

ICONA SAN LUIS S.A.F.I.M.I. y C.

SPECIAL FINANCIAL STATEMENTS

(prepared only consolidation purposes)

FOR THE YEAR
ENDED 31 MARCH 2016

INDEPENDENT AUDITORS' REPORT

To the President of
ICONA SAN LUIS S.A.F.I.M.I. y C.

Introduction

We have audited the accompanying balance sheet of Icona San Luis S.A.F.I.M.I. y C. as of 31 March 2016, the related statements of income and changes in shareholders' equity for the year ended and summary of significant accounting policies and other explanatory notes, prepared only for consolidation purposes with UPL Limited (as stated in paragraph 2 of Scope). Management is responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standard (IFRS) as settled by UPL Limited applied for the purpose describe in paragraph 2 of Scope. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial information that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. Our responsibility is to express an opinion on this financial information based on our audits.

Scope

Our audit was conducted in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

INDEPENDENT AUDITORS' REPORT
(Continued)

Emphasis of matter paragraph

The Company has prepared its financial statements pursuant to the going concern principle.

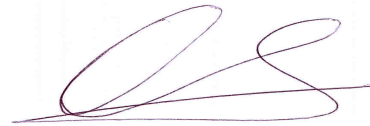
We draw attention to Note 16 to the financial statements that describes the negative shareholders' equity situation. As per such note, the Company has recorded liabilities exceeding assets for ARS (34.977.119,14).- The main shareholder has committed the necessary financing so as to assure the continuity of the Company as a going concern. Our opinion is not qualified in respect of this matter.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Icona San Luis S.A.F.I.M.I. y C. and the results of its operations for the year ended 31 March 2016, in conformity with International Financial Reporting Standard as applied by UPL Limited as mentioned in Note 1 to Financial Statements, only for consolidation purposes.

Buenos Aires, 15 April 2016

IGLESIAS Y ESCOBAR S.R.L.
C.P.C.E.C.A.B.A. T° 001 F° 077



Jorge R. Escobar (partner)
Certified Public Accountant
C.P.C.E.C.A.B.A. To 171 Fo 46

ICONA SAN LUIS S.A.F.I.M.I. y C.

LEGAL ADDRESS: Maipú 1199 – Justo Daract Provincia de San Luis.

PRINCIPAL OPERATION: Chemicals manufacture and sale.

REGISTRATION IN THE COMMERCE AUTHORITY REGISTER:

OF BY LAWS: 6 may 1986.

END OF PERIOD ESTABLISHED AT BY LAWS: 5 may 2085.

NR OF REGISTER IN THE CORPORATION'S CONTROL AUTH.: Tomo 25 C.S. Folio 245 N 31.

CONTROLLING SHAREHOLDER INFORMATION.

NAME: UPL ARGENTINA S.A.

LEGAL ADDRESS: Viamonte 1342 – 5° Floor “E”, - City of Buenos Aires.

PRINCIPAL OPERATION: Chemicals manufacture and sale.

PARTICIPATION ON NET EQUITY: 99,72%

PARTICIPATION ON THE VOTES: 99,72%

CAPITAL COMPOSITION

	Capital Subscribed and Paid-in	Capital Subscribed, Paid-in and registered
1.920 Registered ordinary not endorsable stock of par value AR\$ 100 and 1 vote per share	AR\$ 192.000,-	AR\$ 192.000,-



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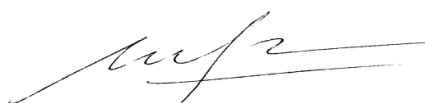
ICONA SAN LUIS S.A.F.I.M.I. y C.

BALANCE SHEET AS OF 31 MARCH 2016 AND 2015

(Amounts Stated in Argentine pesos)

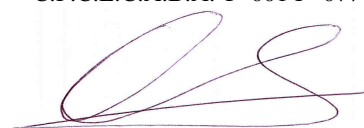
<u>ASSETS</u>	<u>Year ended</u>		<u>LIABILITIES</u>	<u>Year ended</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>		<u>31/03/2016</u>	<u>31/03/2015</u>
<u>CURRENT ASSETS</u>	<u>AR\$</u>	<u>AR\$</u>	<u>CURRENT LIABILITIES</u>	<u>AR\$</u>	<u>AR\$</u>
Cash and Cash Equivalents (Notes 2.1 and 3)	756.610,25	4.181.377,20	Accounts Payable (Notes 2.5 and 7 and Exhibit II)	8.902.828,63	8.297.103,66
Accounts Receivable (Notes 2.2; 4 and Exhibits II and V)	20.573.467,32	42.188.943,76	Clients advance payments	-----	232.852,85
Prepaid Taxes and Other Receivables (Note 5)	10.740.893,34	6.393.583,57	Payroll and social Security taxes (Note 8)	1.109.945,69	2.873.941,94
Related Parties (Notes 2.2 and 15)	-----	4.109.790,79	Taxes payable (Note 9)	361.312,27	222.171,97
Inventories (Notes 2.3 and 6)	10.883.421,77	5.404.546,96	Related Parties (Notes 2.5; 17 and Exhibit II)	77.335.868,76	50.930.512,55
<u>TOTAL CURRENT ASSETS</u>	<u>42.954.392,68</u>	<u>62.278.242,28</u>	Provisions (Notes 10; 18 and Exhibit V)	660.513,00	20.558,54
<u>NON-CURRENT ASSETS</u>			<u>TOTAL CURRENT LIABILITIES</u>	<u>88.370.468,35</u>	<u>62.577.141,51</u>
Prepaid Taxes and Other Receivables (Notes 2.7; 5 and 19)	1.444.589,36	2.251.033,30	<u>TOTAL LIABILITIES</u>	<u>88.370.468,35</u>	<u>62.577.141,51</u>
Fixed Assets (Note 2.4 and Exhibit I)	8.994.367,17	9.410.017,69	<u>NET EQUITY</u> (as per related statement)	(34.977.119,14)	11.362.151,76
<u>TOTAL NON-CURRENT ASSETS</u>	<u>10.438.956,53</u>	<u>11.661.050,99</u>			
<u>TOTAL</u>	<u>53.393.349,21</u>	<u>73.939.293,27</u>	<u>TOTAL</u>	<u>53.393.349,21</u>	<u>73.939.293,27</u>

The accompanying notes and exhibits are an integral part of this statement.



Felipe Andrés MacLOUGHLIN
President

IGLESIAS Y ESCOBAR S.R.L.
C.P.C.E.C.A.B.A. T° 001 F° 077



Jorge R. Escobar (partner)
Certified Public Accountant
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ICONA SAN LUIS S.A.F.I.M.I. y C.

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 MARCH 2016 AND 2015
(Amounts Stated in Argentine pesos)

	31/03/2016 AR\$	31/03/2015 AR\$
Net Sales (Notes 11 and 17)	30.473.304,70	124.739.245,45
Cost of Sales (Exhibits III and IV)	(24.378.397,34)	(93.741.580,80)
GROSS INCOME	6.094.907,36	30.997.664,65
Administrative expenses (Exhibit IV)	(12.753.866,93)	(9.720.815,98)
Selling expenses (Exhibit IV)	(4.590.301,13)	(12.369.243,61)
Financial results (Note 12)	(24.557.299,95)	(9.730.828,94)
Other income and expenses (Note 13)	(415,99)	1.011.347,45
Other Expenses – Exceptional Items (Note 14)	(9.241.794,26)	-----
NET (LOSS) / PROFIT BEFORE INCOME TAX	(45.048.770,90)	188.123,57
Income Tax – Deferred Tax (Note 2.7)	(1.290.500,00)	(38.000,00)
Total Income Tax (Note 2.7)	(1.290.500,00)	(38.000,00)
NET (LOSS) / PROFIT OF THE YEAR	(46.339.270,90)	150.123,57

The accompanying notes and exhibits are an integral part of this statement.



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**STATEMENT OF CHANGES IN NET EQUITY
FOR THE YEAR ENDED 31 MARCH 2016 AND 2015**

(Amounts stated in Argentine pesos)

Concepts	Capital Stock (Note 15) AR\$	Shares to be distributed AR\$	Other Capital accounts AR\$	Total AR\$	Legal Reserve AR\$	Others Reserves and Retained Earnings AR\$	Total al 31/03/2016 AR\$	Total al 31/03/2015 AR\$
Balances at beginning of the year 1 April 2015	192.000,00	300.000,00	2.479.029,73	2.971.029,73	585.025,05	7.806.096,98	11.362.151,76	11.212.028,19
Net (Loss) / profit for the year						(46.339.270,90)	(46.339.270,90)	150.123,57
Balance as of 31 March 2016 AND 2015	192.000,00	300.000,00	2.479.029,73	2.971.029,73	585.025,05	(38.533.173,92)	(34.977.119,14)	11.362.151,76

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ICONA SAN LUIS S.A.F.I.M.I. y C.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016 AND 2015
 (Amounts stated in Argentine pesos)

	31/03/16	31/03/15
	AR\$	AR\$
<u>CHANGES IN CASH</u>		
Cash and cash equivalents at the beginning of the year	4.181.377,20	1.385.013,59
Cash and cash equivalents as at the close of the year	756.610,25	4.181.377,20
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3.424.766,95)</u>	<u>2.796.363,61</u>
<u>REASONS FOR CHANGES IN CASH</u>		
<u>Operating activities:</u>		
Net (Loss) / Profit Before Income TAX	(46.339.270,90)	150.123,57
Income TAX	1.290.500,00	38.000,00
<i>Adjustments to reach the cash from operating activities:</i>		
Depreciation and amortization expense	415.650,52	415.829,52
<i>Changes in operating Assets and Liabilities:</i>		
Decrease in Accounts Receivable	21.615.476,44	16.894.210,79
(Increase) in Prepaid Taxes and Other Receivables	(4.831.365,83)	(4.259.347,80)
Decrease / (Increase) Decrease in Related Parties	30.515.147,00	(19.623.970,42)
(Increase) / Decrease in Inventories	(5.478.874,81)	8.506.929,63
Increase in Accounts Payable	372.872,12	2.407.722,04
(Decrease) / Increase in Payroll and Social Security taxes	(1.763.996,25)	1.393.262,50
Increase in Taxes payable	139.140,30	(1.926.468,85)
Increase / (Decrease) in Provisions	639.954,46	(1.045.310,02)
Net cash from operating activities	<u>(3.424.766,95)</u>	<u>2.950.980,96</u>
<u>Investing Activities:</u>		
Purchase of fixed assets	-----	(161.594,22)
Sale / disposal of fixed assets	-----	6.976,87
Net cash (used in) investing activities	<u>-----</u>	<u>(154.617,35)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(3.424.766,95)</u>	<u>2.796.363,61</u>

The accompanying notes and exhibits are an integral part of this statement.



Felipe Andrés MacLOUGHLIN
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ICONA SAN LUIS S.A.F.I.M.I. y C.

NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015

NOTE 1: FINANCIAL STATEMENTS AS OF 31 MARCH 2016

1.1. Basis of preparation

As per request of UPL Limited, Icona San Luis S.A.F.I.M.I. y C. has prepared these Special Financial Statements as of 31 March 2016 for the sole purpose of consolidation with its Head Office.

These special Financial Statements have been prepared in local currency, i.e. Argentine Pesos (AR\$) in accordance with International Financial Reporting Standards as considered by UPL Group for consolidation purposes.

1.2. Comparison of information

Balances as of March included in these Special Financial Statements, arise from the amounts disclosed in the Special Financial Statements as of such date.

NOTE 2: ACCOUNTING POLICIES.

Applicable disclosure standards have been followed to prepare these Special Financial Statements for the year ended as of 31 March 2016. Nevertheless, considering the special purpose of its issuance, it may not include every required disclosure to fulfil every required disclosure as stated in International Financial Reporting Standards (I.F.R.S.).

Applied criteria on main balance sheet items are as follow:

2.1. Cash and Cash Equivalents

Balances of immediate availability (i.e. imprest funds, cash in hand, and cash at banks) have been classified within this caption.

These balances have been measured at its nominal value. When applicable, foreign exchange rate at closing date has been applied to establish the respective amount in Argentine Pesos.

Please note that the exchange rate used on March 31, 2016 was AR\$ 14,6075 per USD

2.2. Accounts Receivable

Accounts receivable have been measured at nominal value. This caption includes commercial accounts and received checks to be deposited. When applicable, exchange rate prevailing at the closing date for the settlement of those transactions has been considered as stated in Note 2.1.

Accounts receivable have been recognized if (i) the Company has transferred to the buyer the significant risk and rewards of ownership of the goods, (ii) the amount of the receivable can be measured reliably, and (iii) it is probable that the economic benefits associated with the transaction will flow to the Company.



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NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
(continued)

NOTE 2: ACCOUNTING POLICIES.
(Continued)

Evaluation of accounts receivable recoverability has been performed to determine whether the nominal amount will be fully recovered (i.e. fully collected). If the collectible amount has been estimated lower than the nominal value, an allowance for doubtful accounts has been calculated.

2.3. Inventories

Inventories have been measured at the lower of cost (resulting from SAP) or net realizable value.

Finished goods (which also include a minor amount of semi-finished goods) are valued at standard cost. Standard cost is calculated once in a year. It is normally not revised during the course of the year, unless some prices or manufacturing process have changed drastically.

Raw materials, packing materials and traded goods are valued at moving weighted average. Thus, in the case of these materials, the system averages the inventory value every time any fresh purchase (Goods Receipt) occurs.

2.4. Fixed Assets

Fixed assets are measured at acquisition cost or construction cost. Interests are expensed as incurred, thus not every interest is capitalized within fixed assets value.

Fixed assets net values, as well as their depreciation, were estimated at historical value in conformance with International Financial Reporting Standards as applied by UPL Limited.


Depreciation has been determined by the straight-line method, applying sufficient annual rates to extinguish their values at the end of their estimated useful lives.

2.5. Liabilities

Liabilities have been measured at its nominal value, plus (if applicable) accrued portion of financial results up to closing date. When applicable, exchange rate prevailing at the closing date for the settlement of those transactions has been considered as stated in Note 2.1.

2.6. Accounting estimations

In conformity with International Financial Reporting Standards, balance sheet preparation requires that Company's management performs estimations and evaluations that involve the amount of recorded assets and liabilities and contingent assets and liabilities disclosed at the date of preparation of this Financial Statement as well as revenues and expenses recorded within the fiscal year.


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ICONA SAN LUIS S.A.F.I.M.I. y C.

NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
 (continued)

NOTE 2: ACCOUNTING POLICIES.
 (Continued)

2.6. Accounting estimations
 (continued)

In that sense, Company's management has performed estimations to calculate, for instance, allowance for doubtful accounts, contingencies depreciations and recoverable value of assets. Future actual results may differ from those estimations and evaluations performed as of the date of preparation of this Financial Statement.

2.7. Income Tax

Deferred tax assets and liabilities are recognized for the future tax effects of temporary differences between the financial statements carrying amounts of existing assets and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rate. The statutory income tax rate for the period ended 31 March 2016 was 35%.

The breakdown for Income Tax expense, disclosed in the income statement as of 31 March 2016 and 2015 are as follows:

	31 Mar 2016	31 Mar 2015
	AR\$	AR\$
Deferred tax originated by temporary differences	(1.290.500,00)	(38.000,00)
Total income tax (Loss)	(1.290.500,00)	(38.000,00)

During this fiscal year, the Company has decided to reverse its deferred tax assets based on a more conservative position regarding future projections of short term tax income:

Differences between Accounting and Fiscal Valuation Basis	Assets (liabilities) for deferred tax as of 31 March 2015	Variations of assets for def. Tax during year	Assets (liabilities) for deferred tax as of 31 March 2016
	AR\$	AR\$	AR\$
Inventories	260.500,00	(260.500,00)	-----
Allowance for doubtful accounts	148.000,00	(148.000,00)	-----
Provisions	111.500,00	(111.500,00)	-----
Tax losses	770.500,00	(770.500,00)	-----
Totals	1.290.500,00	(1.290.500,00)	-----



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ICONA SAN LUIS S.A.F.I.M.I. y C.

NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
 (continued)

NOTE 2: ACCOUNTING POLICIES.
 (Continued)

2.7. Income Tax (Continued)

The deferred tax asset unrecognized is \$ 16.930.384,65 according to the following detail:

Differences between Accounting and Fiscal Valuation Basis	Assets (liabilities) for deferred tax as of 31 March 2016
	AR\$
Inventories	(259.551,40)
Provisions	231.179,55
Tax losses	16.958.756,50
Totals	16.930.384,65

NOTE 3: CASH AND CASH EQUIVALENTS

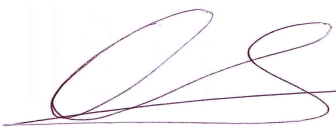
The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Imprest Fund in local currency	5.000,00	11.000,00
Cash at banks in local currency	751.610,25	3.260.680,33
Checks to be deposited in local currency	-----	909.696,87
TOTAL	756.610,25	4.181.377,20

NOTE 4: ACCOUNTS RECEIVABLE

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Customers in local currency	4.311.698,48	21.450.575,56
Customers in foreign currency (Exhibit II)	15.481.495,07	10.323.492,53
Checks to be deposited in local currency	780.273,77	10.838.068,41
Allowance for doubtful accounts in local currency (Exhibit V)	-----	(423.192,74)
TOTAL	20.573.467,32	42.188.943,76


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ICONA SAN LUIS S.A.F.I.M.I. y C.

NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
 (continued)

NOTE 5: PREPAID TAXES AND OTHER RECEIVABLE


The composition of this item is as follows:

	<u>Year ended</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
	<u>AR\$</u>	<u>AR\$</u>
CURRENT		
Income tax – balance in favour of contributor	3.424.667,47	2.284.244,15
Turnover tax – balance in favor contributor	2.613.514,78	2.262.424,85
Tax on minimum presumed income – balance in favour of contributor	-----	238.852,79
VAT – balance in favour of contributor	4.503.376,48	1.270.856,35
Other taxes – balance in favour contributor	6.312,91	207.638,67
Other credits	193.021,70	129.566,76
TOTAL	<u>10.740.893,34</u>	<u>6.393.583,57</u>
NON-CURRENT	<u>AR\$</u>	<u>AR\$</u>
Deferred income taxes asset (Note 2.7)	-----	1.290.500,00
Tax on minimum presumed income (Note 19)	1.444.589,36	960.533,30
TOTAL	<u>1.444.589,36</u>	<u>2.251.033,30</u>

NOTE 6: INVENTORIES

The composition of this item is as follows:

	<u>Year ended</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
	<u>AR\$</u>	<u>AR\$</u>
CURRENT		
Finish products	5.122.268,78	2.899.609,64
Raw material	4.554.622,05	1.676.093,28
Packing material	705.098,08	237.120,14
Products in process	280.213,96	580.688,52
Tolling	221.218,90	11.035,38
TOTAL	<u>10.883.421,77</u>	<u>5.404.546,96</u>


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NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
 (continued)

NOTE 7: ACCOUNTS PAYABLE

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Domestic suppliers in local currency	4.994.975,95	2.029.083,87
Invoices to be received in local currency	747.958,28	948.077,17
Foreign suppliers (Exhibit II)	3.159.894,40	5.319.942,62
TOTAL	8.902.828,63	8.297.103,66

NOTE 8: PAY ROLL AND SOCIAL SECURITY TAXES

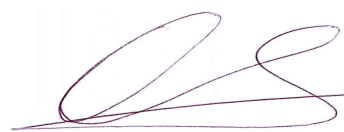
The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Wages, salaries and •Commissions	1.109.945,69	2.165.949,42
Accrued vacations and 13th salary	-----	542.627,17
Social security taxes & Trade union payable	-----	165.365,35
TOTAL	1.109.945,69	2.873.941,94

NOTE 9: TAXES PAYABLE

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Income tax withholding	5.528,72	1.708,89
Turnover tax payable	320.690,15	220.463,08
Others liabilities	35.093,40	-----
TOTAL	361.312,27	222.171,97



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NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
 (continued)

NOTE 10: PROVISIONS

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
CURRENT	AR\$	AR\$
Labor claims (Note 18 and Exhibit V)	660.513,00	20.558,54
TOTAL	660.513,00	20.558,54

NOTE 11: NET SALES


The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
	AR\$	AR\$
Sales of goods (local)	29.236.819,42	115.866.423,87
Rendered Services (tolling) (Nota 17)	52.520,00	2.380.425,60
Related parties (Note 17)	1.183.965,28	6.492.395,98
TOTAL	30.473.304,70	124.739.245,45

NOTE 12: FINANCIAL RESULTS

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
	AR\$	AR\$
Interest	(2.088.294,16)	(5.568.245,26)
Exchange differences	(22.469.005,79)	(4.162.583,68)
TOTAL	(24.557.299,95)	(9.730.828,94)


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ICONA SAN LUIS S.A.F.I.M.I. y C.

NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
(continued)

NOTE 13: OTHER INCOME AND EXPENSES

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
	AR\$	AR\$
Other income and expenses	(415,99)	1.011.347,45
TOTAL	(415,99)	1.011.347,45

NOTE 14: OTHER EXPENSES – EXCEPTIONAL ITEMS

Extraordinary items resulting from the decision made by the Company during this business year: a non habitual claim of employees is included.

The composition of this item is as follows:

	Year ended	
	31/03/2016	31/03/2015
	Profit / (Loss)	Profit / (Loss)
	AR\$	AR\$
Exceptional Claims	(9.241.794,26)	-----
TOTAL	(9.241.794,26)	-----

NOTE 15: CAPITAL STOCK

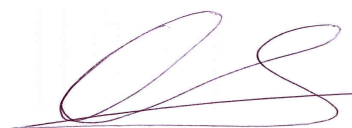
The corporate capital is made up by 1.920 registered non-endorsable common shares with a nominal value of ARS 100 each and entitled to one vote per share. The corporate capital has been fully subscribed and paid-in, being registered thereof with the Registry of Legal Persons of the Province of San Luis.

NOTE 16: NEGATIVE SHAREHOLDERS' EQUITY

The company has recorded accounting losses in the last fiscal year. This has caused that, as of March 31 2016, the Company has liabilities exceeding assets for ARS 34.977.119,14.

The main shareholder, UPL Argentina S.A., has committed the necessary financing so as to assure the continuity of the Company as a going concern.

Therefore, even though the Company has a negative shareholders' equity for the amount indicated in the first paragraph, these financial statements have been prepared pursuant to the going concern principle.



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NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
(continued)

NOTE 17: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Assets	Liabilities	Expressed in foreign currency	Transactions
	AR\$	AR\$	USD	AR\$
a) <u>Balance as of 31.03.2016</u>				
Related companies				
Accounts Receivable				
UPL Argentina S.A. in foreign currency	-----		-----	
TOTAL	-----		-----	
Accounts Payable				
UPL Argentina S.A. in foreign currency (Exhibit II)		8.092.960,65	554.027,77	
UPL Argentina S.A. in local currency		13.054.149,84	-----	
Others Liabilities				
UPL Argentina S.A. in foreign currency (Exhibit II)		56.188.758,27	3.846.569,11	
TOTAL		77.335.868,76	4.400.596,88	
b) <u>Transactions</u>				
Group Companies				
Services				
UPL Argentina S.A.				8.740.858,66
Purchases				
UPL Argentina S.A.			684.136,43	7.283.423,84
Sales				
UPL Argentina S.A.			(90.229,10)	(1.236.485,28)
Interest Lost				
UPL Argentina S.A.				3.004.284,74
Interest earned				
UPL Argentina S.A.				(480.703,24)



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NOTES TO THE SPECIAL FINANCIAL STATEMENTS
AS OF 31 MARCH 2016 AND 2015
(continued)

NOTE 18: PROVISIONS

Management and legal advisors have estimated effect of contingencies arisen from lawsuits initiated by previous employees (i.e. labor claims). The Company management has booked a provision for contingencies in the amount of AR\$ 660.513,00. Nonetheless, actual outcome of these uncertain situations may significantly defer from estimate

NOTE 19: TAX ON MINIMUM PRESUMED INCOME

This tax amounts to 1% of assets existing at each year end and was established through Law 25.063. Tax on Minimum Presumed Income effectively paid can be considered to be an advance Income Tax payment, provided any of the ten fiscal periods immediately after it generate an excess Income Tax which cannot be absorbed by Tax on Minimum Presumed Income of the same fiscal period.

For this reason, chances to recover amounts disclosed in Note 5, depend on whether the Company generates sufficient Income Tax enabling it to use those payments as advance Income Tax payments. Below we are listing assets amounts in the present financial statements and the date on which those credits become statute barred:

Tax corresponding to the year ended:	Amount AR\$	End of the year on which they become statute-barred
31 March 2013	237.071,80	2023
31 March 2015	724.976,84	2025
31 March 2016	482.540,72	2026
TOTAL	1.444.589,36	

NOTE 20: CHANGE OF CORPORATE NAME

The Extraordinary Shareholders' Meeting held on February 18, 2015, has unanimously decided to change the corporate name of Icona San Luis S.A.F.I.M.I. y C. due to its being a member of an international economic group. Thus, through this same Meeting, it was decided to amend section I of the Corporate By-Laws, which shall read as follows: "SECTION ONE. The Company created as "Icona San Luis Sociedad Anónima, Financiera, Industrial, Mandataria, Inmobiliaria y Comercial" shall continue to operate under the name of "UPL SL Argentina S.A.". The Company has its registered office in the city of San Luis, capital city of the Province of San Luis".

This amendment of the corporate By Laws is pending registration with Inspección General de Justicia (Partnerships and Corporations Registration and Supervisory Board).



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ICONA SAN LUIS S.A.F.I.M.I. y C.

FIXED ASSETS


COMPOSITION AND EVOLUTION FOR THE YEAR ENDED 31 MARCH 2016 AND 2015

(Amount stated in Argentine pesos)

EXHIBIT I

Concept	At beginning of the year	Incorporations	Reductions	At year end	Depreciations				Net book value as of 31/03/2016	Net book value as of 31/03/2015
					Accumulated at beginning of the year	Reductions and Reclassification	For the year	Accumulated at year end		
	AR\$	AR\$	AR\$	AR\$	AR\$	AR\$	AR\$	AR\$	AR\$	
Lands and Buildings	7.422.478,50	-----	-----	7.422.478,50	(415.767,92)	-----	(150.130,01)	(565.897,93)	6.856.580,57	7.006.710,58
Machinery and Tools and Facilities	710.313,75	-----	-----	710.313,75	(464.140,59)	-----	(14.973,44)	(479.114,03)	231.199,72	246.173,16
Equipment	2.448.716,37	-----	-----	2.448.716,37	(561.844,92)	-----	(244.871,64)	(806.716,56)	1.641.999,81	1.886.871,45
Office Equipment	22.103,25	-----	-----	22.103,25	(12.131,60)	-----	(4.420,65)	(16.552,25)	5.551,00	9.971,65
Furnitures	29.627,28	-----	-----	29.627,28	(19.293,76)	-----	(1.254,78)	(20.548,54)	9.078,74	10.333,52
Work in Progress	249.957,33	-----	-----	249.957,33	-----	-----	-----	-----	249.957,33	249.957,33
TOTALS 31/03/2016	10.883.196,48	-----	-----	10.883.196,48	(1.473.178,79)	-----	(415.650,52)	(1.888.829,31)	8.994.367,17	-----
TOTALS 31/03/2015	10.728.579,13	161.594,22	(6.976,87)	10.883.196,48	(1.057.349,27)	-----	(415.829,52)	(1.473.178,79)	-----	9.410.017,69

NOTE: The accounting allocation of the depreciation for the year is disclosed in Exhibit IV


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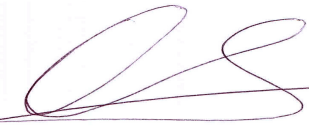
SPECIAL FINANCIAL STATEMENTS AS OF 31 MARCH 2016

ASSETS AND LIABILITIES IN FOREIGN CURRENCY

(Amounts stated in Argentine pesos)

EXHIBIT II

Description	Amount and type of foreign currency	Prevailing exchange rate	Total As of 31/03/2016 in AR\$
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
<u>Accounts receivable</u>			
Customers	USD 1.059.831,94	14,6075	15.481.495,07
			<hr/>
	<u>TOTAL ASSETS</u>		<u>15.481.495,07</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
<u>Accounts payable</u>			
Foreign suppliers	(USD 216.320,00)	14,6075	(3.159.894,40)
<u>Related Parties</u>	(USD 4.400.596,88)	14,6075	<u>(64.281.718,92)</u>
	<u>TOTAL LIABILITIES</u>		<u>(67.441.613,32)</u>
	<u>NET POSITION</u>		<u>(51.960.118,25)</u>

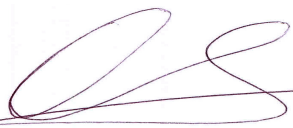

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COST OF SALES
FOR THE YEAR ENDED 31 MARCH 2016 AND 2015
(Amount stated in Argentine Pesos)

EXHIBIT III

	Year ended	
	31/03/2016 AR\$	31/03/2015 AR\$
At beginning of the year	5.404.546,96	11.475.076,70
Purchases of the year	21.904.214,23	79.860.575,20
Costs of inventories (Exhibit IV)	7.953.057,92	7.810.475,86
Less		
Inventories at end of year	<u>(10.883.421,77)</u>	<u>(5.404.546,96)</u>
Cost of Sales	<u>24.378.397,34</u>	<u>93.741.580,80</u>


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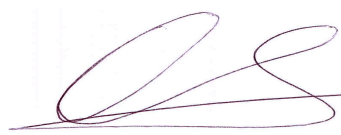
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EXPENSES FOR THE YEAR ENDED 31 MARCH 2016 AND 2015

(Amount stated in Argentine Pesos)

EXHIBIT IV

Description	Cost of inventories AR\$	Administrative expenses AR\$	Selling expenses AR\$	Total as of 31/03/2016 AR\$	Total as of 31/03/2015 AR\$
• Wages and salaries and social security contributions	5.695.928,14	165.762,54	498.189,62	6.359.880,30	5.851.974,24
• Technical and Management Advisory Services	43.139,84	8.697.718,82	-----	8.740.858,66	5.920.487,65
• Freight expenses	-----	-----	1.492.515,97	1.492.515,97	2.912.234,73
• Insurances	96.485,49	64.657,16	8.000,00	169.142,65	132.094,78
• Taxes, charges and contributions	18.733,81	792.898,57	1.005.661,31	1.817.293,69	5.298.090,67
• Occupational Safety and Health	88.995,95	-----	-----	88.995,95	101.469,86
• Manteinances and repairs	207.085,03	61.311,34	-----	268.396,37	378.915,79
• Professional fees	250.927,41	1.509.371,37	6.248,55	1.766.547,33	912.594,93
• Depreciations (Exhibit I)	413.053,52	2.597,00	-----	415.650,52	415.829,52
• Electricity, fuel & lubrication expenses	107.445,46	1.171,51	-----	108.616,97	92.979,01
• Rents	100.919,05	91.800,48	195.812,72	388.532,25	441.752,21
• Telephone expenses	9.692,49	4.620,79	-----	14.313,28	13.267,25
• Spending on mobility	59.263,70	36.384,72	-----	95.648,42	67.344,47
• Office expenses	11.048,45	17.874,14	9.466,00	38.388,59	22.494,03
• Commissions	-----	-----	1.357.450,61	1.357.450,61	4.258.401,62
• Banking expenses and commissions	-----	608.503,58	-----	608.503,58	2.162.839,22
• Manufacturing costs and Security Services	723.070,73	612.719,86	-----	1.335.790,59	800.286,16
• Registration Fees	-----	2.075,00	16.812,00	18.887,00	37.812,31
• Miscellaneous Expenses	127.268,85	84.400,05	144,35	211.813,25	79.667,00
TOTALS as of 31/03/2016	7.953.057,92	12.753.866,93	4.590.301,13	25.297.225,98	-----
TOTALS as of 31/03/2015	7.810.475,86	9.720.815,98	12.369.243,61	-----	29.900.535,45



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PROVISIONS – ALLOWANCES
STRUCTURE AND CHANGES FOR THE YEAR ENDED 31 MARCH 2016
 (Amount stated in Argentine pesos)

EXHIBIT V

	Balances at the beginning of the year	Additions	Reductions	At period end 31 March 2016
DEDUCTED FROM ASSETS				
• Allowance for doubtful accounts in local currency	423.192,74	-----	(423.192,74)	-----
	423.192,74	-----	(423.192,74)	-----
INCLUDED IN THE LIABILITIES				
• Labor claims	20.558,54	-----	639.954,46	660.513,00
	20.558,54	-----	639.954,46	660.513,00
Total	443.751,28	-----	216.761,72	660.513,00



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