Amount Currency	Closing Value Amount	Net Effect Offsetting	Maturity up to					Total current 30-Jun-18	Maturity up to		Total non-current 6/30/2018	
							1-3 months	3-6 months	6-9 months	9-12 months	11 to 2 years		2 to 3 years			
														ThUS\$		ThUS\$
Hortifrut Chile S.A.	Banco de Chile	Offsetting	Sale	USD	1,600	CLP	1,646	46	10	16	18	7	51	-	-	-
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Sale	USD	11,862	CLP	11,916	54	14	18	16	4	52	62	-	62
Hortifrut Chile S.A.	Banco Scotiabank	Offsetting	Purchase	EUR	25,000	CLP	24,812	(188)	-	109	154	13	276	-	-	-
Hortifrut S.A.	Banco de Chile	Offsetting	Sale	USD	800	CLP	823	23	4	6	15	1	26	-	-	-
Hortifrut S.A.	Banco Scotiabank	Offsetting	Sale	USD	6,069	CLP	6,095	26	4	6	14	1	25	31	-	31
Agrícola Mataquito S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,841	CLP	1,894	53	15	11	22	4	52	-	-	-
Agric. y Gan. Sta. Rebeca Ltd.	Banco Santander Chile	Offsetting	Sale	USD	50	CLP	51	1	-	-	1	-	1	-	-	-
Agric. Santa Rosa del Parque S.A.	Banco Santander Chile	Offsetting	Sale	USD	1,140	CLP	1,173	33	4	12	14	2	32	-	-	-
Agrícola Vida Nueva S.A.	Banco de Crédito e Inversiones	Offsetting	Sale	USD	1,450	CLP	1,498	48	6	13	32	3	54	-	-	-
Agrícola Vida Nueva S.A.	Banco Santander Chile	Offsetting	Sale	USD	110	CLP	111	1	-	-	1	-	1	-	-	-
Total			30-Jun-18		49,922		50,019	97	57	191	287	35	570	93	-	93

Company	Bank	Contract Type	Fees Type	Liabilities Amount Currency	Closing Value Amount	Net Effect Offsetting	Maturity up to				Total current 31-Dec-17	Maturity up to		Total non-current 12/31/2017		
							1-3 months	3-6 months	6-9 months	9-12 months		1 to 2 years	2 to 3 years			
															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			31-Dec-17		19,545		20,216	(677)	351	361	-	-	712	-	-	-

e) Additional information regarding financial liabilities

e.1) Hortifrut Chile S.A.

e.1.1) Dated November 05, 2015, BBVA Bank granted Hortifrut Chile S.A. a credit for US\$ 10 million and to date Hortifrut Chile S.A. owes US\$3.76 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.

e.1.2) Dated October 06, 2015, Banco del Estado de Chile bank granted Hortifrut Chile S.A. a credit for ThCLP 6,855,000. For this credit, dollarization hedging was used and to date Hortifrut Chile S.A. owes US\$4.02 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 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.

In relation to the aforementioned obligation, dated June 12, 2018, the non-measurement of this obligation as of June 30, 2018, was agreed with Banco del Estado de Chile.

- 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 hedge ratio of the assets at trade 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 50.53 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)
 - 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.

e.3) Hortifrut Inversiones Internacionales S.A.

e.3.1) Dated June 20, 2018, Rabobank granted Hortifrut Inversiones Internacionales S.A. a credit for US\$ 34 million of which to date the company 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 1 time 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.3.2) Dated June 20, 2018, Banco Santander granted Hortifrut Inversiones Internacionales S.A., a credit for US\$ 53 million of which to date it 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 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.

e.3.3) Dated June 20, 2018, Scotiabank granted Hortifrut Inversiones Internacionales S.A., a credit for US\$ 53 million of which to date it 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 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.

e.3.4) Dated June 20, 2018, BCI Bank granted Hortifrut Inversiones Internacionales a credit for US\$ 20 million of which to date it 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 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.

e.4) Compliance of Covenants

e.4.1) Net financial debt divided by annual EBITDA

Net financial debt divided by annual EBITDA was 3.75 for the 12-month period ending June 30, 2018, (lower than the 4 times requested by BCI, 4.5 times requested by Rabobank, Santander, Scotiabank and BBVA).

Dated June 12, 2018, the non-measurement of this obligation as of June 30, 2018, was agreed with Banco del Estado de Chile.

Net financial debt divided by annual EBITDA was 3.49 for the 12-month period ending December 31, 2017, (lower than the 6 times requested by Rabobank, BCI and BBVA).

	30-Jun-18	31-Dec-17	30-Jun-17	1-Jul-17
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
EBITDA	26,059	59,520	37,266	48,313
Net Financial Debt	181,287	207,659	142,968	181,287
Net Financial Debt / EBITDA	6.96	3.49	3.84	3.75

e.4.2) Financial cost hedging (EBITDA divided by net financial costs of the last 12 months)

Financial cost hedging for a 12-month period ending in June, was 8.2 times, (higher than the 4 required as of June 30, 2018 by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

	30-Jun-18	31-Dec-17	30-Jun-17	1-Jul-17
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
EBITDA	26,059	59,520	37,266	48,313
Net Financial Cost	3,807	3,965	1,879	5,893
EBITDA / Net Financial Cost	6.8	15.0	19.8	8.2

e.4.3) Net Financial Debt divided by Total Equity

As of June 30, 2018 it was 0.73 times (lower than 1 time required by BCI, BBVA, Banco del Estado, Scotiabank, Santander and Rabobank).

	30-Jun-18	30-Jun-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Total Equity	247,541	236,305
Net Financial Debt	181,287	142,968
Net Financial Debt / Total Equity	0.73	0.61

e.4.4) Assets at commercial value over the owed capital balance

As of June 30, 2018 it was 2.2 times (higher than 1 time required by Rabobank).

	<u>Biological</u>	<u>Other</u>	<u>Associated</u>	
	<u>Assets</u>	<u>Properties</u>	<u>Debt</u>	
<u>Company</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>Times</u>
Agrícola Hortifrut S.A.	31,246	13,146	20,188	2.2

e.3.4) Parameters to calculate ratios

The EBITDA of the periods ending December 31, 2017 and for the periods ending June 30, 2018 and 2017, are the following:

	12 month period				
	30-Jun-18	31-Dec-17	30-Jun-17	1-Jul-17	1-Jul-16
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
DETERMINING EBITDA					
Income from operating activities	260,683	388,250	203,588	445,345	393,638
Other income, per function	1,572	495	234	1,833	1,568
Total Income	262,255	388,745	203,822	447,178	395,206
Cost of sales	(228,908)	(324,718)	(167,211)	(386,415)	(333,367)
Administration expenses	(17,560)	(26,773)	(14,109)	(30,224)	(26,526)
Other expenses, per function, excluding impairment in the value of assets	(1,161)	(1,528)	(718)	(1,971)	(1,401)
Total Costs and Expenses	(247,629)	(353,019)	(182,038)	(418,610)	(361,294)
Operating Result	14,626	35,726	21,784	28,568	33,912
Depreciation and amortization	11,433	23,794	15,482	19,745	26,941
EBITDA	26,059	59,520	37,266	48,313	60,853

The detail of depreciation and amortization as of June 30, 2018 and 2017 and December 31, 2017 is as follows:

	30-Jun-18	30-Jun-18	30-Jun-17
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Depreciation and Amortization			
Property, plant and equipment	5,188	9,300	4,487
Intangibles - Software	33	102	60
Intangibles - Licenses	706	7,082	5,080
Relationship with customers	133	266	133
Amortization biologicals	5,193	7,172	5,650
Capitalized amortization / others	180	(128)	72
Total	11,433	23,794	15,482

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:

Determining net financial debt	31-Dec-17	30-Jun-17	31-Dec-16	30-Jun-16
<u>Items</u>	<u>ThUS\$</u>	unaudited <u>ThUS\$</u>	<u>ThUS\$</u>	unaudited <u>ThUS\$</u>
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.5) 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.6) The conciliation of movements as of June 30, 2018, between financial liabilities and cash flows for financing activities is as follows:

Concepts	Cash flows		Payable interests and dividends ThUS\$	Changes in fair value ThUS\$	Reclassifications ThUS\$	30-Jun-18 ThUS\$
	31-Dec-17 ThUS\$	ThUS\$				
Short term loans with financial entities	148,691	(93,905)	72		34,798	89,656
Long term loans with financial entities	75,770	219,010	1,320		(35,033)	261,067
Short term financial leasing liabilities	10,044	(1,368)			235	8,911
Derivative instruments	992			50		1,042
Total	235,497	123,737	1,392	50	-	360,676

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

The detail of this item as of June 30, 2018 and December 31, 2017 are the following:

Current	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
Suppliers	14,235	37,657
Payable notes	-	33
Retentions and payable tax	3,814	5,853
Payable dividend	-	6,181
Total	18,049	49,724

As of June 30, 2018 and December 31, 2017, there are no non-current trade accounts and other accounts payable.

Accounts payable per currency are as follows:

Current	30-Jun-18	31-Dec-17
	ThUS\$	ThUS\$
United States Dollar	5,008	31,090
Chilean Peso	5,716	13,543
Euro	3,716	2,404
Mexican Peso	1,067	1,425
Argentine Peso	20	26
Nuevo Sol	309	1,021
Pound	2,115	-
Brazilian Real	98	215
Total	18,049	49,724

Suppliers with payments non past due, as of June 30, 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	1,409	5,254	1,553	1,490	-	9,706	70
Services	7,720	365	5	5	-	8,095	31
Others	193	5	-	50	-	248	49
Total as of 30-06-2018	9,322	5,624	1,558	1,545	-	18,049	

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:

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
<u>Current provisions</u>		
Other provisions		
Cost provisions	1,129	545
Other provisions	<u>1,129</u>	<u>545</u>
Employee benefits		
Vacations	1,145	1,142
Substitute retirement benefits	376	470
Other benefits for personnel (bonus)	2,483	-
Employee benefits	<u>4,004</u>	<u>1,612</u>
Total	<u><u>5,133</u></u>	<u><u>2,157</u></u>

The movement of provisions during the period ending June 30, 2018 and the period ending December 31, 2017, is as follows:

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Movement		
Opening Balance	2,157	1,752
Increase in provisions	4,407	1,870
Used provisions	(1,431)	(1,465)
Total	<u><u>5,133</u></u>	<u><u>2,157</u></u>

NOTE 24 – ISSUED CAPITAL

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

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

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

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

Subscribed and paid capital as of June 30, 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 June 30, 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 expense.

There are no own shares in portfolio.

Number of Subscribed Shares

<u>Weighted average of ordinary shares in circulation</u>	<u>N° of days in circulation</u>	<u>N° Shares</u>	<u>% Weighting</u>	<u>Weighted average of ordinary shares in circulation</u>	
				<u>30-Jun-18</u>	<u>31-Dec-17</u>
Opening balance	181	435,520,079	100%	435,520,079	435,520,079
	181	435,520,079		435,520,079	435,520,079

NOTE 25 – RETAINED EARNINGS (LOSS)

The detail of the accumulated result as of June 30, 2018 and December 31, 2017, is as follows:

	30-Jun-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	5,498	26,563
Minimum dividend provision	-	(6,181)
Reversal minimum dividend provision previous year	6,181	7,283
Definite dividend	(6,181)	(7,283)
Provisional dividend	-	(6,097)
Impact due to change in accounting policy	(802)	-
Total	<u>75,199</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 June 30, 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 June 30, 2018 and December 31, 2017:

Concept	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Gains attributable to owners of the parent company	5,498	26,563
Minus:		
Increase to biological assets to fair value net of tax - PEV	-	(810)
Increase to biological assets to fair value	-	(1,640)
Deferred taxes	-	443
Result to be Distributed	5,498	24,556
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:

Month and year of payment	Type	Last 3 years ThUS\$
May-15	Definite	2,939
Oct-15	Provisional	3,920
	Total year 2015	6,859
May-16	Definite	2,873
Oct-16	Provisional	5,662
	Total year 2016	8,535
May-17	Definite	7,283
Oct-17	Provisional	6,097
	Total year 2017	13,380
May-18	Definite	6,181
	Total year 2018	6,181

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>Movement</u>	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Opening balance	1,165	(4,919)
Cash flow hedging reserves	(3,874)	818
Reserves for exchange rate fluctuations	(2,973)	5,266
Total	<u>(5,682)</u>	<u>1,165</u>
	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Other reserves		
Cash flow hedging reserves(*)	(358)	3,516
Reserves for exchange rate fluctuations	(5,324)	(2,351)
Total	<u>(5,682)</u>	<u>1,165</u>

(*) The movement of cash flow hedging reserves in the period ending June 30, 2018 and in the period ending December 31, 2017 is as follows:

<u>Movement cash flow hedging reserves</u>	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Opening balance	3,516	2,698
Other comprehensive income	(3,874)	818
Total	<u>(358)</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:

	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Cash flow hedging reserves	(511)	4,735
Gains tax	153	(1,219)
Total	<u>(358)</u>	<u>3,516</u>

The movement of reserves due to Exchange rate fluctuations, in the period ending June 30, 2018 and the period ending December 31, 2017, are the following:

	30-Jun-18	31-Dec-17
	<u>ThUS\$</u>	<u>ThUS\$</u>
Movement exchange rate fluctuation reserves		
Opening balance	(2,351)	(7,617)
Other comprehensive income	(2,973)	5,266
Total	<u>(5,324)</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 June 30, 2018 and December 31, 2017 and the interests of non-parent companies in results for the periods ending June 30, 2018 and 2017, are the following:

<u>Subsidiaries</u>	<u>Non controlling interest</u>		<u>Non controlling interest</u>		<u>Non controlling interest</u>	
	<u>Percentage</u>		<u>Equity</u>		<u>in profit (loss) result</u>	
	<u>30-Jun-18</u>	<u>31-Dec-17</u>	<u>30-Jun-18</u>	<u>31-Dec-17</u>	<u>30-Jun-18</u>	<u>30-Jun-17</u>
	<u>%</u>	<u>%</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Agrícola El Avellano S.A.	60.0%	60.0%	2,531	2,568	(37)	69
Agrícola El Pampino S.A.	80.0%	80.0%	1,005	927	78	184
Agr. y Ganandera Santa Rebeca Ltda.	75.0%	75.0%	119	125	4	(4)
Agrícola Vida Nueva S.A.	50.0%	50.0%	3,890	3,945	3	201
Viveros Hortifrut Chile S.A.	49.0%	49.0%	142	149	2	(2)
Hortifrut Argentina S.A.	4.1%	4.1%	8	14	-	2
Agrofrutas, SRL. de C.V.	1.0%	1.0%	(9)	(8)	(1)	(3)
Hortifrut España Southern Sun S.L.	50.0%	50.0%	19,667	18,653	1,768	(238)
Agrícola Santa Rosa del Parque S.A.	70.0%	70.0%	2,747	3,059	(138)	178
Agrícola Mataquito S.A.	50.0%	50.0%	1,875	1,470	433	8
Euroberry Marketing S.A.	50.0%	50.0%	2,025	1,904	227	155
Asturian Berries S.A.	74.5%	74.5%	189	-	-	(78)
Honghe Jiayu Agriculture Limited	49.0%	49.0%	8,686	3,952	(60)	-
Total			42,875	36,758	2,279	472

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

<u>Movement</u>	<u>30-Jun-18</u>	<u>31-Dec-17</u>
	<u>ThUS\$</u>	<u>ThUS\$</u>
Opening balance	36,758	29,648
Profit	2,279	1,142
Reserves for exchange rate fluctuations	(1,023)	2,298
Cash flow hedging reserves	(114)	(14)
Capital increase (dividends) at subsidiaries	(157)	(313)
Changes in accounting policy	126	-
Contributions in subsidiaries (*)	5,006	3,997
Total	42,875	36,758

(*) Corresponds to contributions to Honghe Jiayu Agriculture Limited, on behalf of the minority investor.

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>Measuring unit</u>	30-Jun-18	31-Dec-17	Quarter	
				1-Jul-14	1-Jul-13
<u>Basic profit (loss) per share</u>				30-Jun-18	31-Dec-17
Profit (loss) of activities continued after tax	ThUS\$	5,498	14,699	(7,236)	(1,738)
Basic weighted average of number of shares	Unit	435,520,079	435,520,079	435,520,079	435,520,079
Basic profit per share from continued operations	(US\$ per share)	0.012624	0.033750	(0.016615)	(0.003991)

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

<u>Weighted average of ordinary shares in circulation</u>	<u>N° of days in circulation</u>	<u>N° Shares</u>	<u>% Weighting</u>	<u>30-Jun-18</u>	<u>31-Dec-17</u>
Opening balance	181	435,520,079	100%	435,520,079	435,520,079
	181	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° 1.945, 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 June 30, 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 June 30, 2018 and 2017 is as follows:

Concept	Quarter			
	30-Jun-18	30-Jun-17	1-Apr-18	1-Apr-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue from operating activities	260,683	203,588	84,441	40,128
Other revenue, per function	1,572	234	596	190
Total	262,255	203,822	85,037	40,318

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

Other income, per function	Quarter			
	30-Jun-18	30-Jun-17	1-Apr-18	1-Apr-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit from the sale of property, plant and equipment	357	234	25	190
Third party recoveries	1,215	-	571	-
Total	1,572	234	596	190

Below we detail revenue per segment for the periods ending June 30, 2018 and 2017 is as follows:

Product	Quarter			
	30-Jun-18	30-Jun-17	1-Apr-18	1-Apr-17
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Fresh fruit				
Blueberries	217,349	159,661	63,729	22,980
Raspberries	10,990	11,685	4,774	5,440
Blackberries	8,467	11,149	3,049	4,232
Strawberries	5,221	7,965	566	1,820
Cherries	4,409	2,873	156	213
Total Fresh Fruit	246,436	193,333	72,274	34,685
Value Added Products	15,819	10,489	12,763	5,633
Total	262,255	203,822	85,037	40,318

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 June 30, 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 June 30, 2018 and 2017:

	Quarter			
	30-Jun-18	30-Jun-17	1-Apr-18 30-Jun-18	1-Apr-17 30-Jun-17
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Cost of sales				
Costos de ventas	138,831	82,294	47,408	3,375
Materials	12,295	14,273	3,468	2,870
Remunerations	32,584	24,711	13,494	9,847
Depreciations and amortizations	10,586	14,742	4,713	5,090
Other general expenses	7,245	7,044	2,427	3,945
Freight	14,227	11,187	1,509	(354)
Lease of property, machinery, etc.	4,476	3,686	2,313	2,282
Third party services	8,664	9,274	2,808	2,940
Total Cost of Sales	<u>228,908</u>	<u>167,211</u>	<u>78,140</u>	<u>29,995</u>

30.1. Administrative expenses

Below is the detail of administrative expenses as of June 30, 2018 and 2017:

	Quarter			
	30-Jun-18	30-Jun-17	1-Apr-18 30-Jun-18	1-Apr-17 30-Jun-17
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>
Administrative expenses				
Remunerations	10,771	7,878	5,446	4,910
Depreciations and amortizations	821	729	414	343
Other general expenses	2,881	2,619	1,168	1,078
Lease of property, machinery, etc.	485	300	(172)	54
Third party services	2,602	2,379	1,726	1,353
Others	-	204	-	204
Total Administration Expenses	<u>17,560</u>	<u>14,109</u>	<u>8,582</u>	<u>7,942</u>

30.2. Other expenses, per function

	30-Jun-18 ThUS\$	30-Jun-17 ThUS\$	Quarter	
			1-Apr-18 30-Jun-18 ThUS\$	1-Apr-17 30-Jun-17 ThUS\$
Other expenses, per function				
Investigation expenses				
Cost of Sales	184	7	179	3
Materials	4	11	-	1
Remunerations	323	212	134	118
Depreciations and amortizations	26	11	17	6
Other general expenses	142	147	(23)	88
Freight	1	2	-	-
Lease of property, machinery, etc.	13	13	7	11
Third party services	384	188	242	136
Received contributions	(141)	(25)	(141)	(25)
Sub-total Investigation expenses	936	566	415	338
Other expenses				
Loss from sale of property, plants and equipment and materials	71	152	39	15
Other expenses	154	-	(107)	-
Sub-total Other expenses	225	152	(68)	15
Total Other expenses, per function	1,161	718	347	353

NOTE 31 – FINANCIAL EXPENSES

Financial expenses for the periods ending June 30, 2018 and 2017, are detailed below:

	30-Jun-18 ThUS\$	30-Jun-17 ThUS\$	Quarter	
			1-Apr-18 30-Jun-18 ThUS\$	1-Apr-17 30-Jun-17 ThUS\$
Financial Expenses				
Bank loans	3,798	2,142	2,010	1,065
Other financial expenses	878	297	396	140
Interests with related parties	104	(60)	52	(12)
Leasing interests	202	200	94	117
Total Financial Expenses	4,982	2,579	2,552	1,310

NOTE 32 – EXCHANGE RATE DIFFERENCE

The detail of the Exchange rate difference for the periods ending June 30, 2018 and 2017, are detailed as follows:

	Currency	Quarter			
		30-Jun-18	30-Jun-17	1-Apr-18	1-Apr-17
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Assets					
Cash and cash equivalents	CLP	(138)	(218)	46	(66)
Cash and cash equivalents	USD	8	11	104	16
Cash and cash equivalents	EUR	(19)	(60)	(22)	(14)
Cash and cash equivalents	MXN	(34)	17	(43)	11
Trade debtors and other accounts receivable	CLP	(76)	15	(100)	11
Trade debtors and other accounts receivable	USD	107	31	59	167
Trade debtors and other accounts receivable	EUR	7	94	(3)	87
Trade debtors and other accounts receivable	MXN	17	505	(180)	166
Accounts receivable from related entities	EUR	84	160	1,170	83
Current tax assets	CLP	(269)	323	(483)	77
Current tax assets	MXN	(345)	(115)	(3,261)	(172)
Current tax assets	USD	102	(2)	46	(4)
Sub-total		(556)	761	(2,667)	362
Liabilities					
Other financial liabilities	CLP	22	2	24	2
Other financial liabilities	EUR	10	-	-	-
Other financial liabilities	USD	4	(3)	4	(3)
Trade accounts and other accounts payable	CLP	584	109	3,587	222
Trade accounts and other accounts payable	USD	(493)	(784)	(461)	(1,326)
Trade accounts and other accounts payable	EUR	(25)	(686)	(1)	(563)
Trade accounts and other accounts payable	MXN	(353)	(260)	(296)	(54)
Accounts payable to related entities	CLP	(169)	(28)	(216)	(28)
Accounts payable to related entities	USD	1,468	(1,485)	938	(1,385)
Accounts payable to related entities	MXN	(47)	45	(42)	(16)
Sub-total		1,001	(3,090)	3,537	(3,151)
Total exchange rate difference		445	(2,329)	870	(2,789)

NOTE 33 – FOREIGN CURRENCY

33.1 Foreign Currency Current Assets

Current Assets	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Cash and Cash Equivalents		
Dollar	170,458	14,519
Euros	6,999	9,770
Chilean Pesos	956	2,313
Mexican Pesos	566	430
Other currencies	503	806
Other current financial assets		
Dollar	715	4,473
Other current non-financial assets		
Dollar	316	994
Euros	743	423
Chilean Pesos	4,943	1,359
Mexican Pesos	2,365	2,208
Other currencies	231	630
Current trade debtors and other accounts receivable		
Dollar	14,353	8,830
Euros	14,238	15,342
Chilean Pesos	7,077	9,700
Mexican Pesos	1,715	2,969
Other currencies	11,208	9,251
Current accounts receivable from related entities		
Dollar	22,652	40,013
Euros	91	8,117
Chilean Pesos	12	2
Inventory		
Dollar	12,655	41,115
Euros	432	646
Chilean Pesos	588	743
Other currencies	2,209	2,052
Current biological assets		
Dollar	756	7,349
Euros	-	1,193
Chilean Pesos	1,021	1,041
Other currencies	104	133
Current tax assets		
Dollar	808	1,086
Total Current Assets	278,714	187,507

33.2 Foreign Currency Non-Current Assets

Non-current Assets	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Other non-current financial assets		
Dollar	224	1,345
Other non-current non-financial assets		
Euros	1,329	1,379
Chilean Pesos	8	9
Other currencies	5	29
Non-current fees receivable		
Dollar	1,579	1,445
Euros	4	4
Chilean Pesos	94	166
Non-current accounts receivable from related entities		
Dollar	-	1,088
Euros	4,098	6,972
Investments recorded using the equity method		
Dollar	31,834	32,963
Euros	- 528	- 545
Other currencies	35,497	35,423
Intangible assets other than goodwill		
Dollar	15,119	14,483
Goodwill		
Dollar	26,769	26,769
Property, plant and equipment		
Dollar	187,487	176,886
Euros	13,676	15,749
Chilean Pesos	4,416	4,819
Other currencies	54,883	47,606
Deferred tax assets		
Dollar	19,854	18,591
Total Non-Current Assets	396,348	385,181
Total Assets	675,062	572,688
Dollar	505,579	391,949
Euros	41,082	59,050
Chilean Pesos	19,115	20,152
Mexican Pesos	4,646	5,607
Other currencies	104,640	95,930
Total Assets per currencies	675,062	572,688

33.3 Foreign Currency Current Liabilities

Current Liabilities	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Other current financial liabilities		
Dollar	78,003	140,397
Euros	13,693	10,876
Chilean Pesos	491	-
Other currencies	174	258
Current trade accounts and other accounts payable		
Dollar	7,123	31,090
Euros	3,716	2,404
Chilean Pesos	5,716	13,543
Mexican Pesos	1,067	1,425
Other currencies	427	1,262
Current accounts payable to related entities		
Dollar	3,501	3,840
Euros	2,684	39
Chilean Pesos	2,124	2,263
Other current provisions		
Dollar	1,129	545
Current provisions for employee benefits		
Dollar	3,056	664
Chilean Pesos	441	441
Mexican Pesos	507	507
Other current non-financial liabilities		
Dollar	1,078	561
Euros	431	431
Total current liabilities	125,361	210,546

33.4 Foreign Currency Non-Current Liabilities

Non-current Liabilities	30-Jun-18 ThUS\$	31-Dec-17 ThUS\$
Other non-current financial liabilities		
Dollar	241,330	51,082
Euros	27,046	32,617
Chilean Pesos	11	225
Other currencies	21	42
Non-current accounts payable to related entities		
Euros	11,595	10,542
Chilean Pesos	1,443	1,529
Other non-current provisions		
Dollar	19	35
Deferred tax liabilities		
Dollar	20,695	22,495
Total Non-Current Liabilities	302,160	118,567
Total Liabilities	427,521	329,113
Dollar	355,934	250,709
Euros	59,165	56,909
Chilean Pesos	10,226	18,001
Mexican Pesos	1,574	1,932
Other currencies	622	1,562
Total liabilities per currencies	427,521	329,113
Summary of thousands of dollars per currency		
Dollar	149,645	141,240
Euros	- 18,083	2,141
Chilean Pesos	8,889	2,151
Mexican Pesos	3,072	3,675
Other currencies	104,018	94,368
Total net per currency	247,541	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 June 30, 2018, the balance of the Stand By Letter was at US\$7.17 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>Bank</u>
	<u>Assets</u>	<u>Properties</u>	<u>Debt</u>	
	<u>ThUS\$</u>	<u>ThUS\$</u>	<u>ThUS\$</u>	
Agrícola Santa Rosa del Parque S.A	3,079	2,702	1,226	Banco RaboFinance Chile
Agrícola Mataquito S.A. (Curepto Field)	4,005	1,877	1,903	Banco RaboFinance Chile
Agrícola El Pampino S.A.	2,799	1,070	401	Banco Santander Chile
Agrícola Hortifrut S.A.	31,246	13,146	20,188	Banco RaboFinance Chile
Agrícola Hortifrut S.A. (Curaco Field)	-	2,304	50,529	Banco Credito e Inversiones
Hortifrut Chile S.A. (Colbun Plant)	-	4,428		
Hortifrut S.A. (Antillanca Plant)	-	865		
Hortifrut Comercial S.A. (La Serena Field)	-	2,168		
Hortifrut Chile S.A. (Angol-Gorbea-Los Angeles Plant)	-	12,346		
Total	41,129	40,906	74,247	

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) Hijuela 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\$1,226.

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\$401.

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) Hijueta Tercera of the Fundo Ponunquén Estate, commune of Curepto; (ii) Lot B of the Informe de Hijuación 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\$1,903.

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\$20,188.

b.5.3) Mortgage in favor of BCI over: Lot A, Vista Hermosa Subdivision; Hijueta 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 June 30, 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 Hijuella 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.8 and b.5.3, correspond to the amount of US\$54 million. The amount of used credit is ThUS\$50,529.-

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	51

(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>Claimed Amount</u>	<u>Probable Resolución</u>	<u>Provision</u>
Hortifrut S.A. de CV	Berries La Grana	Civil Mortgage(*)	USD 589,529	Favorable for Hortifrut	Provisioned
Hortifrut S.A. de CV	Agrícola 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

(*) Net provisions have been constituted of the seizable guarantees.

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 June 30, 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	Future Cash Flows					
						Expense of the period	Less than 1 year	from 1 to 5 years	Over 5 years	Total	
					ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Refrigeration chamber	m2	153		1	-	-	-	-	
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Offices	has	6.79	7	4	7	11	-	18	
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Offices and refrigeration chamber	m2	18.2	9	59	9	8	-	17	
Brazil	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Agricultural Land	has	61.35	89	45	89	141	-	230	
Chile	BerryGood Com. Imp. y Dist. de Frutas Ltda.	Permanent personnel housing	m2	180	31	16	5	-	-	5	
Chile	Agrícola El Avellano S.A.	Agricultural Land	has	130	40	20	40	160	360	560	
Chile	Agrícola Mataquito S.A.	Agricultural Land	has	42.21	109	55	109	436	853	1,398	
Chile	Agrícola Vida Nueva	Agricultural Land	has	39.7	13	7	13	50	26	89	
Chile	Hortifrut Chile S.A.	Collection Center	m2	3130	67	34	67	268	285	620	
Chile	Hortifrut Chile S.A.	Offices	m2	4500	1	1	1	4	8	13	
Chile	Hortifrut Chile S.A.	Agricultural Land	m2	291	60	30	48	-	-	48	
Spain	Hortifrut Comercial S.A.	Agricultural Land	has	27.79	19	10	19	58	-	77	
Spain	Hortifrut S.A.	Agricultural Land	has	428.83	481	317	446	1,609	2,582	4,637	
Mexico	Agrícola Hortifrut S.A.	Agricultural Land	has	92	42	42	42	97	-	139	
Mexico	Asturian Berries S.L	Agricultural Land	has	13	2	1	2	8	17	27	
Mexico	Hortifrut España Southern Sun S.L.	Temporary laborer housing	has	200	448	224	448	1,792	206	2,446	
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Offices	m2	455.66	40	20	40	4	-	44	
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Agricultural Land	has	39.74	78	35	59	54	6	119	
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Agricultural Land	m2	303.32	21	11	8	-	-	8	
Mexico	Agrícola Los Reyes S. de R.L. de C.V.	Temporary laborer housing	m2	1803.02	67	34	67	63	-	130	
Mexico	Agrofrutas, S. de R.L. de C.V.	Agricultural Land	has	3	3	2	3	3	-	6	
Mexico	HF Sarbanand, S. de R.L. de C.V.	Agricultural Land	has	162.31	337	169	337	804	-	1,141	
Mexico	Hortifrut S.A. de C.V.	Agricultural Land	has	4.81	5	3	5	-	-	5	
Mexico	Hortifrut ABA S.A. de C.V.	Collection Center	has	9.48	17	9	17	68	117	202	
Mexico	Hortifrut ABA S.A. de C.V.	Agricultural Land	has	229.47	366	183	366	1,388	3,031	4,785	
June 30, 2018						<u>2,354</u>	<u>1,332</u>	<u>2,247</u>	<u>7,026</u>	<u>7,491</u>	<u>16,764</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 June 30, 2018 is ThUS\$1,332.

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	17	25	-	42
Banco de Crédito e Inversiones	Greenhouse	445	1,348	-	1,793
Banco Santander Chile	Roof Structure	73	184	-	257
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	7	7	-	14
Banco de Crédito e Inversiones	Tractor	8	7	-	15
L-GC Rent Chile SPA	Refrigerator	3	-	-	3
Banco de Crédito e Inversiones	Unitec	393	394	-	787
Banco Bilbao Vizcaya Argentaria	Offices and parking	232	216	-	448
Banco de Crédito e Inversiones	Molina Plant	836	3,344	835	5,015
	General Total	2,387	6,519	835	9,741

		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	1	-	6
Banco Santander Chile	Tunnels	1	1	-	2
Banco de Crédito e Inversiones	Greenhouse	26	116	-	142
Banco Santander Chile	Roof Structure	8	9	-	17
Banco de Crédito e Inversiones	Plant pots	40	92	-	132
Banco de Crédito e Inversiones	Sulfurer	1	3	-	4
Banco de Crédito e Inversiones	Van	-	-	-	-
Banco de Crédito e Inversiones	Tractor	-	3	-	3
L-GC Rent Chile SPA	Refrigerator	-	-	-	-
Banco de Crédito e Inversiones	Unitec	12	7	-	19
Banco Bilbao Vizcaya Argentaria	Offices and parking	45	1	-	46
Banco de Crédito e Inversiones	Molina Plant	114	328	17	459
	General Total	252	561	17	830

NOTE 37 – SUBSEQUENT EVENTS

After the granting of the public deed for the materialization of the Merger (“Materialization Deed”) dated June 27, 2018, which states the compliance of the precedent and copulative conditions that the Merger between Hortifrut S.A. and Sociedad Talsa Chile II S.p.A. is subject to; and in accordance with what was approved by the Extraordinary Shareholder Meetings of both companies. Dated July 01, 2018, the merger is legally valid for all legal effects, immediately after the issuance of shares and merger conversion between Hortifrut S.A. and Sociedad Talsa Chile II S.p.A. performing the inscription in the Securities Registry of the Commission for the Financial Market under N° 1096.

It must be stated that this transaction is part of the expansion and strengthening of the Company’s position in the blueberries business, which implies among others, adding new plantations and those in production regime, installations and equipment, and two packing units with cold lines, located in the district of Chao, Provincia de Virú, Departamento de la Libertad, Republic of Peru, with an added extension of approximately 1,450 arable hectares.

The transaction mainly involves:

- Including 50% of the Hortifrut-Tal S.A.C Peruvian associated company’s shares.
- Net cash financial liabilities for approximately US\$65.5 million.
- The consideration for the total of the Blueberries Business, a cash payment of US\$160 million, (and) 17.13% of Hortifrut’s shares.
- A future payment conditioned to the results of the Blueberries Business between 2017 and 2021.

Between June 30, 2018 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>30-Jun-18</u>	<u>31-Dec-17</u>
Indefinite contracts	713	764
Temporary contracts	<u>2,874</u>	<u>7,777</u>
Total contracts	<u>3,587</u>	<u>8,541</u>

Breakdown by country

<u>Indefinite Contracts</u>	<u>30-Jun-18</u>	<u>31-Dec-17</u>
Chile	450	489
United States	23	23
Mexico	117	141
Spain	53	47
Brazil	35	36
Argentina	11	12
Peru	11	12
Germany	2	2
England	3	2
China	8	-
Total	<u>713</u>	<u>764</u>

	<u>30-Jun-18</u>	<u>31-Dec-17</u>
<u>Temporary contracts</u>		
Chile	717	4,857
Mexico	863	824
Spain	796	60
Brazil	36	38
Peru	427	1,998
China	35	-
Total	<u>2,874</u>	<u>7,777</u>