



GESTAX AUDITORES CONSULTORES

INDEPENDENT MEMBER OF GENEVA GROUP INTERNATIONAL

Decco Chile SpA

Financial Statements for the year ended
March 31, 2016 and 2015
and Report of Independent Auditors



GESTAX AUDITORES CONSULTORES

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Decco Chile SpA

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GESTAX AUDITORES CONSULTORES

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Independent Auditors' Report

To the Shareholders and
Directors Decco Chile S.p.A.:

Report on the financial statements

We have audited the accompanying financial statements of Decco Chile SpA., which comprise the statements of financial position classified as of March 31, 2016 and 2015. The corresponding comprehensive statements of income, changes in equity and cash flows for the years ended March 31, 2016 and 2015, and related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting norms generally accepted in Chile. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material miss statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements of the entity 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 internal control of the entity. Accordingly, we express no such opinion whatsoever. An audit also includes assessing what are the appropriate accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Our Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Decco Chile SpA., as of March 31, 2016 and 2015, and the comprehensive results of its operations and its cash flows for the years that ended March 31, 2016 and 2015, according with accounting principles generally accepted in Chile.

Eduardo del Campo Rojas
Partner
Gestax Auditores Consultores Ltda.
Santiago, April 12, 2016



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Decco Chile S.p.A.
Balance Sheet
At March 31, 2016 - 2015

Notes

Assets		31-03-2016 Ch \$	31-03-2015 Ch \$
Others assets			
Guarantee Rent		1.330.763	1.330.763
Total others assets		1.330.763	1.330.763
Fixed assets			
Plant and Machinery		7.918.000	7.918.000
Computers and Equipments		5.312.363	2.734.355
Vehicles		71.159.709	44.791.642
Accumulated Depreciation		(32.775.176)	(20.369.851)
Total fixed assets	5	51.614.896	35.074.146
Current assets			
Stock of Traded Goods	6	299.644.453	266.592.280
Work in process		25.404.516	104.811.499
Debtors – Others		42.256.742	18.021.628
Accounts Receivables		381.349.552	422.103.690
Cash and Banks		170.650.332	109.457.136
Total current assets		919.305.595	920.986.233
Total assets		972.251.254	957.391.142

The enclosed notes number 1 to 11 forms an integral part of these financial statements



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Decco Chile S.p.A.
Balance Sheet
At March 31, 2016 - 2015

Notes

	31-03-2016	31-03-2015
	Ch \$	Ch \$
Liabilities and shareholder's equity		
Shareholder's equity		
Paid – in Capital	1.000.000	1.000.000
Retained Earnings	207.757.228	149.417.636
Total shareholder's equity	208.757.228	150.417.636
Current liabilities		
Accruals Liabilities	1.874.463	625.039
Sales Tax Payable	135.056	11.948.975
Provision for Income Tax	7 42.905.597	-
Sundry Creditors – General	6.502.746	7.789.368
Sundry Creditors - Decco Intergroup	6 507.259.456	455.232.075
Accounts Payable	204.816.708	331.378.049
Total current liabilities	763.494.026	806.973.506
Total current liabilities and shareholder's equity	972.251.254	957.391.142

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Decco Chile S.p.A. Profit & Loss Statement As of March 31, 2016 and 2015

	Notes	31-03-2016 Ch \$	31-03-2015 Ch \$
Operating income			
Operating revenue		1.455.417.658	1.227.531.726
Operating cost		(973.920.071)	(792.372.106)
Gross margin		481.497.587	435.159.620
Selling and administrative expenses		(300.260.279)	(253.693.668)
Operating Margin		181.237.308	181.465.952
Other income (expenses)			
Other expenses		(81.487.410)	(6.914.010)
Other income		1.495.291	(34.813.522)
Other Income (Expenses) – Net		(79.992.119)	(41.727.532)
Income before income taxes		101.245.189	139.738.420
Income taxes	7	(42.905.597)	-
Net income		58.339.592	139.738.420

The enclosed notes number 1 to 11 forms an integral part of these financial statements



GESTAX AUDITORES CONSULTORES

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Decco Chile S.p.A. Cash Flow Statement As of March 31, 2016 and 2015

	31-03-2016 Ch \$	31-03-2015 Ch \$
Total cash flows for the period		
Cash flows from operating activities:		
Net income (loss) for the period	58.339.592	139.738.420
Charges (credits) to income not representing cash flows :		
Depreciation	12.405.325	4.686.206
Decreases (increases) in assets affecting cash flows:		
Stock Of Traded Goods	(33.052.173)	(131.130.042)
Work in process	79.406.983	(25.508.091)
Debtors – Others	(24.235.114)	(2.820.811)
Accounts Receivable Trade - Bad Debt	40.754.138	(88.745.436)
(Decreases) increases in liabilities affecting cash flows:		
Accruals Liabilities	1.249.424	625.039
Sales Tax Payable	(11.813.919)	4.621.360
Provision for Income Tax	42.905.597	-
Sundry Creditors – General	(1.286.622)	(1.757.459)
Sundry Creditors - Decco Intergroup	52.027.381	(69.060.820)
Accounts Payable Accounts Payable Detail	(126.561.341)	184.829.687
Total net positive (negative) cash flow from operating activities	90.139.271	15.478.053
Cash flows from financing activities:		
Share placement	-	-
Total net positive (negative) cash flow from financing activities	-	-
Cash flows from investment activities:		
Acquisition of fixed assets	(28.946.075)	(4.535.213)
Guarantee Rent	-	415.000
Total net positive (negative) cash flow from investment activities	(28.946.075)	(4.120.213)
Net total positive (negative) cash flow for the year	61.193.196	11.357.840
Opening balance of cash and cash equivalents	109.457.136	98.099.296
Closing balance of cash and cash equivalents	170.650.332	109.457.136

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Decco Chile SpA

Notes to the Financial Statements as of March 31, 2016 and 2015

Note 1. Constitution and purpose of the Company

Decco Chile S.p.A. was established as a closed corporation by public instrument of May 18, 2011, granted by Notary of Santiago Mr. Cosme Gomila Gatica and registered in the Register of Commerce of the Santiago under the Number 22,895 in 2011.

The purpose of the Company is provide solutions to help and maintain the quality of fresh fruits and vegetables, allowing them to make it to market in good condition through innovative and cost effective products.

Note 2. Accounting principles applied

a) General

The following financial statements have been prepared in accordance with accounting principles generally accepted in Chile.

b) Accounting period

The following financial statements correspond to the period between April 1 2015 and March 31, 2016 and April 1, 2014 and March 31, 2015.

c) Price-level restatements

The financial statements have not been updated by the rules of restatement to reflect the effects of changes in the currency's purchasing power that occurred during the period because Chile is a country with low inflation.

The variation of the consumer price index (CPI) was of 4.4% for the year 2015 and 4.6% for the year 2014.

d) Basis of translation

Assets and liabilities in dollars are valued to the Corporate Rates currency. The exchange rate as of March 31, 2016 is \$671,37 and \$629,13 for March 31, 2015 per dollar.



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e) Fixed assets

The fixed assets are valued at acquisition cost less the accumulated amortizations of the period.

f) Inventory

This item includes those items of inventory within the company's normal business which the company estimates have a rotation of less than one year.

Inventory is valued at acquisition cost, determined in accordance with Chilean tax law. Locally-purchased inventory is valued at its highest cost during the year, and imported products at the latest import price. Inventory is presented net of a provision for obsolete inventory. These values do not exceed the estimated net realizable value.

g) Income and deferred taxes

The company records income taxes based on net taxable income determined in accordance with standards established by the on Income Tax Law.

Deferred taxes for accounting purposes, consider all temporary differences and other events that create differences between the accounting and tax base of assets and liabilities, according to the standards established in Technical Bulletin N° 60 and complementary to the Chilean Association of Accountants.

The Company made no provision because the temporary differences are not significant.

h) Statement of cash flow

For purposes of preparing the statement of cash flows, according to what is stated in Technical Bulletin N°. 50 of the Chilean Association of Accountants, the Company has considered the cash and cash equivalents and investments.

Note 3. Accounting Changes

During the years 2016 and 2015 there were no changes in the implementation of major accounting principles in relation to the previous year.

Note 4. Fixed Assets

Fixed assets correspond to Vehicles and Technology Equipment, which are shown at their acquisition cost. Depreciation is calculated using the straight-line method based on the remaining useful lives of the individual asset.

The net balance at March 31, 2016 it was of \$51.614.896 and the net balance at March 31, 2015 it is of \$35.074.154.

**Note 5. Stock of traded goods**

The net balance at March 31, 2016 it was of \$299.644.453 and the net balance at March 31, 2015 it is of \$266.592.280.

Note 6. Balances and Transactions with group companies

- 1 Names of related parties where control exists irrespective of whether transactions have occurred or not

Ultimate Holding Company	UPL Ltd.
Holding Company of Parent Company	Decco WW Post-Harvest holding B.V.
Parent Company	2280 Decco WW Post-Harvest holding B.V.

- 2 Names of other related parties with whom transactions have taken place during the year

Fellow Subsidiaries	
Decco Italia	2800
Decco Iberia	2580
Decco Us Post-Harvest, Inc.	3300
Decco WW Post-Harvest Holding B.V.	2280

- 3 At March 31, 2016 and 2015, the Company had receivables from and payables due to various entities controlled by the Parents as follows:

Payables to affiliates

<u>Related Parties</u>	<u>2016</u>	<u>2015</u>
Decco US Post-Harvest Inc.	185.214	205.634
Decco Iberica Postcosecha, S.A.U., Spain (formerly Cerexagri Iberica)	0,0	27.858
Decco Italia SRL,Italy	0,0	26.709
	185.214	260.202

Loan from affiliates (Non-current):

<u>Related Parties</u>	<u>2016</u>	<u>2015</u>
Decco WW Post Harvest Holding B.V. (long term)	322.046	195.030
	322.046	195.030



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4 The following are the details of the transactions entered by the Company for the year ended March 31, 2016 and 2015:

No	Nature of transactions	Name of related party	2016	000 CLP	
				2016	2015
1	Purchases				
	Purchases (Credit Note)	Decco Italia	-3.575		29.426
	Purchases	Decco Iberica	19.551		30.957
	Purchases	Decco Us Post-Harvest, Inc.	300.556		330.304
2	Interest expense	Decco WW Post Harvest Holding B.V.	6.503		5.775
3	Loan taken	Decco WW Post Harvest Holding B.V.	268.546,49		201.410
4	Management Fees	Decco WW Post Harvest Holding B.V.	40.281,97		0

Note 7. Income tax

<u>Particulars</u>	<u>March, 2016</u>		<u>March, 2015</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Statutory / Fiscal / Federal Tax rate	42.425	22,50%	0
Add / (Less)				
Tax on not accepted expenses 1.373	481	35,00%		
Effective Tax rate	42.906	22,75%	0	21,00%



	Year 2016 22,5%	Year 2015 21%
Result on Financial Balance	101.245	
Temporary Differences		
Less result Jan-Mar 2016	-93.734	
Plus result Jan-Mar 2015	176.941	
Monetary correction on Inventory as of Dec 2015	1.532	
Monetary correction on Equity as of Dec 2015	-700	
Monetary correction on Fixed Assets as of Dec 2015	2.896	
Monetary correction on Accum Depreciation of fixed assets as of Dec 2015	-3.772	
Depreciation on fixed assets for tax purposes as of Dec 2015	-3.048	
Monetary correction on advanced payment tax as of dec 2015	339	
Other minor differences	627	
Result before tax on Statutory books as of 31-12-2015	182.326	
Plus Interests and tax penalties	2.246	
Plus not accepted expenses	3.985	
Taxable Income as of 31-12-2015	188.557	
Income Tax	22,50%	42.425
Tax on not accepted expenses	1.373 35,00%	481
Provision for tax		42.906
Net result as of 31-03-2016 (101.245.189 - 42.905.597)		58.340

Note 8. Shareholder's equity

a) The movement of the shareholder's during the financial period is presented as follows:

	Paid-in Capital	Income (Loss) accumulated	Total
	Ch\$	Ch\$	Ch\$
Initial contribution at of April 01, 2015	1.000.000	149.417.636	150.417.636
(Loss) income for the period		58.339.592	58.339.592
Balance at of March 31, 2016	1.000.000	207.757.228	208.757.228

b) Creation of the company and initial contribution:

By public deed dated May 18, 2011, granted by Notary of Santiago of Mr. Cosme Gomila Gatica is constituted the closed corporation "Decco Chile SpA".

The initial capital of the company is CH\$1.000.000 divided in one thousand nominative actions, of same serial, without nominal value, which up to date they are completely subscribed and paid.



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c) Participation in the property of the society to March 31, 2016:

Shareholders	Number of Shares Subscribed	Capital Subscribed Ch\$	Capital Paid Ch\$
Decco Worldwide Post Harvest Holding B.V	1.000	1.000.000	1.000.000
	1.000	1.000.000	1.000.000

Note 9. Contingencies and commitments

The Company has no contingencies and commitments that affect the financial statements as of March 31, 2016.

Note 10. Subsequent Events

Up to the date of preparation of the present financial statements, Decco Chile SpA doesn't has financial facts that have been produced, or of other aspects that significantly affecting the balances or interpretation of these financial statements.

Note 11. Environment

By the nature of Decco Chile SpA is not affected by expenses for improvement and / or investment of process and any other concept regarding verification and enforcement of ordinances and laws related to industrial processes and facilities which may affect directly or indirectly to environmental protection.