COPEINCA

2011

Director´s Report

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COPEINCA ASA

Board of Directors Report

SUMMARY OF THE YEAR

2011 meant a lot of achievements for the Company, as well as some important changes.

The Company's former COO and Deputy CEO Pablo Trapunsky, was appointed CEO in June 2011 whereas former CEO Samuel Dyer Coriat was appointed Chairman of the Board. Another important change in the structure of the Company was the creation of the Controlling area led by Mr. Carlos Cipra.

The CAPEX plan commenced in 2010 was completed in 2011 and for the first time the Company produced only Steam Dried fishmeal. As a consequence of these plant upgrade investments as well as investments on the fleet side, 70% of the Company's fishmeal production in 2011 was Super Prime and Prime grades, which in turn led to an average price on the Top 3 list of prices obtained in the Peruvian sector.

At the end of the year, the Company obtained an EBITDA of USD 100 million, slightly below of what was expected. This was mainly due to a drop in prices for Q3 and Q4, resulting in revenues of USD 254 million for roughly 184,000 MT of sold products.

The year started with unusual low inventories, due to the abrupt interruption of the second fishing season in 2010. This made prices very volatile, and we faced figures as high as USD 2,000 FOB per MT for super prime grades on Q2 and Q3, and as low as USD 1,150 FOB per MT for the same grades on Q4. The price fluctuations of almost 40% were the result of speculation on the demand side due to the uncertainty on the biomass situation, and projections of a new Government elected in Peru in July 2011.

This year's fishing seasons were more "typical", especially the second season which started in November. The fishing zones were closer to our plants, good shoals of fish, and no presence of juveniles. After the two IMARPE cruises, the authorities decided to allow a larger catch than expected: 3,675,000 MT for the first season and 2,500,000 MT for the second, resulting in a year of more than 6,000,000 MT, without counting the south of the country quota (10% increase).

The above mentioned factors resulted in increased stocks, compared to the previous year where the stock levels were low due to the natural events.

The 3 new vessels, Incamar I, II and III were operative from May and have performed well with great speed (up to 15 knots), stability, 700 MT of refrigerated fish at 1°C, and fuel consumption below 4 gallons per MT.

In 2009 and 2011, two plants were shut down. However, the capacity of the remaining plants was increased. We now hold the largest plant in Peru in terms of installed capacity (Chimbote with 250 MT/h).

As part of our operative model we applied the concept of processing the fish as soon as possible in the most efficient way, resulting in fresher input and higher quality output. This strategy requires massive use of RSW on board (refrigeration system), and this method is now used for 75% of our raw material. The remaining 25% of our raw material has a rigorous quality control carefully performed.

In addition to the above mentioned facts all the processing plants of the Company have the same process type. As such, the characteristics and quality of the fishmeal are the same, regardless of which plants the fish meal has been processed in. This is an important achievement.

During 2011, we also started to catch both mackerel and jack mackerel, ending the year with almost 10,000 MT caught and sales of USD 4.6 million. This catch was sold in port to the fresh and canning markets. The company is evaluating how to maximize this catch in the future and increase its value.

OPERATIONS

The operations of COPEINCA ASA are carried out by its subsidiary Corporación Pesquera Inca S.A.C. (the COPEINCA group of companies hereinafter referred to as COPEINCA, the Company or the Group).

COPEINCA focuses on producing fishmeal and fish oil and covers the entire fishmeal and fish oil value chain from harvesting to distribution. The Company operates fishing vessels catching anchovy off the coast of Peru, and are able (some of them) to catch Human Consumption species in the off season.

The anchovy catches, along with the volume acquired from third parties and administrated fleet, are then processed into fishmeal and fish oil in the plants owned by COPEINCA. Over 99% of the Company's finished products are exported throughout the world.

COPEINCA is currently the second largest fishing company in Peru, holding 10.7% of the total allowable catch quota and having 13.7% of market share (22% of total processed fish comes from third parties).

The operating fleet is now comprised of 30 vessels, and 20 of them have refrigeration systems (RSW) representing approximately 70% of the installed capacity.

The Company now operates 4 plants in the centre-north area and 1 in the south. The capacity of these plants has been increased up to 840 MT/h in total, and all of them produce only Steam Dried fishmeal.

COPEINCA sells its products to countries in Asia, Europe and elsewhere. China is our biggest export destination, with approximately 65% of our sales. Other key export markets are Japan, Vietnam, Thailand, Taiwan, and other countries around the world.

Production of fish oil remained at a yield of 4.5%, higher than expected, and with good Omega 3 profiles, mainly on the second season of the year.

ENVIRONMENT

A few years before the establishment of the individual transferrable quota system (ITQ system), the Company decided to carry out important investments to become more friendly towards the environment. We started with the use of vacuum-pressure fish pumps, that despite the higher power consumption lowers the usage of water to 1/3 of the old traditional centrifugal pumps. In addition to the reduction in the quantity, there has been an improvement on the quality of the effluent as well as the fish since these pumps do not damage the fish. As a result less solids and oil remain dissolved in the water (lower organic material).

With the ITQ implementation, we decided to massively implement the use of RSW (refrigeration systems) on our vessels. This was of great significance as it avoids the contamination of the seasince the blood water stays in the vessels and it is not pumped out into the ocean. Additionally, investments were made on new recovery equipment to treat the water used to pump the fish, and after it is filtrated it goes to a tandem comprising of a decanting cell and micro air removal equipment that allows us to recover more solids and oil.

We are now working on the last stage, which aims to comply with the Maximum Permissible Limits (MPL), established by the government, reducing even more the contaminants we produce. We expect to fully comply with it by 2014 in all of our processing plants. All plants have been converted to SD (Steam Dried) process, reducing completely the vapor emissions to the air, and therefore, reducing the strong smells and vapors.

Significant investments for better utilization of fuel, by means of having better boilers to produce steam, will further enhance environmentally friendly operations. The Company has renewed around 60% of the boilers to 4 pass wet back type, that allows us to be more efficient and lower the consumption of fuel. However, we still await Peruvian Government to initiate with the project to distribute natural gas along the coast, which will let the company, and the rest of the industry, avoid further contamination by burning heavy oil of poor quality.

The company emphasizes its position as the leader in technology use for lowering the impact to the environment, and compromises itself in doing everything possible to overcome these problems. A clear example is that last year we invested USD 3.0 million in a system to utilize fresh water to unload fish and recirculate it in order to avoid at all the final disposal of it after treatment. The system presented several problems, but allowed us to develop an open circuit system that will comply with MPL legislation.

During 2011, the Company and the industry in general suffered from a negative TV program broadcasted in Norway about fish oil sourcing in Peru, showing a biased picture focusing on bad practices in relation to quality assurance, health and treatment of workers.

The Company decided to open its doors to journalists without knowing their real intentions. However, our policy is to operate openly, with nothing to hide, and therefore we invited them to travel on board of our vessels to the fishing zone and let them into one of our plants. Despite the negative effects such TV program might have had, we had many opportunities to show all of our stakeholders the real situation, including the First Secretary of the Norwegian embassy in Chile, Ewos and Biomar (both top Norwegian feed producers), among others.

We are proud to say that all of our plants meet all the requirements from the EU to produce oil for human consumption, all of our plants produce the best possible quality fish oil, both for human consumption and for aquaculture, and Copeinca is fully certified for exports into the European Union.

All in all, the Company's strategy focuses in producing in the most efficient way, both economically and environmentally.

COMPANY STRATEGY

To achieve our vision, under the individual transferrable quota system (ITQ), we concentrate on efficiencies and quality. We aim to generate the highest operating margin per ton produced in the industry and per percentage point of quota processed, maintaining emphasis on our profitability and cash flow.

GOING CONCERN

In accordance with the Norwegian Accounting Act Section 3-3 we confirm that the annual accounts have been prepared under the going concern assumption and that it is appropriate to use this assumption. The financial statements have been prepared following the International Financial reporting Standards (IFRS) as adopted by the European Union.

FINANCIAL RESULTS

Revenues were USD 254.5 million in 2011 compared to USD 233.0 million in 2010. Fishmeal and fish oil volume sold were 148,589 MT and 35,246 MT respectively in 2011, up from 135,896 MT and 30,975 MT respectively in 2010. Average price obtained per ton of product was USD 1,384 in 2011, down USD 13, from USD 1,397 in 2010.

EBITDA increased by 32% and reached USD 100.0 million on revenues of USD 254.5 million compared to an EBITDA of USD 75.7 million on revenues of USD 233.0 million in 2010.

EBITDA per ton in 2011 was USD 544 per MT, significantly higher than in 2010 (USD 454 per MT), mainly due to the favorable price of fishmeal and fish oil in the first nine months, linked to a sustained demand and a limited supply for these products. Cost savings such as a lower raw material price, fixed costs better absorbed by a higher volume of production and a shorter fishing season also contributed to a higher EBITDA.

Gross profit increased from USD 82.0 million (35%) in 2010 to USD 111.4 million (44%) in 2011.

Cost of goods sold (COGS) for 2011 was USD 143.1 million (USD 778 per MT), down from USD 151.0 million (USD 905 per MT) in 2010. Cost of goods sold decreased on a per ton basis from 2010 to 2011, as a result of the higher production and the allocation of expenses on significantly higher tonnage.

Operating profit in 2011 was USD 74.3 million, up from operating loss of USD 1.5 million in 2010.

Financial expenses for 2011 were USD 21.0 million on an outstanding USD 266.3 million debt. For 2010, financial expenses were USD 23.5 million on an outstanding debt of USD 217.5 million.

Net income for 2011 was USD 47.8 million while net loss in 2010 was USD 6.5 million.

The Group's total assets were USD 793.5 million as of 31 December 2011, increased by USD 124.0 million from year end 2010. This is a result of the increase in the level of inventories in the amount of USD 48.4 million, increase in cash and cash equivalents of USD 26.3 million, increase on property plant and equipment of USD 20.6 million, increase in trade accounts receivable of USD 16.4 million, increase in intangibles of USD 8.5 million, increase of goodwill of USD 5.8 million and decrease in other assets of USD 2.0 million.

The Company's net fixed assets increased from USD 237.9 million to USD 258.5 million as a result of additions to cost of USD 36.4 million and the increase in the exchange difference of USD 9.5 million from the translation of PEN to USD, offset by a depreciation of USD 14.1 million, disposal of assets of USD 6.2 million and a provision for impairment of assets of USD 5.0 million.

Licenses and Goodwill increased by USD 14.8 million as a result of the exchange rate difference of the translation from PEN to USD.

Current assets increased, from USD 77.3 million at the end of 2010, to USD 166.4 million at the end of 2011 as inventories increased by USD 48.4 million, cash increased by USD 26.3 million and trade accounts receivable increased by USD 16.4 million, offset by other current assets of USD 2.0 million.

Total liabilities increased by USD 67.1 million from USD 337.8 million to USD 404.9 million as a result of the increase in inventory financing of USD 24.3 million, other and trade accounts payable of USD 26.0 million and long-term debt by USD 24.4 million, offset by long term provision of USD 7.6 million.

The Company had a working capital (current assets less current liabilities) of USD 68.4 million as of December 2011 compared to USD 36.9 million as of December 2010. The increase is mainly a result of higher level of inventories, cash and trade accounts receivable from sales during the period.

Cash flow from operations for the year 2011 was only USD 9.7 million (USD 57.4 million in 2010) as the inventory increased from 7,551 MT at the end of 2010 to 75,829 MT at the end of 2011 used cash generated from the operations.

Cash flow from investments was a negative of USD 33.0 million, reflecting USD 36.4 million of our CAPEX plan, including the construction of 3 new vessels, the conversion of all of our plants to new Steam Dried technology and USD 0.3 million of purchase of intangible assets, offset by USD 3.7 million from sales of fixed assets.

Cash flow from financing was a positive of USD 49.2 million, which includes new inventory financing of USD 83.1 million, new bank loans of USD 20.0 million and USD 15.0 million from sale and leaseback financing, and exchange difference of USD 7.7 million, offset by the payment of inventory financing of USD 58.7 million and payment of USD 17.0 million of leasebacks, bond interests and USD 0.9 million of a share buyback program.

Our CAPEX plan was carried out through cash from our operations and financing from banks. Copeinca has access to a variety of lines of credit from Peruvian and Norwegian banks.

The difference between net cash generated by operating activities of USD 9.7 million and operating profit of USD 74.3 million is mainly due to the increase of USD 50.2 million in inventories and USD 17.3 million of trade accounts receivables.

DIVIDENDS PER SHARE

The Board of Directors has proposed the net profit of COPEINCA ASA of NOK 258,790,823 to be attributed to:

- Losses carried forward from previous years – NOK 1,298,915.
- Other equity – NOK 29,491,908
- Provision for dividend payment of NOK 228,000,000

The Company's distributable equity as of 31.12.2011 was NOK 200,160,692.

CONTINGENCY PLAN, RISK MANAGEMENT AND FACTORS WHICH MAY IMPACT THE EXTERNAL ENVIRONMENT.

As part of the Board's commitment to Corporate Government Practices, COPEINCA has implemented a Risk Management System under the COSO ERM methodology, in order to maintain the integrity of our resources as well as to increase our competitive advantages and guarantee the continuity of our business, notwithstanding the different internal and external risk the company faces. Risk management is a process that involves and is performed by the Board of Directors, Management and all our collaborators in general, in accordance with the company Risk Management Manual that was approved by the CEO.

COPEINCA regularly identifies and evaluates risks that could affect the attainment of its objectives and establishes specific control and monitoring activities to mitigate these risks accordingly. The internal control activities are detailed in the Company's internal rules and procedures as well as in the risk and control matrixes and the vast majority is done through SAP.

In order to perform a measurement of the degree of maturity and commitment to issues of internal control and risk management in the collaborators of the company, during 2011, a questionnaire of internal control was applied to the collaborators of the head office. The questionnaire consisted of a series of questions to assess the company under each component of COSO Enterprise Risk Management methodology. With this tool, the Company has been able to obtain results that will better focus our efforts, resources and implementation action plans to reinforce and strengthen the system of risk management and internal control.

In addition, to improve risk management, a software that consolidates and records all of the company´s risks: strategic, process and projects is implemented. With this software each department can identify current controls that mitigate risks, propose action plans for improvement and to obtain indicators of the effectiveness of risk management by process.

The Company's Audit Committee regularly receives and reviews information on the main risks and their control activities.

COPEINCA also follows integrated business principles, which reflect its commitment to health, safety and the environment.

The preservation of the environment is one of COPEINCA´s main concerns. The production processes involve a series of factors and conditions that interact with the environment, such as the use of resources like oil and water, the generation of waste to the environment through emissions and particulate matter in the water and solid waste. Due to this, an effluent treatment system which mitigates any potential impact called Program of Environmental Management Adequacy – PAMA was implemented and has been in operation since 2001.

COPEINCA is currently undergoing a process of technological improvement to maximize the impact of the program, which is based on investments that will not only reduce but also eliminate many potential impacts on the environment, be it water or air. The conversion of our plants into Steam Dried production and the construction of RSW vessels are good examples of such investments. Some of the Company's practices to ensure the preservation of the environment are: environmental education, internal campaigns, specialized treatment systems, quality management systems, certifications and community relations.

RISK FACTORS

There are risk factors for COPEINCA´s normal business development as well as financial risks. Monitoring and mitigation actions have been implemented for each of them.

NORMAL BUSINESS DEVELOPMENT FACTORS

a) We are dependent on continuing global demand for fishmeal and fish oil.

Our business depends on continued global demand for fishmeal and fish oil. Consumption of our products has increased in recent years, but this trend may not continue and consumption levels worldwide could decrease.

Demand for fishmeal and fish oil is affected by diverse factors such as adverse changes in general economic conditions, evolving customer preferences and nutritional and health-related concerns. Our business is highly dependent on the aquaculture industry; therefore future downturns in that industry would reduce demand for our products and affect our operating results and cash flows.

b) Reduction of biomass and total quota assigned by the Ministry of Production – PRODUCE.

Instituto del Mar del Peru (IMARPE) is a government agency; its purpose is to ensure the long-term sustainability of Peru's marine biomass resources. IMARPE conducts an anchovy survey on an annual basis to calculate the quantity of existing biomass and thus make a conservative determination of the quantity available for the annual fishing season. This prevents depletion of the resource and ensures an annual quota that is sustainable over time.

c) Annual Quota

With the implementation of the ITQ law in Peru we have an annual quota assigned to our vessels. If a quota holder fails to catch at least 80% of its quota for four consecutive fishing seasons, its quota is reduced by an amount equal to an average of the non-fished quota during each of those four consecutive fishing seasons. The reduced portion is allocated among all other quota holders on a pro rata basis by the Ministry of Production.

COPEINCA has already successfully operated under ITQ during six fishing seasons without failing to catch its assigned quota.

d) Fishmeal and fish oil price variations

The prices of fishmeal and fish oil are directly related to world market and fish oil prices are subject to potentially significant fluctuation. To reduce the impact of price variations, the Company secures the sale of part of its production through medium-term contracts. These medium-term contracts secure volumes sold, but generally do not fix the price at which our products will be sold, therefore the Company is fully exposed to the effects of changes in prevailing market prices of fishmeal and fish oil. A decline in market prices would adversely affect our revenues, net income and cash flows.

e) "El Niño" and "La Niña" natural phenomenons

According to the Climate Prediction Center of the U.S. National Oceanic and Atmospheric Administration, or the CPC, "El Niño" and "La Niña" episodes typically occur every two to seven years, frequently lasting approximately six to ten months. In addition to these phenomenons, from time to time the Peruvian anchovy biomass migrates from one location to another, resulting in a mismatch between the locations of the biomass and our processing plants.

In order to mitigate this risk, COPEINCA keeps a cash reserve that covers 6 months of fixed expenses, helping to be able to address reduced revenues should an "El Niño" natural phenomenon occur.

f) Reputational Risk

Currently there is growing demand for transparent companies, good corporate governance and social responsibility, and also stakeholders increase their demands. In this context reputational risk become more importance.

Therefore, during 2011 Copeinca has implemented a Crisis Management Committee which aims to guide the company when facing emergency situations and/or crisis (including reputational risk), and the protocols associated with communications during such situations. Also the company developed a Crisis Management Manual which is part of the integrated risk management and executes when a high impact risk has resulted materialized in an emergency or crisis.

FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the treasury department under policies approved by the CEO. Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The following are the major financial risks which the Group is exposed to:

MARKET RISK:

Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management minimizes this risk partially by: i) maintaining debit balances in foreign currency, ii) maintaining the volumes of exports and their profitability, and iii) entering into forward contracts. As of 31 December 2011, Copeinca S.A.C. has not signed any forward contracts to reduce the risk of adverse exchange rate fluctuations.

The Group has no specific policy for entering into forward foreign exchange contracts to hedge foreign currency exposures. In 2011 and 2010 management's strategy is buying foreign currency in the spot market. The Group does not have any forward foreign currency contracts outstanding at the reporting date.

Price risk

The Group is exposed to the risk of fluctuations in the prices of the products traded; International prices of fishmeal and fish oil are subject to changes. The Group is entering into supply contracts with key customers, first in order to establish volumes; and subsequently to establish both volumes and prices. This will allow the Group to mitigate the effects of unforeseen price fluctuations on its revenues. However, the Group does not have any financial instrument exposed to price risk.

Cash flows and fair value interest rate risk

The Group's cash flows interest rate risk is closely managed. In February 2010 the company prepaid an old variable interest rate debt with bonds bearing fixed coupons. During 2011 and 2010, the Group's borrowings bear fixed interest rates and are denominated in US dollars.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, management calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities, including bonds, which represent the major interest-bearing positions.

CREDIT RISK:

The Group only sells on a cash basis or on a confirmed letter of credit. The Group has established policies for selling its products to clients with an adequate credit history. Under these circumstances management believes that the Group has a limited credit risk.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance of its counterparties.

LIQUIDITY RISK:

The Group is dependent on an amount of short-term credit facilities to cover part of the requirements of working capital during the production periods.

Management monitors rolling forecasts of the Group's liquidity reserve, and cash and cash equivalents on the basis of expected cash flows. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in US dollars and Peruvian soles and considering the level of liquid assets necessary to meet these cash flows; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

Surplus of cash held by the Group's operating entities over and above the balance required for working capital management are invested in time deposits, overnights, chosen instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

WORKING ENVIRONMENT

COPEINCA considers it important to create a pleasant working environment for its collaborators. For this reason, during 2011 the fourth assessment of working environment took place. Our strategic objectives are not only looking to improve our operations but also increase the overall satisfaction of employees by 2012.

Copeinca measures its working environment annually. The latest working environment assessment showed a score of 59% decreasing with 6% compared to 2010. The general results obtained were presented to all collaborators of the organization, identifying those aspects that need to be improved as well as the Company's strengths.

It is noteworthy that most of our people feel proud to work in COPEINCA, feel that they work in an environment with positive relationships, in which the Company cares about transmitting information related to the organizational structure, rules and policies.

As the Company recognizes that the development of the management´s leadership skills is extremely important for the growth of the organization and development of collaborators, a Leadership Skills Development (LSD) Program for managers and supervisors was implemented in 2010 and continues this year.

Among other efforts to make COPEINCA a better place to work, during 2011 we developed and communicated a special Benefit Program designed for all off our employees; we created an annual Motivation Program, called "The Annual Collaborator" and the "Inca Collaborator". With this program we encourage employee behavior to be aligned with our 4 values: respect, excellence, humility and responsibility. We designed our own Skills Model, this model is composed by 3 categories: Corporate Skills, Area Skills and Direction Skills, which will allow us to continue developing people. Finally we implemented our 1st Performance Tool for managers, for identifying employee talent and developing it.

COPEINCA aims to be a workplace that offers equal opportunities and seeks to attract the best candidates. The Company has a general policy not to discriminate upon hiring, salary or promotion based on gender, ethnicity, national origin, ancestry, color, language, religion or belief.

In 2011, as part of the implementation of the ITQ system, the Company continued to reduce the number of crew members. Since the end of 2011 we have around 1,480 employees, out of which 5% are women and 95% are men. At the level of the Board of Directors and Executive Management, 33% are women and 67% are men.

In 2011, the Company had 197 accidents vs. 100 accidents in 2010. Most of the accidents were related to the fleet (154 in 2011 and 76 in 2010) and 86% of them were minor accidents.

In 2011, sick leaves increased to 8,350 days, equivalent to 2.9% of the total working days compared to 7,872 days in 2010, equivalent to 2.9% of the total working days. The increase is mainly explained by an increase of the working days, since no natural phenomenon occurred during 2011.

In 2011 we certified with OHSAS 18001 two of our plants: Chicama and Ilo. We also made an important investment for improving our working spaces with more security and good conditions for working.

OUR COMMITMENT TO SOCIAL RESPONSIBILITY

Since 2005, COPEINCA chose to develop business under the sustainable development approach as an intelligent way of doing business, while respecting human rights and committing to support the society through sustainable projects. Thus, to ensure business sustainability is a prerequisite to assure those ethical principles, respect for people and the environment are met by acting according to the challenges of sustainability defined by the Company with the advisory of PricewaterhouseCoopers.

Last year´s Sustainability Report received from Global Reporting Initiative (GRI) the "B+" certification and by 2012 one of the main objectives is to work towards receiving the "A+" recognition which demonstrates our commitment to excellence in the social responsibility management within and outside the organization, as well as the highest sustainability international standards.

We kindly invite you to review our Sustainability Report 2011 at our website: www.copeinca.com.pe

MAIN RISKS AND OPPORTUNITIES

Over the years, Copeinca has earned an image of growth, strength, economic and productive power. However we are conscious that there are different impacts and risks inherent in the productive activity that can both positively and negatively affect business sustainability.

Risks

- Global demand for fishmeal and fish oil
- Reduction of the biomass and total quota assigned by the Ministry of Production
- Inability to catch the 100% of the quota in the season
- Fishmeal and fish oil price variations
- El Niño" and "La Niña" natural phenomenons
- Reputational risk

Opportunities

- COPEINCA´s national and international consolidation.
- Implementation of new technologies to improve our operational efficiency.
- Business model according to the new quota system.
- International expansion in different markets in line with free trade agreements.
- Supply process optimization and commercial cycle with our suppliers with special tools which allow information exchange of goods and services.
- Sustainability leadership in the fishing industry.

Main Sustainability Issues

Based in global best practices, national and international industry analysis and our sustainability experience we have defined 5 sustainability issues for COPEINCA:

- The wellbeing of the community and our employees.
- Profitable Environmental Management – Care for the environment and natural resources.
- Quality assurance and product traceability.
- Development of products and markets.
- Creation and protection of shareholder's value.
- Reputation management.

The strength of this sustainability issues lie in sequence with our strategic objectives, corporate values, main stakeholders, Millennium Goals, Global Compact principles, and Global Reporting Initiative Indicators. For more information about our Sustainability performance, please refer to our 2011 Sustainability Report, available at our website www.copeinca.com.

SHARES AND SHAREHOLDERS

As of Dec 31, 2011, the authorized, signed, and paid-in capital under COPEINCA ASA's by-laws comprised of 58,500,000 common shares of NOK 5 nominal value each (approximately USD 0.83). These shares are freely negotiable and carry no restrictions to transferability.

COPEINCA ASA has only one class of common shares and each share gives the right to one vote at the Annual General Meeting (AGM). A dividend distribution for 2011 will be proposed to the AGM to be held on 25 April 2012.

As of 31 December 2011 COPEINCA ASA´s registered share capital was MNOK 292.5.

At the Annual General Meeting (AGM) held on 20 May 2011, the Board was given an authorization to increase the Company's share capital as well as an authorization to purchase COPEINCA shares.

The Board was authorized to increase the share capital by up to NOK 58,500,000. The purpose of the authorization was to enable the Board to issue shares to raise new equity, to finance acquisitions by share issues or with settlement in COPEINCA shares, in connection with mergers, and also in takeover situations. Accordingly, the Board proposed that it may set aside the shareholder's preferential rights to subscribe for new shares. The authorization is in accordance with the Norwegian Public Limited Companies Act section 10-2 and section 13-5. The authorization may be used in takeover situations, may be used several times and is valid until the AGM is held in 2012, at the latest on June 30th of 2012.

The Board was also authorized to purchase COPEINCA shares with aggregate nominal value up to 10% of the current share capital. The purchase price per share shall not be lower than NOK 5 and not be higher than NOK 100. The method for acquisition and disposal of own shares shall be at the Board's discretion. This authorization is valid until the AGM is held in 2012, at the latest on June 30th of 2012 in accordance with the Norwegian Code of Practice for Corporate Governance recommendations.

In 2011, the Board of Directors of Copeinca ASA approved a program authorizing the Company to repurchase shares for a total value of up to USD 5 million. This approval took place in accordance with the authorization above mentioned.

The execution of this program was performed by DnB NOR Markets, who determined the timing and amount of the transactions based on its evaluation of market conditions, applicable regulation and other factors.

At the end of the year, COPEINCA S.A.C., a subsidiary of Copeinca ASA owns 152,277 shares of Copeinca ASA. As of 18 January 2012, the share buy-back program was completed and Copeinca S.A.C. holds 852,993 shares of Copeinca ASA.

At the end of the year, COPEINCA ASA had 407 shareholders, of which 13% were Norwegian and 87% from abroad.

All transactions involving related parties, primary insiders or collaborators wishing to trade shares are firmly regulated in the Company's own Insider Trading Policy, which ensures transparency and independent verification of any transactions involving close associates.

Mandatory notifications of trade were published via the Oslo Stock Exchange's (OSE) website at www.ose.no, available at www.copeinca.com as well.

CAPITAL MARKETS PERFORMANCE

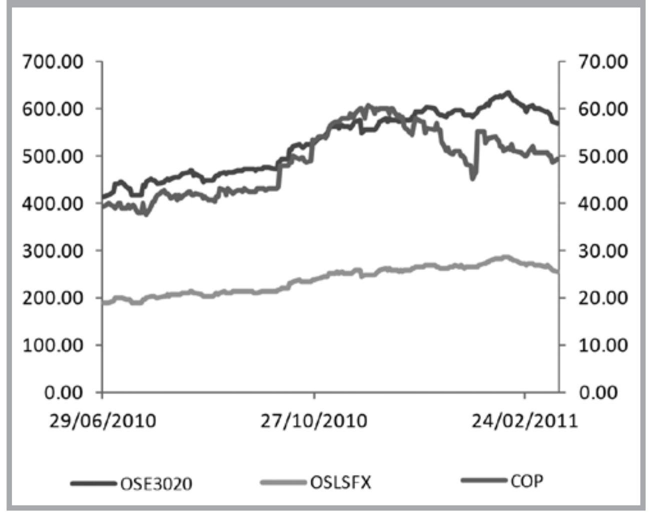
COPEINCA ASA became a publicly listed company in December 2006. Its shares trade on the Oslo Børs under ticker COP. In 2008 COPEINCA ASA double listed its shares on the Lima Stock Exchange (BVL) under ticker COP.

COPEINCA ASA is incorporated on the Oslo Børs Seafood Index (OSLSFX).

The Oslo Seafood Index consists of shares of companies that operate in the seafood sector. Shares listed on both Oslo Børs and on Oslo Axess are included in the index and each index constituent is represented with the total number of outstanding shares. The index is adjusted for corporate events on a daily basis and for dividend as well.

In December 2006, COPEINCA ASA shares were first listed at NOK 40. In June 2007, COPEINCA ASA carried out a capital increase by issuing 18,800,000 new common shares at NOK 65.

Capital Market Performance



Since then, COPEINCA ASA shares have reached levels of NOK 73 at its highest in 2007 and NOK 8 at its lowest by the end of 2008 in the middle of the world financial crisis.

As of 31 December, 2011 COPEINCA ASA shares were valued at NOK 33.50, therefore market capitalization was MNOK 1,960

MARKET SITUATION

Fishmeal

The total quota for first fishing season 2011 was 3,675,000 MT, slightly higher than in previous years with normal ocean conditions. That helped the industry to recover from a very poor second season in 2010, which due to "La Niña" phenomenon, reduced the catch by 40% of the allowed quota. Prices before the season started went up far from what was expected, and reached peak levels of USD 1,800 and even USD 2,000 per MT, as fear to remain without product for the aquaculture season in the far east, especially in China, led to buyers taking larger than normal positions. For the second fishing season the government decided to announce a higher than normal quota of 2,500,000 MT, that was almost 100% caught at the first week of January.

Fishmeal average price for the year was USD 1,438 per MT FOB Peru for super prime quality vs. USD 1,596 per MT FOB Peru in 2010 for the same quality (USD 158 per MT lower than in 2010).

Aquaculture season in China was affected by both flooding and draught, however the baby pig farming recovered, increasing its demand and consumption.

Current fishmeal/soybean meal ratio is about 2.52:1 in China and 3.38:1 in Europe.

Fishoil

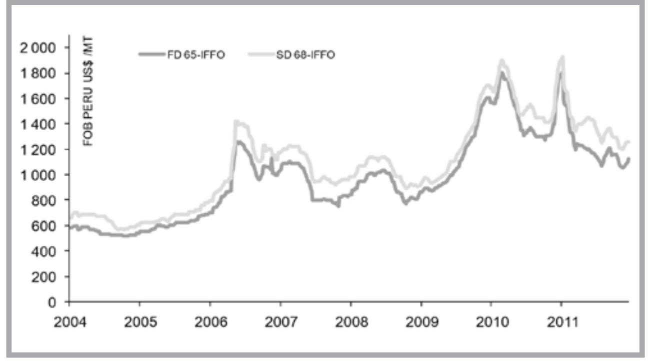
Fish oil average prices for Aqua grade rose from FOB Peru USD 1,007 per MT during 2010 to FOB Peru USD 1,386 per MT for 2011 (USD 379 per MT higher than in 2010), confirming the same trend seen in 2010.

Omega 3 Profile (30%) average price increased from FOB Peru USD 1,604 per MT in 2010 to FOB Peru USD 2,258 per MT in 2011 (USD 654 per MT higher than in 2010).

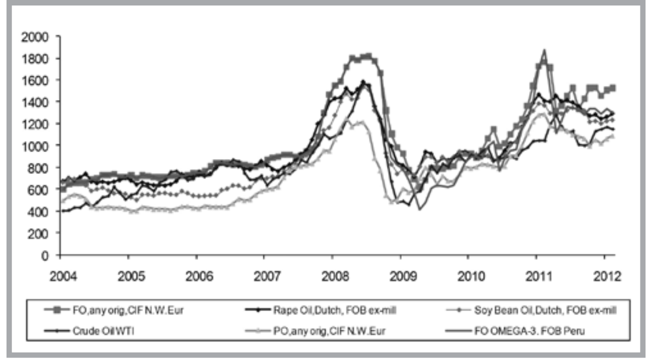
Current FOB Peru price level for aqua feed grade is USD 1,350 per MT while price for omega 3 profile is trading at levels between USD 1,600 per MT and USD 2,000 per MT FOB Peru.

Current ratio in Europe is fish oil / soybean oil at 1.26:1 and fish oil / rapeseed oil at 1.19:1. Current ratio is considered average in the market and the trend is steady.

Fishmeal Prices 2004-2012



Fish Oil Prices 2004-2012



FUTURE PROSPECTS

For 2012, we do not expect surprises neither on the side of biomass and quota, nor in product quality and operational efficiencies.

We currently have new authorities, especially in the Ministry, that look after the biomass conservation, so the quota should go back to normal levels of 5,000,000 -5,500,000 MT of anchovy for the whole year on Centre-North area. Of course, this will be formalized after IMARPE runs its usual investigation cruises (summer and winter).

As of March 2012 market prices of fishmeal are in the range of USD 1,150 – 1,280 per MT, depending on quality. We do not expect much variation of these prices as an average for the year, however some normal fluctuations can appear due to certain levels of uncertainty, and when big importers take large positions.

Most of the investments the company plans to do in the near future, will go to the environment protection law compliance, and to improve infrastructure of our plants.

CORPORATE GOVERNANCE

COPEINCA is committed to sound corporate governance practices that strengthen the trust in the Company and thereby contribute to the greatest possible value creation over time, for the benefit of its shareholders, collaborators and other stakeholders in accordance with the Norwegian Code of Practice for Corporate Governance. Copeinca's Corporate Governance rules are set in the Annual Report, section 7.

Oslo, 26 March 2012

Samuel Dyer Coriat Chairman	Kristjan Th. Davidsson Deputy chairman	Samuel Dyer Ampudia Member
Marianne E. Johnsen Member	Mimi Kristine Berdal Member	Sheyla Dyer Coriat Member
Ivan Orlic Ticeran Member	Osterlin L. Dyer Ampudia Member	Pablo Trapunsky CEO

COPEINCA ASA AND SUBSIDIARIES

Consolidated Financial Statements
31 DECEMBER 2011 AND 31 DECEMBER 2010

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2011 AND 31 DECEMBER 2010

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US$ = United States dollar
NOK = Norwegian Kroner
S/. = Nuevo Sol

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

COPEINCA

	Note	As of 31 December 2011 US$000	2010 US$000
ASSETS			
Non - current assets			
Property, plant and equipment	6	258,525	237,953
Fishing licenses	7	222,936	213,964
Goodwill	7	144,824	138,996
Other intangible assets	7	792	1,317
		627,077	592,230
Current assets			
Inventories	10	63,886	15,528
Trade receivables	11	24,103	7,732
Other accounts receivable	12	17,958	19,828
Cash and cash equivalents	13	60,490	34,201
		166,437	77,289
Total assets		**793,514**	**669,519**
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	55,589	55,717
Share premium	14	285,648	286,462
Cumulative translation adjustment	15	1,069	(10,442)
Retained earnings	15	46,337	-
		388,643	331,737
Non-controlling interest		-	-
Total equity		**388,643**	**331,737**
LIABILITIES			
Non - current liabilities			
Long-term borrowings	16	218,488	201,500
Deferred income tax	17	82,270	86,038
Other accounts payable	18	6,057	9,858
		306,815	297,396
Current liabilities			
Bank loans and short term debt	16	25,355	1,010
Trade accounts payable	18	15,907	17,142
Other accounts payable	18	21,141	7,202
Current income tax payable	29	13,220	-
Current portion of long-term borrowings	16	22,433	15,032
		98,056	40,386
Total liabilities		404,871	337,782
Total equity and liabilities		**793,514**	**669,519**

The notes on pages from 9 to 58 are an integral part of these consolidated financial statements

Oslo, 26 March 2012

Samuel Dyer Coriat Chairman	Kristjan Th. Davidsson Deputy Chairman	Mimi Kristine Berdal Member
Marianne E. Johnsen Member	Luis Dyer Ampudia Member	Samuel Dyer Ampudia Member
Sheyla Dyer Coriat Member	Pablo Trapunsky Vilar CEO	Ivan Orlic Ticeran Member

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME

	Note	For the year ended 31 December 2011 US$000	2010 US$000
Sales	**19**	254,478	233,042
Cost of goods sold	**20**	(143,085)	(151,037)
Gross profit		**111,393**	**82,005**
Selling expenses	**21**	(12,596)	(9,971)
Administrative expenses	**22**	(13,780)	(12,311)
Other income	**23**	9,138	12,017
Other expenses	**23**	(19,896)	(73,280)
Operating profit (loss)		**74,259**	**(1,540)**
Finance income	**26**	608	502
Finance costs	**26**	(21,007)	(23,457)
Exchange difference, net	**3**	10,375	7,370
Profit (loss) before income tax		**64,235**	**(17,125)**
Income tax expense	**29**	(16,466)	10,632
Profit (loss) for the year		**47,769**	**(6,493)**
Attributable to:			
Equity holders of the company		47,769	(6,493)
Earnings (losses) per share attributable to the equity holders of the company during the year (US$ per share):			
Basic earnings per share	**30**	0.8187	(0.1110)
Diluted earnings per share	**30**	0.8097	(0.1110)

The notes on pages from 11 - 61 are an integral part of these consolidated financial statements.

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31 December 2011 US$000	2010 US$000
Profit (loss) for the year		47,769	(6,493)
Currency translation adjustment with no tax effect	**15**	11,511	9,285
Total comprehensive income for the year		**59,280**	**2,792**
Attributable to:			
Equity holders of the company		59,280	2,792

The notes on pages from 11 - 61 are an integral part of these consolidated financial statements.

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 31 DECEMBER 2010

	Note	Share capital US$000	Share premium US$000	Cumulative translation adjustment US$000	Retained earnings US$000	Non-controlling interest US$000	Total equity US$000
Balances as of 1 January 2010		55,717	304,990	(19,727)	37,345	91	378,416
Cumulative translation adjustment	**15**	-	-	9,285	-	-	9,285
Dividends distribution related to 2009 profits	**15**	-	-	-	(50,000)	-	(50,000)
Transactions with non-controlling interest		-	-	-	-	(91)	(91)
Value of employee services	**14**	-	-	-	620	-	620
Loss for the year		-	-	-	(6,493)	-	(6,493)
Appropriation of share premium to cover accumulated losses	**15**	-	(18,528)	-	18,528	-	-
Balances as of 31 December 2010	**14-15**	55,717	286,462	(10,442)	-	-	331,737
Balances as of 1 January 2011		55,717	286,462	(10,442)	-	-	331,737
Cumulative translation adjustment	**15**	-	-	11,511	-	-	11,511
Value of employee services payable		-	-	-	217	-	217
Reclassification to liabilities		-	-	-	(1,649)	-	(1,649)
Share buy-back program	**14**	(128)	(814)	-	-	-	(942)
Profit for the year		-	-	-	47,769	-	47,769
Balances as of 31 December 2011	**14-15**	55,589	285,648	1,069	46,337	-	388,643

The notes on pages from 11 - 61 are an integral part of these consolidated financial statements.

COPEINCA ASA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December 2011 US$000	2010 US$000
Cash from operations	**27**	25,942	81,851
Interest paid		(14,022)	(16,760)
Income tax paid		(2,251)	(7,711)
Net cash generated from operating activities		**9,669**	**57,380**
Cash flows from investing activities			
Purchase of property, plant and equipment	**6**	(36,353)	(60,483)
Proceeds from sale of PPE	**27**	3,677	4,991
Purchase of intangible assets	**7**	(347)	(2,544)
Net cash used in investing activities		**(33,023)**	**(58,036)**
Cash flows from financing activities			
Movement in non-controlling interest		-	(91)
Buyback of shares	**14**	(942)	-
Repayment of bank loans and short term loans	**16**	(58,722)	(9,513)
Proceeds from bank loans and short term loans	**16**	83,056	10,521
Repayment of long-term borrowings	**16**	(16,977)	(155,405)
Proceeds from long-term borrowings	**16**	42,758	226,603
Dividends paid	**15**	-	(50,000)
Net cash generated from financing activities		**49,173**	**22,115**
Net increase in cash and cash equivalents		25,819	21,459
Cash and cash equivalents at beginning of the year		34,201	12,478
Exchange gains on cash and cash equivalents		470	264
Cash and cash equivalents at end of the year	**13**	**60,490**	**34,201**

The notes on pages from 11 - 61 are an integral part of these consolidated financial statements.

COPEINCA ASA AND SUBSIDIARIES

OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2011 AND 31 DECEMBER 2010

COPEINCA ASA AND SUBSIDIARIES

OVERVIEW OF NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note

COPEINCA ASA AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2011 AND 31 DECEMBER 2010

1 GENERAL INFORMATION

a) Operations -

Copeinca ASA ("the Company") and its subsidiaries (together "the Group") are mainly engaged in the extraction of several hydro-biological species and their subsequent transformation into fishmeal and fish oil, for direct or indirect human consumption. Its products are mainly sold to China, Germany, Japan, Vietnam and Turkey, among other foreign countries.

The Company is a limited liability company incorporated and domiciled in Norway. The address of its registered office is Haakon VII gate 10, 0106 Oslo.

The Company has its primary listing on the Oslo Børs stock exchange and a secondary listing on the Lima stock exchange.

The Group consolidated financial statements were approved for issue by the Board of Directors on 23 March 2012. Final approval of these Group consolidated financial statements will be given at the Annual General Meeting scheduled to be held on 25 April 2012.

Copeinca ASA is the ultimate parent company of the Group. Copeinca ASA owns Corporación Pesquera Inca S.A.C. (hereinafter Copeinca S.A.C.), a Peruvian limited company incorporated in July 1994 under the laws of Peru. Copeinca S.A.C. is the main operating company in the Group. Upon its incorporation in 1994, Copeinca S.A.C. was owned by D&C group S.A.C. and Acero Holding S.A.C. prior to the establishment of Copeinca ASA and Copeinca Internacional S.L.U. on November/December 2006.

As of 31 December 2011, Copeinca S.A.C. is a wholly owned subsidiary of Copeinca ASA which has a direct interest of 43.38% of its shares (42.85% in 2010) and indirect interests through Copeinca Internacional S.L.U (located in Spain) which has a 52.26% interest (33.48% in 2010) and PFB Fisheries B.V. which has 4.36% interest (5.08% in 2010). Until 2010 the wholly owned subsidiaries of the Company, Rab Overseas Limited S.A.C. and Werner Trading Peru Limited S.A.C., owned 17.52% and 1.07% interest, respectively, in Copeinca S.A.C.

Copeinca S.A.C. is also entitled to fishing activities for direct human consumption, but is currently not engaged in industrial processing and manufacturing of sea product concentrates, canned fish, ice, and frozen products, fresh and other by-products. In addition, since May 2002 Copeinca S.A.C. is entitled to, but is currently not engaged in, providing advisory services, management and administration to other companies and individuals, covering a wide area of the fishing industry within the scope of its social objective as a company.

The Group owns five-processing plants (seven in 2010) located in the cities of Bayovar, Chicama, Chimbote, Chancay and Ilo, located in the areas of Piura, La Libertad, Ancash, Lima and Moquegua.

The FD processing plant located in Chimbote was deactivated during 2009 and the FD processing plant located in Huarmey plant was deactivated in 2011 as a consequence of Management's decision of replacing flame dried technology moving to Steam Dried technology. Some parts of these plants are being used as replacement fixed assets while the rest will be sold. The carrying value of these assets is their fair value at the date of the financial statements (note 6).

These plants manufacture fishmeal and fish oil by using indirect drying systems, known as Steam Dried (SD), giving a variety of fishmeal qualities such as “Prime”, “Super Prime”, “Taiwan”, “Thai” and “Standard”.

The capacity of the production lines of each fish processing plant is as follows:

Fish - processing plants	Line of production	Capacity MT/Hour
1.- Bayovar	Steam Dried (SD)	170
2.- Chicama ACP	Steam Dried (SD)	160
3.- Chimbote ACP	Steam Dried (SD)	250
4.- Chancay	Steam Dried (SD)	168
5.- Ilo	Steam Dried (SD)	90

As of 31 December 2011 the Group owns 35 vessels with a storage capacity of 14,754 M3 which corresponds to 34 purse seiner vessels with a capacity of 14,621 M3 and 1 trawling vessels with a storage capacity of 133 M3, holding a quota of 10.7% (as of 31 December 2010 the Group had 34 vessels with storage capacity of 20,413 M3 which corresponded to 32 purse seiner vessels with a capacity of 20,248 M3 and 2 trawling vessels with a storage capacity of 165 M3). In 2011, Copeinca leased 1 purse seiner vessel with a storage capacity of 388 M3 (Copeinca leased 1 purse seiner vessel with a storage capacity of 388 M3 in 2010, holding a quota of 10.7%).

The Group is currently operating in average with 30 vessels, as management is evaluating the most efficient use of the Company´s fleet. During 2011, 3 new vessels were built, Incamar I, II and III with a capacity of 800 M3 each.

In 2011 the Group processed 876,408 MT of raw materials (478,129 MT in 2010) of which 660,001 MT (361,205 TM in 2010) were extracted by its own fleet and 216,406 MT (116,923 TM in 2010) were acquired from third parties.

In 2011 the Group produced 205,983 MT fishmeal SD and 47,173 MT fish oil. (14,682 MT fishmeal FD, 97,656 MT fishmeal SD and 26,488 MT fish oil in 2010). During 2010 and 2011, Copeinca converted all its plants into new Steam dried (SD) technology.

The Company owns directly and indirectly the following entities:

Subsidiaries	Location	Owner-ship %
Copeinca Internacional S.L.U.	Spain	100
PFB Fisheries B.V.	Netherlands	100
Corporación Pesquera Inca S.A.C.	Peru	100

As described below, six of the Company’s subsidiaries at 31 December 2010 merged with Copeinca S.A.C. during 2011:

√ Pesquera San Ambrosio S.A.C., Pesquera San Vicente S.A.C. and Pesquera Esciron S.A.C. merged with Copeinca S.A.C. on 1 September 2011.

√ Rab Overseas Perú S.A.C. and Weimar Trading Perú Limited S.A.C. with Gerzat S.A.C. on 30 November 2011.

√ Gerzat S.A.C. merged with Copeinca S.A.C. on 1 December 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These mergers were accounted for at carrying values; consequently, these transactions did not have any effect in the consolidated financial statements.

b) Regulatory framework -

Fishing Industry is regulated in Peru by two main laws:

i) Decree-Law No. 25977 - General Fishing Law and its regulatory decree, Supreme-Decree No. 012-2001-PE.

This law regulates the fishing activity to promote its sustainable growth as a source of raw material for human consumption, fishmeal and fish oil, employment and income and ensure a responsible exploitation of hydro-biological resources, by optimizing economic benefits, consistent with the environment and bio-diversity conservation.

ii) Legislative Decree No. 1084 and its regulatory decree, Supreme Decree No. 021-2008-PRODUCE that establishes the ITQ (Individual Transferable Quota) System for the fishing of anchovy for Indirect Human Consumption.

This law was enacted in 2008 with the purpose of establishing a new order in the fishing industry of anchovy, for its sustainability and to lead the fishing industry to become one of the most efficient industries in the world, with responsibility for the protection of the hydro biological resources.

The administration and control of the fishing activity nation-wide is at present the responsibility of the Peruvian Ministry of Production, which, in addition to organizing and centralizing the statistical economic and financial information in accordance with the rules of the National System of Statistics, establishes, during the year, fishing bans (or fishing time restrictions) to preserve the sea species, such as the anchovy. These fishing bans are fixed during the reproductive stage of the species or when the annual fishing quota for the country has been reached.

The Peruvian General Fishing Law establishes that fishing licenses are those specific rights that the Fishing Ministry grants to carry out fishing activities. Fishing licenses are granted to each fishing vessel.

With the new ITQ System, each vessel with a license granted has a maximum limit of catch, which is assigned by the Ministry of Production and that represents a quota which is a portion of the total capacity of the Peruvian fleet. During fishing seasons, a vessel is only allowed to fish its assigned quota derived from the total quota authorized for the whole fishing season.

The individual quota of a vessel can be transferred to another vessel of the same company, and can be attached to a vessel of another company. The sale of quotas is forbidden by law. Consequently, a vessel may catch its own quota and that that has been granted to another vessel which may be temporarily or permanently idle.

The rules for the application of the General Peruvian Fishing Law establish that, in order to maintain the fishing license, fishing boat owners should file, in January of every year, within the related government agency of the Peruvian Ministry of Production, the following documents and payment: (a) a notarized sworn statement that the capacity of the vessel has not been increased from that stated and authorized in its license; (b) evidence of the working conditions of its fishing vessels; (c) sworn statement that the fishing boat owner has performed fishing activities during the prior period; and, (d) payment of the related fishing right fee.

The Peruvian Fishing Law also establishes that in the event of a vessel sinking, destruction, export or dismantling, its owner retains the rights of such vessel’s license. In such an event, the owner is entitled to request a new license which may be attached to another of its vessels or to request the increase in the storage capacity of another of its vessels, provided that the increase in the storage capacity does not exceed the storage capacity of the original vessel. Peruvian legislation contains no limitation for the exercise of this right.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting polices applied in the preparation of these consolidated financial statements are set out below. These polices have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (IFRS's as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.1.1 Going concern

As a result of the effects of the new legislation in force for the fishing industry in Peru (note 1-b-ii) and the current level of the prices of the products traded, the Group´s operating cash flows have improved in the past year. The new ITQ System allows Copeinca S.A.C. to use its fleet more efficiently reducing significantly its operating costs. The CAPEX program, in which the Group is engaged, will permit the increase in productivity. The Group's forecasts and projections that take into account reasonably possible changes in market prices and expected quotas to be received show that the Group should be able to operate within the level of its current financing.

The Directors have the reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

2.1.2 Changes in accounting policy and disclosures -

a) *New and amended standards adopted by the Group -*

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the Group.

b) *New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted -*

IAS 19, 'Employee benefits' was amended in June 2011. This standard has no impact on the Company´s financial statements since it does not have any defined benefit pension plans granted to their employees.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases

where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and does not intend to early adopt this standard.. IFRS 9 is effective for periods beginning on or after 1 January 2015.

IFRS 10, Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and does not intend to early adopt this standard. IFRS 10 is effective for periods beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and does not intend to early adopt this standard. IFRS 12 is effective for periods beginning on or after 1 January 2013.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS13's full impact and does not intend to early adoptthis standard. IFRS 13 is effective for periods beginning on or after 1 January 2012.

There have been amendments to existing standards, including IAS 27, *Separate Financial Statements* (IAS 27), and IAS 28, *Investments in Associates and Joint Ventures* (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 and 13.

IAS 1, *Presentation of Financial Statements*, has been amended to require entities to separate items presented in OCI into two groups, based on whether or not items may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The amendment is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. Management has assessed that upon the adoption of this amendment at its effective date, will not have any important impact on its consolidated financial statements.

IFRS 7, *Financial Instruments: Disclosures,* has been amended to include additional disclosure requirements in the reporting of transfer transactions and risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitization of financial assets. The amendment is applicable for annual periods beginning on or after July 1, 2011, with earlier application permitted. Management has assessed that the adoption of this amendment at its effective date will not have any important impact on its consolidated financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Consolidation

a) Subsidiaries -

Subsidiaries are all entities (including special purpose entities) over which Copeinca ASA has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

b) Changes in ownership interests in subsidiaries without change of control -

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries -

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting -

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

2.4 Foreign currency translation -

a) Functional and presentation currency -

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in United States dollars (US$) for convenience of the readers.

b) Transactions and balances -

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses mainly relate to borrowings and cash and cash equivalents which are presented in the income statement within "exchange difference, net".

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

c) Group companies -

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);

(iii) equity balances, except retained earnings, are translated at the historical exchange rates; and

(iv) all resulting exchange differences are recognized as other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Property, plant and equipment

Vessels, fleet equipment and machinery and equipment are shown at historical cost less accumulated depreciation and impairment charges. Historical cost is the purchase price and the directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating as design.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on Fishing Vessels and Plants is calculated using the units of production depreciation method. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Buildings and other constructions	33
Fishing vessels and equipment of fleet	4-36
Machinery and equipment	4-30
Vehicles	5
Furniture and fixtures	10
Other equipment	4-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income and other expenses in the income statement.

The company capitalizes the costs of dry-dock major inspections, those of replacement of parts and those related to the overhauling made periodically with the objective of maintaining the operating capacity of the asset according with its technical specifications. At initial recognition major maintenance costs are capitalized as a separate component of the asset and are depreciated over the estimated time in which the next major maintenance will be required.

Change in accounting estimate -

Depreciation method -

Until December 2010, the Company depreciated its operating assets under the straight line method. Annual depreciation amounting to US$15,020 thousand was charged to results.

During March 2011, the Company made an assessment of the pattern of use of its vessels and plants in order to determine a more accurate allocation of their costs and expenses. As a result, the Company determined that the units of production depreciation method better reflects the use pattern of the operating assets of the Company, giving the fact that under Peruvian fishing legislation currently in force fishing companies are allowed to carry out fishing in two seasons during the year which are delimited by fishing ban periods in which fishing operations are forbidden.

As established by IAS 8, a change in the expected pattern of consumption of the future economic benefits embodied in depreciable assets corresponds to a change in an accounting estimate. According to IAS 8 the Group recognized the effect of the change in this accounting estimate by including it in profit or loss in 2011 and future periods since change affects both.

2.6 Intangible assets

a) Goodwill -

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Copeinca ASA interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

b) Fishing licenses -

The cost of fishing licenses for anchovy fishing at 1 January 2004, the date of the Group's transition to IFRS, was mainly determined by using the appraisers' estimate of their fair value (deemed cost). Licenses acquired through business combination are shown at their fair value at the date of the acquisition determined by independent appraisers. Licenses have an indefinite useful life; consequently they are not amortized and are carried at cost. The carrying values of licenses are assessed at each period-end. If fair value is deemed to be lower than the related carrying amount, licenses are written-down to their recoverable amount.

c) Computer software -

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sale the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalized include: software development, employee costs and an appropriate portion of relevant overheads.
Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives that range between 2 and 10 years.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life such as goodwill and fishing licenses are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Loans and receivables -

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (notes 2.12 and 2.13).

b) Available-for-sale financial assets -

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Impairment of financial assets -

a) Assets carried at amortized cost -

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Impairment testing of trade receivables is performed when there is any indication of impairment. According to the Group's policies trade receivables are secured with confirmed letters of credit and collected within 30 and 60 days.

b) Assets classified as available for sale -

In case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security bellow its cost is also evidence that the net assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in the separate consolidated income statement. Impairment losses recognized in the separate consolidated income statement on equity instruments are not reversed through the separate consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after impairment loss was recognized in profit and loss, the impairment loss is reversed through the separate consolidated income statement.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by using the weighted-average cost method. The cost of finished goods comprises raw materials, direct labor, other direct costs, and a systematic allocation of fixed and variable production overheads including non-fishing period expenses (based on normal operating capacity) and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Non-fishing period expenses comprise vessel and plant costs incurred during the year's fishing bans (or fishing time restrictions). Non-fishing expenses incurred during the year are allocated at the end of each year to the cost of inventories based on the actual normal operating capacity for each year based on the corresponding assigned quota granted by the Peruvian regulator (note 1-b-ii). The allocation of non-fishing period expenses into the cost of the inventories is limited to the amount of their net realizable value.

The provision for obsolete materials and spare parts in warehouse is determined on the basis of slow moving items exceeding one year.

2.12 Trade receivables

Trade receivables are amounts due from customers for fishmeal and fish oil sold in the ordinary course of business. All accounts receivable are of current maturity.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment (note 2.10 – a).

2.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less net of bank overdrafts

2.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is

deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, and is included in equity attributable to the Company's equity holders.

2.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.16 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the

Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

a) Employees' severance indemnities -

The amount expensed for employees' severance indemnities is determined for the whole of their indemnity rights in accordance with current legislation. Employee's severance indemnities must be deposited on a monthly basis in bank accounts specifically denominated by the beneficiaries. The Group has no pension or retirement benefit schemes.

b) Bonuses and workers' profit-sharing -

The Group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

As established by law, companies in Peru have to share with their employees a determined percentage of their yearly pre-tax profit. The percentage is depending on the industry in which they carry out their activities. The percentage for the fishing industry is currently established at 10%. The employee profit sharing is a deductible expense for tax purposes.

2.19 Share-based payments

The Group operates an equity-settled, share-based compensation plan, under which the entity (Copeinca ASA) receives services from employees in consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity and/or liabilities, depending if they are equity settled or cash settled, respectively.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognizing the expense during the period between the service commencement period and the grant date.

When the options are exercised, the Company has the choice to pay in cash or to issue new shares. The

proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium, as applicable. In 2011 the first group of vested options was exercised and the Company paid in cash the difference between the exercise price and the market price of its shares.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an expense in the income statement with a corresponding credit to equity.

The social security contributions payable in connection with the grant of the share options are part of the grant and is recognized as a cash-settled transaction.

2.20 Provisions

Provisions for legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.21 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, (IGV Spanish acronym) returns, rebates and discounts and after eliminating sales within the companies of the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

a) Sales of fishmeal and fish oil -

Sales of fish products are recognized when an entity of the Group has delivered products to the customer; the customer has accepted the products according to the sales contract and the collection of the related receivables are reasonably assured. Delivery does not occur until the products have been shipped to the specified location, the risk of loss have been transferred to the customer. There is no risk of not being able to deliver the quantity contracted for since the Group has established contracts with third party fleet owners who can supply additional raw material after Copeinca's Quota has been reached.

For each export of fishmeal and fish oil Copeinca S.A.C. subscribes contracts to sell at fixed forward market prices. Delivery terms are determined on a case by case basis.

b) Interest income -

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

2.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the financed balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.24 Reclassifications

The Company reclassified to cost of goods sold for the year ended 31 December 2010 a total of US$4,799 thousand from administrative expenses (US$ 3,339 thousand) and from selling expenses (US$1,460 thousand) related to plants personnel expenses, load and unload and quality analysis from production line to warehouse.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flows interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the treasury department under policies approved by the CEO. Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The following are the major financial risks which the Group is exposed to:

a) Market risk -

i) Foreign exchange rate risk -

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar and Euro. Foreign exchange risk arises

from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

Management minimizes this risk partially by: i) maintaining debit balances in foreign currency, ii) maintaining the volumes of exports and their profitability, and iii) entering into forward contracts. As of 31 December 2011, Copeinca S.A.C. has not signed any forward contracts to reduce the risk of adverse exchange rate fluctuations (as of 31 December 2010 the Company had signed a forward contract amounting to US$13,000 thousand).

The Group has no specific policy for entering into forward foreign exchange contracts to hedge foreign currency exposures. In 2011 and 2010 management's strategy is buying foreign currency in the spot market. The Group does not have any forward foreign currency contracts outstanding at the reporting date, other than that disclosed in the paragraph above.

The balances in foreign currency (US$) as of 31 December are as follows:

	2011 US$000	2010 US$000
Assets -		
Trade receivables	24,103	7,730
Other accounts receivable	3,524	4,225
Cash and cash equivalents	43,428	11,457
	71,055	23,412
Liabilities -		
Long-term borrowings (including current portion)	(240,921)	(216,532)
Bank loans and short term debt	(25,546)	(1,010)
Trade accounts payable	(7,944)	(12,715)
Other accounts payable	(1,878)	(624)
	(276,289)	(230,881)
Net liabilities	(205,234)	(207,469)

As of 31 December 2011, consolidated assets and liabilities in US dollars have been expressed at the exchange rates of S/.2.695 per US$1 for assets and S/.2.697 for liabilities per US$1 (S/.2.808 per US$1 for assets and S/.2.809 for liabilities per US$1 in 2010).

As of 31 December 2011 Copeinca ASA and its subsidiaries recorded net exchange gains amounting to US$10,375 thousand (exchange gains amounting to US$7,370 thousand in 2010) shown in the income statement. Exchange difference is generated mainly by the long-term debt held in US dollars.

If the exchange rate S/. - US$ changes in +/- 5%, with all other variables held constant the post-tax effect for the year would have been +/- US$10,534 thousand (US$10,488 thousand in 2010).

ii) Price risk -

The Group is exposed to the risk of fluctuations in the prices of the products traded; International prices of fishmeal and fish oil are subject to changes. The Group is entering into supply contracts with key customers, first in order to establish volumes; and subsequently to establish both volumes and prices. This will allow the Group to mitigate the effects of unforeseen price fluctuations on its revenues. However, the Group does not have any financial instrument exposed to price risk.

iii) Cash flows and fair value interest rate risk -

The Group's cash flows interest rate risk is closely managed. In February 2010 the company prepaid an old variable interest rate debt with bonds bearing fixed coupons. During 2011 and 2010, the Group's borrowings bear fixed interest rates and are denominated in US dollars.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, management calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities, including bonds, which represent the major interest-bearing positions.

At 31 December 2011, if interest rates on borrowings denominated in US$ had been 5% higher/ lower, with all other variables held constant, post-tax profit for the year would have been US$909 thousand lower/higher (2010: US$793 thousand).

b) *Credit risk -*

The Group only sells on a cash basis or on a confirmation letter basis. The Group has established policies for selling its products to clients with an adequate credit history. Under these circumstances management believes that the Group has a limited credit risk.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance of its counterparties.

c) *Liquidity risk -*

The Group is dependent on an amount of short-term credit facilities to cover part of the requirements of working capital during the production periods.

Management monitors rolling forecasts of the Group's liquidity reserve, and cash and cash equivalents on the basis of expected cash flows. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in US dollars and Peruvian soles and considering the level of liquid assets necessary to meet these cash flows; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

Surplus of cash held by the Group's operating entities over and above the balance required for working capital management are invested in time deposits, overnights, chosen instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and allocates them into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year US$000	Between 1 and 2 years US$000	Between 2 and 5 years US$000	Over 5 years US$000
31 December 2011				
Borrowings	41,896	16,228	67,734	176,750
Finance lease liabilities	14,669	13,091	19,829	-
Trade and other payables	43,105	-	-	-
	99,670	29,319	87,563	176,750
31 December 2010				
Borrowings	16,837	15,823	47,446	192,550
Finance lease liabilities	11,273	11,273	21,459	-
Trade and other payables	34,202	-	-	-
	62,312	27,096	68,905	192,550

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure Copeinca ASA may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2011 and 2010, the Company's strategy was to maintain the gearing ratio within 40% and 35%. The gearing ratios at 31 December were as follows:

	2011 US$000	2010 US$000
Total borrowings (note 16)	266,276	217,542
Less: Cash and cash equivalents (note 13)	(60,490)	(34,201)
Net debt	205,786	183,341
Total equity	388,643	331,737
Total capital	594,429	515,078
Gearing ratio (%)	35	36

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The fair value of quoted financial assets and liabilities is determined by reference to bid prices at the close of business on the balance sheet date for identical assets and liabilities (level 1). Where there is no active market the Group uses inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2) and using inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Unlisted investments of US$15 thousand (note 8) are stated at cost less impairment losses as there are no quoted market prices in active markets for these investments and the range of reasonable fair value estimates can vary significantly, giving as a result that their fair values cannot be measured reliably. These investments are included in level 3 hierarchy.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Estimated impairment of goodwill -

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2.6. The recoverable amounts of cash-generating units have been determined based on fair value less cost of sales calculation. These calculations require the use of estimates (note 7).

If the estimated pre-tax discount rate applied to the discounted cash flows for the vessels CGU had been 1% higher than management's estimates (for example, 8.21% instead of 7.21%), the Group would not had to recognize any additional adjustment against goodwill. To recognize an additional impairment the discount rate should have been 9.96%.

If the estimated pre-tax discount rate applied to the discounted cash flows for the plants CGU had been 1% higher than management's estimates (for example, 8.21% instead of 7.21%), the Group would not had to recognize any additional adjustment against goodwill. To recognize an additional impairment the discount rate should have been 13.43%.

b) Income taxes -

The Group is subject to income taxes in numerous jurisdictions, but mainly in Peru. Judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Where the actual final outcomes (on the judgment areas) differ by 10% from management's estimates, the Group would need to:

- increase the income tax liability by US$1,474 thousand and the deferred tax liability by US$734 thousand, if unfavorable; or
- decrease the income tax liability by US$1,474 thousand and the deferred tax liability by US$734 thousand, if favorable.

The Group bases its estimates on management's historical experience and on other various assumptions such as the market prices of fishmeal and fish oil, current Peruvian regulation related to the treatment for fishing licenses, which are granted in respect of each specific fishing vessel or fishing ban periods, that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

c) Fair value of fishing licenses -

The Group assesses the fair value of licenses each year based on discounted cash flows determined using the methodology of value in use.

d) Book value of property, plant and equipment -

The Group assesses the carrying value of property, plant and equipment each year based on discounted cash flows to determine the fair value less cost to sell of the assets and their value in use. If the asset is inoperative, it is tested for impairment using the fair value of the asset determined by independent appraisers.

4.2 Critical judgments in applying the entity's accounting policies

Allocation of non-fishing period expenses into inventories -

Management considers that Copeinca S.A.C.'s production period corresponds to the calendar year independently of the ban periods imposed by the Peruvian fishing authorities. In this regard management understands that the Group's yearly costs of production correspond to all expenditures incurred in the calendar year. Consequently, non-fishing expenses incurred during the year are allocated to the cost of inventories based on the actual normal operating capacity for each year, which contemplates the corresponding assigned quota granted by the Peruvian regulator to Copeinca S.A.C. As of 31 December 2011 fishing ban expenses amounting to US$7,102 thousand are capitalized as part of the cost of inventories (US$2,299 thousand in 2010).

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Chief Executive Officer. The CEO reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined one operating segment based on these reports. Management considers the business from a product perspective. From a product perspective, management assesses the performance of fishmeal and fish oil in a consolidated basis. These products are sold in worldwide markets. Other products sold by the Group include raw material (anchovy) and other minor fish.

The CEO assesses the performance of one operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortization (EBITDA). This measurement basis excludes the effects of non-recurring expenditures from the operating segments, such as deferred income taxes, legal expenses and goodwill impairments.

A reconciliation of adjusted EBITDA to profit (loss) before tax is provided as follows:

	2011 US$000	2010 US$000
Adjusted EBITDA	100,014	75,704
Depreciation (note 6)	(14,106)	(15,020)
Amortization (note 7)	(891)	(961)
Impairment of fixed assets (note 23)	(4,991)	(42,083)
Exchange difference	10,375	7,370
Finance costs, net (note 26)	(20,399)	(22,955)
Other expenses, net	(5,767)	(19,180)
Profit (loss) before income tax	64,235	(17,125)

6 PROPERTY, PLANT AND EQUIPMENT

	Vessels and equipment of fleet US$000	Machinery and equipment US$000	Buildings and land US$000	Other fixed assets US$000	Total US$000
Year ended 31 December 2010					
Opening net book amount	107,790	101,583	33,482	1,522	244,377
Exchange differences	3,768	2,899	957	38	7,662
Reclassification	613	15,943	4,377	(20,933)	-
Additions	482	-	-	60,001	60,483
Disposals, net	(1,312)	(4,754)	(1,751)	(119)	(7,936)
Write-off	(9,520)	-	-	(10)	(9,530)
Impairment charge	(22,581)	(17,221)	(2,281)	-	(42,083)
Depreciation charge	(7,067)	(6,670)	(880)	(403)	(15,020)
Closing net book amount	72,173	91,780	33,904	40,096	237,953
At 31 December 2010					
Cost	104,463	156,941	45,273	44,480	351,157
Accumulated depreciation and impairment	(32,290)	(65,161)	(11,369)	(4,384)	(113,204)
Net book amount	72,173	91,780	33,904	40,096	237,953
Year ended 31 December 2011					
Opening net book amount	72,173	91,780	33,904	40,096	237,953
Exchange differences	2,796	3,653	1,366	1,660	9,475
Reclassification	36,420	17,222	19,045	(72,687)	-
Additions	-	-	-	36,353	36,353
Disposals, net	(1,511)	(2,656)	(1,977)	(15)	(6,159)
Impairment charge	(2,485)	(2,313)	(193)	-	(4,991)
Depreciation charge	(6,600)	(5,618)	(1,552)	(336)	(14,106)
Closing net book amount	100,793	102,068	50,593	5,071	258,525
At 31 December 2011					
Cost	140,370	175,822	64,619	9,490	390,301
Accumulated depreciation and impairment	(39,577)	(73,754)	(14,026)	(4,419)	(131,776)
Net book amount	100,793	102,068	50,593	5,071	258,525

Depreciation expense is distributed as follows:

	2011 US$000	2010 US$000
Cost of goods sold (note 20)	13,819	14,471
Selling expenses (note 21)	6	21
Administrative expenses (note 22)	281	528
	14,106	15,020

In connection with lease and leaseback transactions, Copeinca S.A.C. has pledge the legal title of nine vessels in favor of Banco Interbank, Banco Santander, Banco Continental and Banco Scotiabank in guarantee of the loans. Total carrying value of the assets with restricted legal title amounts to US$22,177 thousand at 31 December 2011 (seven vessels with a carrying amount of US$19,298 thousand in 2010) (note 16).

Property, plant and equipment include assets acquired under finance leases and leasebacks for the following amounts:

	2011 US$000	2010 US$000
Vessels and equipment of fleet	25,889	20,550
Accumulated depreciation	(3,712)	(1,252)
	22,177	19,298

Impairment tests of property, plant and equipment -

Copeinca S.A.C. recognized an impairment charge of US$4,991 thousand (US$42,083 thousand in 2010) shown in the line other expenses of the income statement (note 23). The impairment charge is the result of the put into operation of three new vessels with greater storage capacity that allows a more efficient operation. In addition the impairment charge results as a consequence of the discontinuation of Flame Dried (FD) technology lines.

In 2010 management decided to transfer permanently to operating vessels the quota of Copeinca S.A.C.'s 33 parked vessels. In 2011 all licenses from the 2010 written-off vessels were transferred successfully to the operating vessels. Since the conclusion of this process, the parked vessels will no longer be authorized for fishing. On this basis, Copeinca S.A.C. has written - off from its accounting records an amount of US$9,530 thousand.

The recoverable amount for these inoperative assets and inoperative vessels corresponds to their fair value less costs to sell which was determined by independent appraisals as of 31 December 2011 and 2010.

i) Key assumptions used in the model for the determination of the value in use and of the fair value less cost to sell of vessels are as follows:

   Prices: the model uses 20% of the fish price considered as raw material since small fishing companies have increased their negotiation power due to the issue of the new ITQ law and due to the increase in the fishmeal market prices. We believe that prices will decrease in the future. Copeinca S.A.C.'s price average for the last 3 years was 18%.

   Quota: the model uses the budgeted quota awarded to Copeinca S.A.C. under the new ITQ law (10.7% of the total quota).

   Extraction costs: operating costs, maintenance, and ban period expenses decreased during 2011 and will further decrease in the future due to the positive effects of the new ITQ law. Personnel expenses (crew) will decrease as a consequence of the termination benefits contemplated in the new ITQ law for early retirement. Less fuel will be consumed as a lesser number of vessels will be used for catch under the conditions established by the new ITQ law. Extraction costs are based on budgeted costs as approved by the Board.

   Discount rate: the model uses 7.21% pre-tax rate not adjusted by inflation.

ii) Key assumptions used in the model for the determination of the value in use and of the fair value less cost to sell of plants are as follows:

   Prices: The model uses average fishmeal and fish oil prices of US$1,350 per MT and US$1,500 per MT, respectively.

   Management expects that prices will be stable and will increase steadily according to market expectations and demand.

   Productions costs: the model assumes that the total raw material corresponds to that fished by Copeinca S.A.C.'s vessels and that are sold to its plants at market prices.

   Discount rate: the model uses 7.21% pre-tax rate not adjusted by inflation.

Management determined budgeted costs based on past performance and its expectations of the market according to the new conditions given by the ITQ law.

7 INTANGIBLE ASSETS

	Fishing licenses	Goodwill	Other intangible assets: Software licenses	Others	Total
	US$000	US$000	US$000	US$000	US$000
Year ended 31 December 2010					
Opening balances	205,938	132,738	1,830	15	1,845
Exchange difference	5,867	6,258	46	2	48
Additions	2,159	-	385	-	385
Amortization charge	-	-	(961)	-	(961)
Closing net book amount	213,964	138,996	1,300	17	1,317
At 31 December 2010					
Cost	213,964	153,027	4,796	17	4,813
Accumulated amortization and impairment	-	(14,031)	(3,496)	-	(3,496)
Net book amount	213,964	138,996	1,300	17	1,317
Year ended 31 December 2011					
Opening balances	213,964	138,996	1,300	17	1,317
Exchange difference	8,972	5,828	18	1	19
Additions	-	-	347	-	347
Amortization charge	-	-	(891)	-	(891)
Closing net book amount	222,936	144,824	774	18	792
At 31 December 2011					
Cost	222,936	158,855	5,343	18	5,361
Accumulated amortization and impairment	-	(14,031)	(4,569)	-	(4,569)
Net book amount	222,936	144,824	774	18	792

Under current regulations, fishing licenses are granted by the Ministry of Production to a specific fishing vessel for a defined period of time. The period granted starts upon the issue by the Ministry of Production of the resolution underlying the fishing license and lapses (other than when the vessel is retired or scrapped) if the holder does not comply with filing certain required documentation at the beginning of each calendar year (note 1-b-ii) .

Provided that the Group complies with the documentation filing requirement the related fishing licenses will continue to be effective indefinitely. In addition, it is forbidden to transfer to third parties fishing licenses by any means separately from the related vessels to which they are granted.

The fishing licenses are granted to each individual vessel. Each vessel, together with its license, is regarded as a separate cash generating unit.

Amortization expense is distributed as follows:

	2011	2010
	US$000	US$000
Cost of goods sold (note 20)	342	497
Selling expenses (note 21)	91	71
Administrative expenses (note 22)	458	393
	891	961

The average remaining useful life of software licenses is 4 years.

Impairment tests of goodwill -

Goodwill is allocated to the Group’s cash-generating units (CGU’s). The Group distinguishes its cash-generating units (CGU) at the level of individual vessels and individual plants. The allocation of goodwill by CGU is as follows:

	2011	2010
	US$000	US$000
Vessels	91,502	87,568
Plants	53,322	51,428
Total	144,824	138,996

The recoverable amount of a CGU is determined based on the higher between its value in use and its fair value less costs to sell. The calculation of the recoverable amount uses free cash flows projections based on financial budgets approved by management which cover a five-year period. Cash flows beyond the five-year period include perpetuity.

8 FINANCIAL INSTRUMENTS BY CATEGORY

a) Financial assets as of 31 December 2011 and 2010 are as follows:

	Loans and receivables	Available for sale	Total
	US$000	US$000	US$000
31 December 2011			
Financial assets	-	15	15
Trade receivables	24,103	-	24,103
Other accounts receivable	7,043	-	7,043
Cash and cash equivalents	60,490	-	60,490
Total	91,636	15	91,651
31 December 2010			
Financial assets	-	15	15
Trade receivables	7,732	-	7,732
Other accounts receivable	6,471	-	6,471
Cash and cash equivalents	34,201	-	34,201
Total	48,404	15	48,419

b) Financial liabilities at amortized cost as of 31 December 2011 and 2010 are as follows:

	US$000
31 December 2011	
Bank loans and short term debt	25,355
Current portion of long-term borrowings (excluding lease)	9,647
Current portion of long-term - finance lease liabilities	12,786
Long-term borrowings (excluding lease)	187,898
Long-term borrowings - finance lease liabilities	30,590
Trade accounts payable	15,907
Total	282,183

31 December 2010

Bank loans and short term debt	1,010
Current portion of long-term borrowings (excluding lease)	5,636
Current portion of long-term - finance lease liabilities	9,396
Long-term borrowings (excluding lease)	171,550
Long-term borrowings - finance lease liabilities	29,950
Trade accounts payable	17,142
Total	234,684

9 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired are assessed by historical information about counterparty default.
During the years 2011 and 2010, neither existing nor new customers' accounts receivable have been impaired. Additions to provision for doubtful accounts in 2010 relate to customers from acquired companies and from loans granted to third party owners of vessels (note 12) which have been identified as impaired.

10 INVENTORIES

	2011 US$000	2010 US$000
Finished goods:		
- Fishmeal	49,542	7,739
- Fish oil	7,134	1,195
- Raw material	250	-
Spare parts, supplies and packaging	7,338	6,938
Provision for obsolete spare parts, supplies and packaging	(378)	(344)
	63,886	15,528

As of 31 December 2011, the stock of fishmeal and fish oil was 63,882 MT and 12,947 MT respectively (6,477 MT and 1,074 MT respectively as of 31 December 2010).

Cost per ton of inventories in 2010 was higher than in 2011 because the shorter number of days permitted for fishing by the Ministry of Production in Peru in 2010 did not allow fishing companies to catch its complete quota, and consequently, causing that higher non-fishing period expenses to be allocated into a lower production.

The book values of fishmeal and fish oil inventories include US$2,365 thousand (nil in 2010) related to the workers' profit sharing (note 28).

As of 31 December 2011 the fair value of fishmeal and fish oil pledged as security for bank loans amounts to approximately US$25,355 thousand (US$1,010 thousand in 2010).

The annual movement of the provision for obsolescence was as follows:

	2011 US$000	2010 US$000
Opening balance	344	881
Additions	35	370
Write-off	-	(933)
Exchange difference	(1)	26
Closing balance	378	344

11 TRADE RECEIVABLES

	2011 US$000	2010 US$000
Trade receivables - abroad	18,573	7,729
Trade receivables - Peru	5,530	3
Doubtful accounts	191	191
	24,294	7,923
Less:		
Provision for doubtful accounts	(191)	(191)
	24,103	7,732

The book value of these accounts is deemed to be their fair value due their maturity in the short term.

Trade accounts receivable are substantially denominated in US dollars, are of current maturity and are not interest-bearing.

As of 31 December 2011, approximately 95% of the abroad accounts receivable are secured with export credit documents and the 5% balance is subject to bank collections (cash against documents) (approximately 67% and 33%, respectively, in 2010).

The ageing of the trade accounts receivable is as follows:

	2011 US$000	2010 US$000
Current	24,083	7,681
Past due for up to 60 days	-	-
Past due from 61 to180 days	-	50
Past due from 181 to 360 days	20	1
Over 361 days	191	191
	24,294	7,923

The annual movement of the provision for doubtful accounts is as follows:

	2011 US$000	2010 US$000
Opening balance	191	2,542
Additions	-	61
Reclassifications	-	(1,415)
Recoveries	-	(1,149)
Write-off	(3)	(3)
Exchange difference	3	155
Closing balance	191	191

12 OTHER ACCOUNTS RECEIVABLE

	2011 US$000	2010 US$000
Accounts receivable from third party owners of vessels (1)	704	2,329
Refundable Value Added Tax (2)	3,859	57
Value Added Tax credit	6,055	6,670
Prepaid income tax (3)	-	6,470
Claims to third parties	1,367	801
Personnel (4)	3,072	1,679
Prepaid expenses	902	28
Others	1,982	1,632
Doubtful accounts	3,075	6,780
	21,016	26,446
Less: provision for doubtful accounts	(3,075)	(6,780)
	17,941	19,666
Plus: loans to related parties (note 32)	17	162
	17,958	19,828

The Group's other accounts receivable are of current maturity.

(1) Accounts receivable to third party owners of vessels mainly correspond to funds provided for the maintenance and repair of these vessels and to loans for working capital. Such funds are secured with mortgages or pledges in favor of Copeinca S.A.C., covering, on average, 200% of the amounts lended as established in the contracts for the management of vessels signed between Copeinca S.A.C. and the corresponding owners of the vessels. These accounts receivable bear interest at monthly interest rate of 0.8% (0.8% in 2010) and are offset with the invoices from the acquisition of raw materials delivered to Copeinca S.A.C.'s plants during the fishing periods.

(2) Value Added Tax (VAT) relates to the tax credit in favor of Copeinca S.A.C. as exporter, which arises from its purchases of goods, services, construction contracts and importations, which exceeds the VAT payable on local sales. Copeinca S.A.C. has requested the refund of the VAT by an amount based on the sales made to foreign markets (note 29-f).

As of 31 December 2011, the amount of the refundable VAT relates to those amounts filed within the tax authorities in December 2011. During 2011, Copeinca S.A.C. received VAT refunds amounting to US$25,624 thousand (US$19,979 thousand in 2010).

(3) The total of income tax prepayments made in 2011 amounts to US$3,535 thousand (US$7,923 thousand in 2010) (note 29-g). The balance as of 31 December 2011 is shown net of the income tax expense for the year amounting to US$23,807 thousand (US$1,453 thousand in 2010) (note 29-d).

(4) Accounts receivable from personnel includes loans to employees amounting to US$2,134 thousand (US$1,596 thousand in 2010), workers' profit sharing paid in advance amounting to US$904 thousand (nil in 2010) and others US$34 thousand (US$83 thousand in 2010)

The movement of the provision for doubtful accounts for the years ended 31 December is as follows:

	2011 US$000	2010 US$000
Opening balance	6,780	6,807
Provision for impaired receivables	-	301
Reclassifications	-	1,414
Write-off and recoveries	(3,959)	(1,876)
Exchange difference	254	134
Closing balance	3,075	6,780

13 CASH AND CASH EQUIVALENTS

	2011 US$000	2010 US$000
Cash on hand and current accounts	22,503	15,682
Term deposits	37,987	18,519
	60,490	34,201

As of 31 December 2011, current accounts are denominated in US dollars amounting to US$22,466 thousand and in Peruvian Nuevos Soles amounting to S/.60,546 (US$15,648 thousand and S/.43,940, respectively in 2010), are deposited in local and foreign banks and are fully available.

Term deposits as of 31 December 2011 corresponds to overnights in US dollars amounting to US$37,987 thousand (US$18,519 thousand in 2010) which are due in less than 30 days and bear an average interest rate of 1% as of 31 December 2011 (1% in 2010).

14 SHARE CAPITAL AND SHARE PREMIUM

a) Share capital:

The authorized, signed, and paid-in capital under Copeinca ASA's by-laws as of December 31, 2011 comprises 58,500,000 common shares of NOK 5 nominal value each.

	Number of shares (In thousands)	Share capital NOK 000	Share capital US$000	Share premium US$000	Total US$000
At 1 January 2007	24,800	124,000	28,050	-	28,050
Proceeds from private placement	27,500	137,500	22,500	242,287	264,787
Shares issued in acquired company	6,200	31,000	5,167	62,703	67,870
Balance at 31 December 2007, 2008, and 2009	58,500	292,500	55,717	304,990	360,707
Appropriation of share premium to cover accumulated losses	-	-	-	(18,528)	(18,528)
Balance at 31 December 2010	58,500	292,500	55,717	286,462	342,179
Share buy-back program	(152)	(760)	(128)	(814)	(942)
Balance at 31 December 2011	58,348	291,740	55,589	285,648	341,237

Share capital and share premium accounts are translated into the reporting currency at the historical exchange rates.

Copeinca ASA has only one class of common shares and each share gives the right to one vote at the annual general stockholders meeting. During 2011 the Company implanted a share buy-back program carried by its wholly owned subsidiary Copeinca S.A.C. for a total of 152,277 shares at an average price of US$6.19 per share totaling US$942 thousand. These shares are held as treasury shares.

During 2010 the Company made the appropriation of US$18,528 thousand to cover the accumulated losses shown in its consolidated financial statements.

AGM 2011 -

In accordance with the Board's proposal the General Stockholders Meeting resolved that:

i) The Board of Directors is authorized to increase the share capital by up to NOK58,500 thousand.
ii) The Board may set aside the shareholders' preferential rights to subscribe for the new shares pursuant to the Public Limited Companies Act Section 10-4.
iii) The authorization covers increases of the share capital against non-cash contributions, and a right to incur in special obligations for the Company, according to the Public Limited Companies Act section 10-2. The authorization also covers resolution on a merger in accordance with the Public Limited Company's Act section 13-5. This authorization may be used in takeover situations.
iv) The authorization can be used several times.
v) The authorization shall be valid until the annual general meeting to be held in 2012 (on 30 June 2012 at the latest).
vi) The authority replaces the authority for the same purpose granted in the general meeting in 2009.
vii) The Board is granted authorization to, on behalf of the Company, acquire Copeinca S.A.C. shares with aggregate nominal value up to NOK 29,250,000. The purchase price shall not be lower than NOK 5 and not be higher than NOK 100.
viii) The method of acquisition and disposal of the Company's own shares shall be at the Board's discretion
ix) The authorization is valid until the Annual General Meeting to be held in 2012, at the latest 30 June 2012.

b) Share premium -

Until 2010 share premium comprised the excess over the NOK5 nominal value of each share paid in the private placements made in 2007 and the fair value adjustment of 6,200,000 shares paid in the purchase of Fish Protein and Ribar on July 2007, reduced by the appropriation of US$18,528 thousand to cover the accumulated losses shown in its consolidated financial statements. In 2011 it is reduced by US$814 thousand due to the share buy-back program.

The main shareholders of Copeinca ASA are as follows:

Investor	2011 Shares	%	2010 Shares	%
Dyer and Coriat Holding	19,098,000	32.7	19,098,000	32.6
Andean Fishing LLC	8,118,075	13.9	8,118,075	13.9
ETVE Veramar Azul S.L.	6,323,745	10.8	6,032,970	10.3
Weilheim Investments S.L.	3,147,530	5.4	4,326,159	7.4
State Street Bank & Trust	1,528,436	2.6	2,884,777	4.9
South Winds AS	1,489,750	2.6	1,489,750	2.5
DNB Nor SMB	1,395,000	2.4	1,392,247	2.4
State Street Bank & Trust	1,381,750	2.4	1,367,395	2.3
GMO Emerging Illiquid Fund	1,145,350	2.0	1,145,350	2.0
The Norhtern Trust	1,097,534	1.9	-	0.0
Street Bank & Trust	948,060	1.6	1,106,400	1.9
Fidelity Latin America Fund	939,655	1.6	-	0.0
Verdipapirfondet Handelsbanken	800,000	1.4	690,000	1.2
Alfred Berg Gambak	756,202	1.3	1,065,292	1.8
JP Morgan Clearing Corp.	732,264	1.3	738,160	1.3
DNB Nor Markets	563,945	1.0	-	0.0
JP Morgan Chase Bank	480,422	0.8	493,712	0.8
Fidelity funds Latin America	470,386	0.8	470,386	0.8
Alfred Berg Norge +	406,461	0.7	452,846	0.8
DERIS SA	400,000	0.7	400,000	0.7
Top 20	**51,222,565**	**87.9**	**51,271,519**	**87.6**
Others	7,125,158	12.1	7,228,481	12.4
TOTAL	**58,347,723**	**100.0**	**58,500,000**	**100.0**

c) Share options -

Copeinca ASA has issued two share option programs, which main features are as follows:

i) On 30 January 2008, according to the authorization given to the board by the Extraordinary General Stockholders Meeting held on 11 June 2007, the board of Copeinca ASA approved an Employee Share Option Program as follows:

- 690,000 share options will be issued to twelve key management employees
- The strike price of the share options will be NOK40 adjusted by dividends.
  - The options will vest to each employee over the next four years (subject to termination of employment) at a rate of 25% per year.
  - The options may be settled in cash at the option of the Group.

A maximum price (CAP) per share has been established at NOK 120. If the price of the shares at the time the options are exercised exceeds NOK 120, the strike price will be adjusted, so that the difference between the market price and the strike price (the value of each option) is not greater than NOK 80.

ii) On 11 January 2010 the Board of the Company approved the distribution of the remaining share options.

- 370,000 share options will be issued to nine key management employees as detailed in schedule II of the program.
- The strike price of the share options will be NOK45.
- The options will vest over the next three years (subject to termination of employment) at a rate of 33.33% per year to each employee.
- A maximum price (CAP) per share has been established at NOK120, if the price of the shares at the time the options are exercised, exceeds NOK120, the strike price will be adjusted upwards, so that the difference between the market price and the strike price (the value of each option) is not greater than NOK80.

As of 31 December 2011, the Company has 794,400 outstanding options (890,000 options in 2010) from which 465,710 options (364,000 options in 2010) are exercisable. In 2011, 135,600 options were exercised resulting in US$432 thousand paid to option holders (nil in 2010) being paid at a weighted average price of NOK37.19 (nil in 2010) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2011 Average exercise price in NOK per share	2011 Options	2010 Average exercise price in NOK per share	2010 Options
Opening balance	37	890,000	40	560,000
Granted	40	40,000	45	370,000
Exercised	37	(135,600)	-	-
Terminated	-	-	37	(40,000)
Closing balance	38	794,400	37	890,000

The weighted-average assumptions used to determine the Black Scholes fair value of the options granted in 2011 were:

Underlying shares	4,000
Exercise price	NOK 40.00
Weighted average share price at grant date	NOK 51.00
Expected life	4.4 years
Volatility	60.00%
Risk free interest rate	2.98%
Dividends	-
Options' fair value	NOK 13.51

The options' fair value during the period was determined by using the Black-Scholes valuation model. Expected volatility is based on historical volatilities of similar entities listed on the Oslo Stock Exchange. The following similar entities have been used: Marine Harvest, Domstein, Lerøy Seafood Group and Aker Seafoods.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

794,400 options expire on 31 May 2012, 52,500 options expire on 31 May 2013 and 40,000 options expire on 31 May 2015, the weighted average exercise price is NOK 37.58.

Exercise price is adjusted by the last dividends distributed on the 19 May 2010, of NOK 4.94.

Options not exercised will automatically become void and lapse with no compensation to the holder.

The total expensed amount in 2011 arising from the share-based payment plan amounts to NOK 1,907 thousand equivalent to US$341 thousand (note 25) (US$620 thousand in 2010).

In July 2011, the Company has chosen to pay the exercised options in cash instead of issuing shares. The amount accumulated in equity in previous years was reclassified to liabilities in order to reflect the obligation (note 18-c).

The total expensed amount of NOK 1,907 thousand equivalent to US$341 thousand was credited as follows: i) to equity NOK 1,214 thousand equivalent to US$217 thousand and to liabilities NOK 693 thousand equivalent to US$124 thousand (note 18-c) (NOK 8,384 thousand equivalent to US$1,432 thousand credited to equity in 2010).

Social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself and its corresponding charge will be treated as a cash-settled transaction.

c) Share buy-back program -

In 2011, Copeinca ASA announced a share buy-back program up to US$5 million as agreed in the 2011 Annual General Meeting. The program was carried out by its wholly owned subsidiary Copeinca S.A.C. for a total of 152,277 shares at an average price of US$6.19 per share totaling US$942 thousand. The Company is acquiring its own shares in order to increase the stock value.

15 CUMULATIVE TRANSLATION ADJUSTMENT AND RETAINED EARNINGS

The movement of these accounts for the years ended 31 December 2010 and 2011 is as follows:

	Cumulative translation adjustment US$000	Retained earnings(*) US$000
Balance as of 1 January 2010	(19,727)	37,345
Exchange difference	9,285	-
Dividend distribution	-	(50,000)
Value of employee services (note 27)	-	620
Loss for the year	-	(6,493)
Appropriation of share premium to cover accumulated losses	-	18,528
Balance as of 31 December 2010	(10,442)	-
Exchange difference	11,511	-
Value of employee services (note 27)	-	217
Reclassification to liabilities (note 18)	-	(1,649)
Profit for the year		47,769
Balance as of 31 December 2011	(1,069)	46,337

a) Peruvian legal reserve -

In accordance with the Peruvian General Companies' Law, Peruvian companies must create a legal reserve by the detraction of not less than 10% of their annual net profits up-to the reserve reaches

20% of the paid-in capital. In the event the Company does not have available undistributed profits or reserves of free disposition, the legal reserve may be used to offset accumulated losses. The legal reserve may also be distributed provided that its balance is subsequently restored.

b) Dividend distribution -

In 2010 Copeinca ASA made a dividend distribution amounting to US$50 million. The amount distributed represents NOK 4.94 or US$0.85 per share and was paid in full on 3 August 2010.

No dividends have been proposed to the stockholders in relation to the results for the year ended 31 December 2011.

16 LONG-TERM BORROWINGS

As of 31 December this account comprises the following:

	2011 US$000	2010 US$000
Total borrowings		
Bonds	177,259	176,872
Bank borrowings	45,641	1,324
Finance lease liabilities	43,376	39,346
	266,276	217,542
Less current portion of borrowings:		
Bonds (accrued interests)	(5,506)	(5,584)
Bank borrowings	(29,496)	(1,062)
Finance lease liabilities	(12,786)	(9,396)
	(47,788)	(16,042)
Total long-term borrowings		
Bonds	171,753	171,288
Bank borrowings	16,145	262
Finance lease liabilities	30,590	29,950
	218,488	201,500
Current borrowings		
Total current portion of long-term borrowings	22,433	15,032
Bank loans and short-term debt (note 10)	25,355	1,010
Total current borrowings	47,788	16,042

For purposes of reconciliation with the information provided in the statement of cash flows, following is the movement of long-term borrowings for the years ended 31 December 2011 and 2010:

	Bonds US$000	Bank borrowings US$000	Finance lease liabilities US$000	Total long-term debt US$000
Balance as of 1 January 2010	-	131,794	12,025	143,819
Cash transactions				
Repayment of bank loans	-	(9,513)	-	(9,513)
Proceeds from bank loans	-	10,521	-	10,521
Repayment of long-term borrowings and bonds	-	(130,276)	(25,129)	(155,405)
Proceeds from long-term borrowings and bonds	174,153	-	52,450	226,603
Non-cash transactions				
Exchange differences	(3,474)	(1,204)	-	(4,678)
Accrued interest	6,193	2	-	6,195
Balance as of 31 December 2010	176,872	1,324	39,346	217,542
Balances as of 1 January 2011	176,872	1,324	39,346	217,542
Cash transactions				
Repayment of bank loans	-	(58,722)	-	(58,722)
Proceeds from bank loans	-	83,056	-	83,056
Repayment of long-term borrowings and bonds	(5,738)	(166)	(11,073)	(16,977)
Proceeds from long-term borrowings and bonds	7,122	20,211	15,425	42,758
Non-cash transactions				
Exchange differences	(7,122)	(211)	(425)	(7,758)
Accrued interest	6,125	149	103	6,377
Balance as of 31 December 2011	177,259	45,641	43,376	266,276

The detail of the obligations is as follows:

Name of Creditor	Type of guarantee	Annual interest rate	Maturity	Carrying amount 2011 US$000	2010 US$000
a) Non-current -					
BBVA Banco Continental					
- Financial lease contracts	Vessels	5.50%	March 2016	7,744	3,638
Banco Interbank					
- Financial lease contracts	Vessels	5.20%	March 2015	13,430	18,918
Santander					
- Financial lease contracts	Vessels	6.00%	April 2013	779	3,029
Banco Scotiabank					
- Financial lease contracts	Vessels	5.50%	April 2016	8,637	4,365
Deutsch Bank					
- Bonds	None	9.00%	February 2017	171,753	171,288
DNB Bank ASA					
- Loan	Vessel	3.33%	October 2015	15,937	-
Ymec					
- Loan	Notes	9.00%	November 2016	208	262
Total non-current balance				218,488	201,500
b) Current -					
BBVA Banco Continental					
- Loans	Inventory	1.55%	2012	5,102	1,010
Banco Interbank					
- Loan	Inventory	1.35%	2012	10,048	-
Banco Scotiabank					
- Loan	Inventory	2.00%	2012	10,205	-
Total bank loans				25,355	1,010
BBVA Banco Continental					
- Financial lease contracts	Vessels	5.50%	2012	2,393	926
Banco Interbank					

- Financial lease contracts	Vessels	5.20%	2012	5,487	5,221
Santander					
- Financial lease contracts	Vessels	7.85%	2012	2,259	2,134
Banco Scotiabank					
- Financial lease contracts	Vessels	5.50%	2012	2,647	1,115
Deutsch Bank					
- Bonds	None	9.00%	2012	5,506	5,584
DNB Bank ASA					
- Loan	Vessel	3.33%	2012	4,089	-
Ymec					
- Loan	Notes	9.00%	2012	52	52
Total current portion of long-term borrowings				22,433	15,032
Total current borrowings				47,788	16,042
Total borrowings				266,276	217,542

The exposures of the Group's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2011 US$000	2010 US$000
6 months or less	39,344	11,548
6-12 months	8,444	4,494
1-5 years	46,735	30,164
Over 5 years	171,753	171,336
	266,276	217,542

Management considers that the effective interest rates of these loans are not significantly different from their nominal interest rates.

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2011 US$000	2010 US$000	2011 US$000	2010 US$000
Bonds	171,753	171,288	167,772	168,091
Bank borrowings	16,145	262	15,103	214
Finance lease liabilities	30,590	29,950	27,823	26,808
	218,488	201,500	210,698	195,113

The carrying amounts of short-term borrowings approximate to their fair value. The fair values of bonds and finance lease liabilities correspond to the cash flows of these financial instruments discounted using a rate based on the bonds rate of 9% and the finance lease liabilities of 5.18% (bank borrowings based on a rate of 9.0% and finance lease liabilities based on a rate of 5.4% in 2010).

The carrying amounts of the Group's borrowings are denominated in US dollars.

a) Bonds -

US$175 million 9% senior notes due 2017-

On 2 February 2010, Copeinca S.A.C. agreed with Credit Suisse Securities (USA) LLC, as representative of several purchasers, to issue and sell to the several purchasers, US$175 million principal amount of its 9.00% Senior Notes due in 2017 to be issued under an indenture dated 10 February 2010, between Copeinca S.A.C., the Guarantor and Deutsche Bank Trust Company Americas, as trustee, guaranteed on an unsecured senior basis by Copeinca ASA. Coupons bear a 9% interest and are payable on a semi-annual basis. Cash proceeds were used to finance the CAPEX plan of Copeinca S.A.C.

The issue of these bonds includes the following covenants:

i) Change of control: repurchase at 101%:

ii) Limitation on indebtedness:

a. Net debt / EBITDA less than 3.75 X
b. Plus warrants: maximum 25% of sales
c. Plus additional debt not to exceed the greater of US$50 million or 7.5% of assets

iii) Limitation on restricted payments: Dividends 5X:

a. Up to US$50 million for fiscal years up to 2009.
b. 100% of net income. if leverage is lower than 1 (leverage = net debt less cash/EBITDA 12 months)
c. 85% of net Income if leverage is lower than 2.0X
d. 75% of net Income if leverages is lower than 2.5X
e. 50% of net Income if leverage is lower than 3.75X

iv) Limitations on sale of assets: management has to obtain approval from the Board to sell assets for an amount higher than US$5 million.

a. At least 75% is paid in cash or cash equivalents
b. Or assumption of liabilities
c. Or securities that are converted to cash in less than 365 days
d. Or raw material (anchovy)
e. Within 360 days proceeds should be reinvested or used in the pre-payment of bonds by such amount.
f. If less than US$20 million is left, they will be carried forward, if more, bonds should be prepaid by such amount.

v) Limitation on business activities:

Permitted businesses: Fishmeal, fish oil, other marine proteins, and other related or ancillary businesses, and operation or lease of vessels.

vi) Change of control:

a. Sale of all of the assets to a third party.
b. Transaction in which a third party ends up owning more than 33%, and current shareholders end up with less than 33% and cannot elect the board.

vii) Permitted liens:

a. Liens that come with acquisitions of companies
b. Refinancing of outstanding debt (at time of issue of bond)
c. Liens in connection with CAPEX in ordinary course of business.
d. Leases under (the greater of) US$100 million or 15% of assets. Copeinca S.A.C. has contracted leases by US$45 million.
e. Other liens under US$3 million.

According to the income tax regime currently in force in Peru, Copeinca S.A.C. has to withhold from the payment of coupons a 4.99% as the income tax of non-domiciled entities. Since the bonds purchase agreement does not contemplate the payment of the withholding tax by the holders, Copeinca S.A.C. will assume it as its own expense.

As of December 31, 2011 the Company has not breached any covenant.

The annual effective rate of the bonds is 9.5% as of 31 December 2011 (9.5% effective interest rate as of 31 December 2010)

Interest from the 7 years bond determined using the amortized cost method amounted to US$16,304 thousand in 2011(US$14,498 thousand in 2010). Interest accrued using the nominal interest rates as per the terms of the bond agreement amounted to US$15,750 thousand (US$14,061 thousand in 2010).

b) Bank borrowings -

DNB Nor Bank

On October 12, 2011 the Company signed an agreement of a US$20 million four-year long term borrowing with DNB Nor Bank. The loan was used to finance the Company's CAPEX plan and to access to foreign credit lines aiming to reduce its liquidity risk. This loan matures in 2015 and bears a fixed interest rate of 3.14%.

Interest related to this loan charged to results during 2011 amounts to US$138 thousand.

c) Financial lease and sale and leaseback liabilities -

Lease liabilities are effectively secured with the corresponding leased assets which title revert to the lessor in the event of default.

	2011	2010
	US$000	US$000
Gross finance lease liabilities-minimum lease payments		
No later than 1 year	14,668	11,273
Later than 1 year and no later than 5 years	32,920	32,732
	47,588	44,005
Future finance charges on finance leases	(4,212)	(4,659)
Present value of finance lease liabilities	43,376	39,346

The present values of finance lease liabilities mature as follows:

	2011	2010
	US$000	US$000
No later than 1 year	12,786	9,396
Later than 1 year and no later than 5 years	30,590	29,950
	43,376	39,346

Copeinca S.A.C. has pledged some of its vessels (note 6) securing its obligations from finance leases and lease-backs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 DEFERRED INCOME TAX

The temporary differences that are the base of the calculation of the deferred income tax are as follows:

	2011	2010
	US$000	US$000
Deductible temporary differences:		
- Deductible temporary differences to be recovered after more than 12 months	(930)	(2,068)
- Deductible temporary differences to be recovered within 12 months	(2,795)	(6,212)
	(3,725)	(8,280)
Taxable temporary differences:		
- Taxable temporary differences to be settled after more than 12 months	235,109	249,586
- Taxable temporary differences to be settled within 12 months	42,849	45,487
	277,958	295,073
Taxable temporary differences (net)	274,233	286,793
Deferred income tax liability (30%)	82,270	86,038

The gross movement on the deferred income tax liabilities account for the years ended 31 December is as follows:

	2011	2010
	US$000	US$000
Opening balance	86,038	95,425
Exchange difference	3,573	2,698
Credit to the statement of income (note 29)	(7,341)	(12,085)
Closing balance	82,270	86,038

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax liability, net					
	Fair value of licenses	Fair value of fixed assets	Impairment of fixed assets	Leased fixed assets	Other	Total
	US$000	US$000	US$000	US$000	US$000	US$000
At 1 January 2010	43,878	50,663	(8,712)	8,613	983	95,425
Exchange difference	1,495	736	950	(563)	80	2,698
Charge (credit) to the statement of income	-	(7,404)	(9,561)	5,663	(783)	(12,085)
At 31 December 2010	45,373	43,995	(17,323)	13,713	280	86,038
Exchange difference	1,883	1,873	(835)	557	95	3,573
Charge (credit) to the statement of income	-	(6,625)	(1,068)	(1,434)	1,786	(7,341)
At 31 December 2011	47,256	39,243	(19,226)	12,836	2,161	82,270

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group has a non-recognized a deferred income tax asset of US$4,113 thousand (US$4,143 thousand in 2010) related to tax losses carry-forward amounting to US$16,034 thousand (US$14,798 thousand in 2010). This is offset by temporary differences related to taxable dividend received of US$1,344 thousand (US$ 0 in 2010). These tax losses carry-forward relate to Copeinca ASA and do not expire.

18 TRADE AND OTHER ACCOUNTS PAYABLE

	2011 US$000	2010 US$000
Trade accounts payable:		
Invoices payable	15,907	17,123
Notes payable	-	19
	15,907	17,142
Other accounts payable:		
Payroll, social security and other taxes	9,080	3,723
Workers' profit-sharing (a)	8,817	523
Loans to third parties	218	74
Accrued expenses (b)	822	828
Share options (c)	1,424	-
Provisions (d)	6,025	9,858
Other accruals (e)	812	2,054
	27,198	17,060
Non-current portion	(6,057)	(9,858)
Current portion	21,141	7,202

(a) The amount of the workers' profit-sharing must be paid during the first quarter of 2012.

(b) Accrued expenses correspond to services received in 2011 the invoices of which were not received by the closing date. These accruals mainly relate to insurance, custom expenses and energy and are reversed on a monthly basis upon the receipt of the corresponding invoices.

(c) Share options were reclassified from equity to liabilities in the second semester 2011 due to the payment in cash instead of issuing shares for the first time. See movement:

	US$000
Reclassified from equity (note 15)	1,649
Value of employee services	124
Share options exercised	(310)
Exchange difference	(39)
	1,424

(d) Provisions mainly include US$6,025 thousand (US$9,784 thousand in 2010) of legal provisions. From this amount Copeinca S.A.C. has recorded tax fines amounting to US$1,332 thousand (US$5,323 thousand in 2010), court actions amounting to US$1,397 thousand (US$1,135 thousand in 2010) and administrative proceedings amounting to US$3,296 thousand (US$3,326 thousand in 2010) all against Copeinca S.A.C. The amount provided for does not include any amount that may result in case the Peruvian Tax Authorities require the payment of additional fines.

(e) Other accruals include US$647 thousand (US$1,494 thousand in 2010) of expenses that relate to the training and labor costs committed with laid-off crew pursuant the Individual Transferrable Quota law (ITQ law).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 SALES

Revenues from sales relate to the following products:

	2011 US$000	2010 US$000
Flame dried (FD) fishmeal	729	25,431
Steam dried (SD) fishmeal	201,604	179,796
Fish oil	46,811	26,668
Fish for direct human consumption	4,618	172
Others	716	975
	254,478	233,042

The corresponding quantities (Tons) shipped and sold as at 31 December were:

	2011 MT	2010 MT
FD fishmeal	540	17,367
SD Fishmeal	148,049	118,529
Fish oil	35,246	30,975
Mackerel/Jack mackerel	9,887	215
	193,722	167,086

20 COST OF GOODS SOLD

The cost of goods sold for the year ended 31 December comprises:

	2011 US$000	2010 US$000
Opening balance of finished products	8,934	34,805
Consumption of raw materials and other materials	104,792	62,596
Employee benefits expenses (note 25)	47,835	27,657
Depreciation	13,819	14,471
Amortization	342	497
Other manufacturing expenses	24,289	19,945
Closing balance of finished products	(56,926)	(8,934)
	143,085	151,037

21 SELLING EXPENSES

Selling expenses for the year ended 31 December comprise:

	2011 US$000	2010 US$000
Employee benefits expenses (note 25)	1,390	967
Custom duties	7,395	6,622
Services rendered by third parties	3,020	1,776
Other management charges	694	514
Depreciation	6	21
Amortization	91	71
	12,596	9,971

22 ADMINISTRATIVE EXPENSES

Administrative expenses for the year ended 31 December comprise:

	2011 US$000	2010 US$000
Employee benefits expenses (note 25)	6,065	5,153
Services rendered by third parties	5,586	4,362
Other taxes	233	627
Other management charges	1,157	1,248
Depreciation	281	528
Amortization	458	393
	13,780	12,311

23 OTHER INCOME AND OTHER EXPENSES

Other income and other expenses for the year ended 31 December comprise:

	2011 US$000	2010 US$000
Other income:		
Reversal of provisions for legal lawsuits	4,260	5,255
Reversal of allowance for bad debts	-	2,155
Sale of diesel and supplies	4,051	3,080
Other operating income	827	1,527
	9,138	12,017
Other expenses:		
Net loss on sale of fixed assets	(1,430)	(2,141)
Write-off of net book value of 33 vessels (note 6)	-	(9,530)
Allowance for doubtful accounts	-	(362)
Fines and sanctions	(3,189)	(675)
Employee severance indemnities (a)	(2,042)	(14,956)
Provisions for fines and legal lawsuits	(3,398)	-
Cost of sale of diesel and supplies	(3,776)	(2,572)
Impairment loss - fixed assets (note 6)	(4,991)	(42,083)
Other operating expenses	(1,070)	(961)
	(19,896)	(73,280)

(a) Mainly comprise the cost of the lay-off of 44 (237 in 2010) crew members and 197 (52 in 2010) plant workers amounting to US$2,042 thousand (US$12,800 thousand in 2010).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 EXPENSES BY NATURE

Expenses by nature for the year ended 31 December comprise:

	2011 US$000	2010 US$000
Change in inventories of finished goods	(45,627)	25,871
Raw materials and consumables	104,792	62,596
Employee benefit expenses (note 25)	52,925	33,777
Depreciation and amortization (notes 6 and 7)	14,997	15,981
Services rendered by third parties	8,606	6,138
Taxes	233	627
Custom duties	7,395	6,622
Transportation, load and unload	1,709	1,113
Quality control analysis	1,287	674
Maintenance	5,710	7,631
Fishing rights	4,519	2,592
Insurances	1,756	1,772
Surveillance	1,561	1,384
Electricity and water	1,614	1,092
Fishing unload	1,944	772
Provision for obsolescence	20	368
Other management charges	6,020	4,309
	169,461	173,319

25 EMPLOYEE BENEFIT EXPENSES AND AUDITORS' FEES

Employee benefit expenses for the year ended 31 December comprise:

	2011 US$000	2010 US$000
Wages and salaries	38,858	26,485
Vacations	2,701	2,106
Social security costs	2,946	1,878
Share options granted to employees	341	620
Workers' profit sharing (note 28)	6,452	523
Other employee costs	1,627	2,165
	52,925	33,777
Number of employees	1,484	1,606

Employee benefit expenses are distributed as follows:

	2011 US$000	2010 US$000
Inventories (note 10)	(2,365)	-
Cost of goods sold (note 20)	47,835	27,657
Selling expenses (note 21)	1,390	967
Administrative expenses (note 22)	6,065	5,153
	52,925	33,777

Compensation paid to the Board of Directors amounted to US$270 thousand in 2011, net of withholding taxes (US$260 thousand in 2010).

Auditors' fees billed to the Company comprise the following services (VAT included):

	2011 US$000	2010 US$000
Statutory audit	343	389
Tax advisory services	3	78
Other services	63	115
	409	582

26 FINANCE INCOME AND COSTS

The detail of finance income (costs) for the year ended 31 December is as follows:

	2011 US$000	2010 US$000
Finance income:		
Interest on deposits	553	427
Interest on other accounts receivable	55	75
Total finance income	608	502
Interest expenses:		
Bonds	(15,750)	(14,061)
Syndicated loan	-	(2,470)
Bank borrowings	(2,830)	(5,122)
Finance leases	(2,427)	(1,804)
Total finance costs	(21,007)	(23,457)
Finance income and costs, net (note 27)	(20,399)	(22,955)

27 CASH GENERATED FROM OPERATIONS

	2011 US$000	2010 US$000
Profit (loss) before income tax	64,235	(17,125)
Adjustments for:		
Depreciation (note 6)	14,106	15,020
Amortization (note 7)	891	961
Loss on sale of property and equipment (see below)	2,482	12,475
Impairment charge (note 6)	4,991	42,083
Share-based payment (note 15)	341	620
Foreign exchange losses on operating activities	(8,228)	(4,942)
Finance costs, net (note 26)	20,399	22,955
Changes in working capital (net of the effects of acquisition and exchange differences on consolidation):		
Inventories	(50,216)	22,292
Trade receivables	(17,296)	19,894
Other accounts receivable	(502)	(7,849)
Trade accounts payable	(3,267)	(14,274)
Other accounts payable	(1,994)	(10,259)
Cash generated from operations	25,942	81,851

Proceeds from the sale of property, plant and equipment comprise:

	2011 US$000	2010 US$000
Disposals, net (note 6)	6,159	7,936
Write-off (note 6)	-	9,530
Net book value	6,159	17,466
Loss on sale of property, plant and equipment	(2,482)	(12,475)
Proceeds from sale of property, plant and equipment	3,677	4,991

28 WORKERS' PROFIT SHARING

Workers' profit sharing (WPS) is distributed as follows:

	2011 US$000	2010 US$000
Inventories (note 10)	2,365	-
Cost of goods sold	5,428	399
Administrative expenses	708	105
Selling expenses	316	19
	6,452	523
	8,817	523

29 INCOME TAX EXPENSE

a) Copeinca ASA -

As of 31 December 2011 and 2010, the income tax rate in Norway is 28%. As of 31 December 2011 Copeinca ASA has a tax loss carry-forward amounting to NOK 96,042 thousand equivalents to US$16,034 thousand (NOK 88,347 thousand equivalents to US$14,798 thousand in 2010). According to Norwegian legislation these tax losses have no expiration term.

b) Copeinca S.A.C. -

Management of the Group considers that it has determined the taxable income, on an individual basis, for Copeinca S.A.C., under the general regime of the income tax as established by regulations currently in force in Peru, which requires adding to and deducting from the result shown in its separate financial statements, those items considered as taxable and non-taxable, respectively.

As of 31 December 2011 and 2010, the income tax rate in Peru is 30%. The taxable income has been determined as follows:

	2011 US$000	2010 US$000
Profit (loss) before income tax	64,235	(17,125)
Plus: Workers' profit sharing	6,452	523
	70,687	(16,602)
Non - deductible expenses	13,910	3,657
Temporary differences	24,471	40,284
Non - taxable revenues	(20,894)	(21,973)
Taxable income	88,174	5,366
Workers profit sharing (10%)	(8,817)	(523)
	79,357	4,843
Current income tax (30%)	23,807	1,453

c) Other subsidiaries -

As of 31 December 2011 the other subsidiaries of the Group have determined tax losses amounting to US$720 thousand which were merged to Copeinca S.A.C. (note 1) (tax losses amounting to US$11 thousand in 2010). Copeinca ASA's Management has determined the income tax for each subsidiary as from the 1 January of the year in which their control was obtained instead of as from the date of their acquisition. Management estimates that the effect resulting from this way of calculation, if any, is not significant.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted-average tax rate applicable to profits of the consolidated companies as follows:

	2011 US$000	2011 %	2010 US$000	2010 %
Profit (loss) before income tax	64,235		(17,125)	
Plus: Workers' profit sharing	6,452		523	
	70,687	100	(16,602)	100
Income tax and workers´ profit sharing	21,206	30	(4,981)	(30)
Other non taxable income	(2,142)	(3)	(5,242)	(32)
Other non deductible expenses	4,161	6	1,097	7
Other adjustments	(6,759)	(10)	(1,506)	(9)
Current and deferred income tax	16,466	23	(10,632)	(64)

d) The income tax income (expense) shown in the statement of income comprises:

	2011 US$000	2010 US$000
Current (note 29 - b)	(23,807)	(1,453)
Deferred (note 17)	7,341	12,085
	(16,466)	10,632

e) Peruvian tax authorities (SUNAT, Spanish acronym) have the right to review and, if applicable, amend the income tax determined by Copeinca S.A.C. and its Peruvian subsidiaries in the last four years as from the following year the tax returns have been filed (years subject to examination). Years 2007 to 2011 are subject to examination by the tax authorities. Since discrepancies may arise on the interpretation of the tax laws applicable to Copeinca S.A.C. and its Peruvian subsidiaries by the tax authorities, it is not possible to presently anticipate if any additional liabilities will arise as a result of eventual examinations. Any additional tax, penalties and interest, if any, will be recognized in the

results of the period in which such differences are resolved. Copeinca S.A.C.´s and its subsidiaries' management consider that no significant liabilities will arise as a result of these tax examinations.

f) Copeinca S.A.C. may obtain a refund of the VAT (IGV in Peru) on its exports. In this sense, the tax paid may be applied against the VAT arising from local sales or other taxes that are considered as revenues for the Public Treasury or otherwise apply for refund through negotiable credit notes or checks. The credit to be recovered as of 31 December 2011 amounts to approximately US$3,859 thousand (approximately US$57 thousand as of 31 December 2010) and is shown net in other accounts receivable in the balance sheet (note 12).

g) Copeinca S.A.C. reported a taxable income for the fiscal year 2010; consequently, it was under the obligation of making, during the year 2011, payments in advance of the 2011 income tax as established by Article 54 of the income tax law. In this sense, Copeinca S.A.C. made payments in advance of the 2011 income tax between January and November of 2011 for a total amount of US$3,535 thousand and carried forward a 2010 income tax credit of US$7,052 thousand (US$7,923 thousand payments in advance in 2010). Payments in advance of the income tax are applied against the final income tax filed within the tax authorities.

30 EARNINGS PER SHARE

a) Basic -

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Copeinca ASA by the weighted-average number of ordinary shares outstanding and issued during the year (note 14).

	2011	2010
Profit (loss) attributable to equity holders of Copeinca ASA (US$000)	47,769	(6,493)
Weighted-average number of common shares outstanding (thousand)	58,496	58,500
Basic earnings (losses) per share (US$ per share)	0.8187	(0.1110)

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options and the calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the shares options.

	2011	2010
Profit (loss) attributable to equity holders of Copeinca ASA (US$000)	47,769	(6,493)
Weighted-average number of common shares outstanding (thousands)	58,496	58,500
Adjustments for:		
- Share options (thousands)	(5,000)	-
Weighted-average number of common shares for diluted earnings per share (thousands)	58,848	58,500
Diluted earnings (losses) per share (US$ per share)	0.8097	(0.1110)

Diluted earnings per share for the year 2010 equals basic earnings per share because the Company obtained a loss for the year, and no dilutive effect was calculated.

31 CONTINGENCIES

As of 31 December 2011 Copeinca S.A.C. has the following contingent liabilities:

- Claims filed against the Peruvian Tax Authorities currently pending resolution, related to tax assessments amounting to US$2,218 thousand (US$6,323 thousand in 2010).
- Court actions (civil and labor-related actions) against Copeinca S.A.C. for an amount of US$4,620 thousand, (US$2,230 thousand in 2010).
- Administrative proceedings filed within the Production Ministry amounting to US$6,036 thousand (US$3,687 thousand in 2010).

It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for (note 18-d) Management believes that no material liabilities will arise from the final resolution of these cases.

32 RELATED-PARTY TRANSACTIONS

As of 31 December 2011, Copeinca ASA's major shareholders are Dyer and Coriat Holding (incorporated in Spain) holder of a 33% interest and Andean Fishing LLC holder of a 14% interest. The remaining 53% interest is widely held.

Gestion del Pacifico S.A.C. is a company owned by Dyer and Coriat Holding which provides corporate affair services to Copeinca S.A.C. and other companies.

Camposol S.A. is a subsidiary of Dyer and Coriat Holding.

Marinazul S.A. is a subsidiary of Camposol S.A. which has 94.95% of interest. This company is dedicated to the farming, breeding and export of shrimps.

As of 31 December 2011 and 2010 the Company has no receivables from operation activities related to these entities.

The movement of the loans granted to affiliated companies is as follows:

	2011 US$000	2010 US$000
Beginning balance	162	712
Loans granted during the year	117	208
Repayment of loans received	(263)	(772)
Interest charged	1	14
Closing balance	17	162

These loans include US$24 thousand from services rendered to Camposol S.A. and US$93 thousand for assorted services to Gestion del Pacifico S.A.C. and interest of US$1 thousand.

The movement of accounts payable to affiliated companies for services received is as follows:

	2011 US$000	2010 US$000
Beginning balance	-	215
Services received during the year	937	136
Acquisition of fixed assets and other assets	-	-
Condonation of outstanding balance	-	(209)
Payments done	(928)	(142)
Closing balance	9	-

The services received are related to research and investigation services from Marinazul S.A. amounting to US$304 thousand and image, communications and social responsibility services from Gestion del Pacifico amounting to US$146 thousand, IT services amounting to US$333 thousand and other expenses US$154 thousand.

a) *Board and management remuneration -*

On the Nominations Committee dated 26 April 2011 the Board remuneration for 2010 and 2011 has been determined as follows:

Directors	Board	Nominations Committee Proposed Fees	
		NOK 000	US$000
Mr. Kristjan Davidsson	Chairman	570	105
Mr. Samuel Dyer Ampudia	Deputy Chairman	470	87
Mrs. Mimi Berdal	Member	265	49
Mrs. Marianne Johnsen	Member	275	51
Mr. Osterling Luis Dyer Ampudia	Member	270	50
Mr. Piero Dyer Coriat	Member	275	50
Mr. Sheyla Dyer Coriat	Member	265	48
Mr. Ivan Orlic Ticeran	Member	275	51
		NOK 2,665	US$ 491

Samuel Dyer Coriat was appointed Chairman of the Board as of may 2011 and Kristjan Davidsson was appointed deputy chairman

The Group has a Management team consisting of an Executive chairman, a CEO and a CFO; all employed by the main subsidiary Copeinca S.A.C. During 2011 and 2010 the amounts paid to these executives were:

2011	Salary US$000	Bonus US$000	Benefits in kind US$000	Value of options issued (*) US$000	Total Remuneration US$000
Management					
Samuel Dyer Coriat (Executive chairman)	346	-	57	672	1,075
Eduardo Castro-Mendivil (CFO)	194	-	22	258	474
Pablo Trapunsky Vilar (CEO)	241	19	25	277	562
Total remuneration	781	19	104	1,207	2,111

2010	Salary US$000	Bonus US$000	Benefits in kind US$000	Value of options issued (*) US$000	Total Remuneration US$000
Management					
Samuel Dyer Coriat (CEO)	332	164	56	579	1,131
Eduardo Castro-Mendivil (CFO)	186	92	18	228	524
Pablo Trapunsky Vilar (COO)	190	45	22	242	499
Total remuneration	708	301	96	1,049	2,154

(*) Options issued but not exercised (note 14).

b) Statement on the determination of salary and other remuneration -

i) Wages -

The Board of Directors determines the remuneration of the CEO. There is no bonus program designed for management, but it is possible to pay an exceptional bonus when the Board decides on it. Other key executive's remuneration is proposed by the CEO to the board for approval.

Key executives remuneration should be competitive in the market in which the Company operates, and it may have both variable and fixed components.

ii) Other benefits -

In the case of the CEO and key management, other benefits consist of car allowances, fuel coupons, health and life insurance, telephone and electronic communication equipment.

iii) Severance payments -

Copeinca S.A.C. pays termination benefits, as required by Peruvian law, to all its employees, management included. If the employee is laid off, Peruvian law provides for a severance payment consisting of one and a half monthly salaries per year worked for the employer. This severance payment, by law, has an upper limit and cannot exceed 12 monthly salaries. Additionally, with the authorization of the CEO, Copeinca S.A.C. may pay a limited additional benefit, when key management is invited to retirement.

iv) Other remuneration -

No member of the Group's Management has received remuneration or economical benefits from other entities in the Group, other than the amounts stated above. No additional remuneration has been granted for special services outside the normal functions of a CEO.

No loans have been given to, or guarantees given on the behalf of, any members of the Group's management, the Board or other elected corporate bodies.

i) *Share options scheme -*

Key management also benefits from a stock option plan (note 14).

Shares and options controlled by Board members and Management are as follows:

Shares controlled by Board members and Management	Number of share options	Number of shares	Share-holding
Samuel Dyer Coriat (Chairman)	350,000	818,920	1.40%
Mimi Berdal (Member)	-	9,000	0.02%
Osterling Luis Dyer Ampudia (Member)	-	1,872,780	3.21%
Samuel Dyer Ampudia (Member)	-	7,650,200	13.11%
Sheyla Dyer Coriat (Member)	-	763,920	1.31%
Ivan Orlic Ticerán (Member)	-	8,118,075	13.91%
CEO Pablo Trapunsky	145,000	4,000	0.01%
CFO Eduardo Castro-Mendívil	135,000	54,700	0.09%
Fleet Manager Diego Cateriano	52,500	-	-
Total shares controlled by Board members and Management	682,500	19,291,595	33.06%

The number of shares owned by the members of the Board of Directors, CEO, CFO and Fleet Manager include their related parties.

33 GUARANTEES

As of 31 December 2011, the Group has pledged the following assets:

Type of Asset	Encumbered creditor	Type of asset	Type of indebtedness	Fair Value US$000	Type of guarantee
Vessel	Petroperú	Rodga I	Line of credit	24,909	Mortgage
Vessel	Santander	DC1	Line of credit	1,212	Mortgage
Vessel	DNB Nor	Grunepa III	Bank loan	28,120	Mortgage
Total				**54,241**	

34 COMMITMENTS

Capital expenditures contracted for at the end of the reporting period but not yet incurred amounts to US$841 thousand for property plant and equipment.

35 SUBSEQUENT EVENTS

In 2012, the Company continued with the share buy-back program which ended in January 2012. After all the purchases, Copeinca S.A.C., a wholly owned subsidiary of Copeinca ASA holds 852,993 shares equivalent to US$4,817 thousand purchased at an average market price of NOK 33.73 (US$5.98).

Revenue Statement

Copeinca ASA

Operating income and operating expenses	Notes	2011	2010
Payroll expenses	7	4 922 326	6 668 184
Other operating expenses	7	3 023 396	2 950 984
Operating expenses		**7 945 721**	**9 619 168**
Operating profit		**-7 945 721**	**-9 619 168**
Financial income and expenses			
Income from subsidiaries and other group entities		268 366 841	0
Interest income from group entities		4 240 684	4 600 734
Other interest income		871	236
Other financial income	8	13 198	4 872 898
Interest expense to group entities		102 241	36 825
Other financial expenses	8	5 782 808	9 298 795
Net financial income and expenses		**266 736 545**	**138 247**
Operating result before tax		258 790 823	-9 480 921
Operating result after tax		**258 790 823**	**-9 480 921**
Annual net profit		**258 790 823**	**-9 480 921**
Brought forward			
Dividend		228 000 000	0
To other equity		29 491 908	0
Loss brought forward		-1 298 915	1 298 915
From other equity		0	8 182 006
Net brought forward		**258 790 823**	**-9 480 921**

Copeinca ASA Page 1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Balance sheet

Copeinca ASA

Assets	Note	2011	2010
Fixed assets			
Financial fixed assets			
Investments in subsidiaries	1	1 797 301 064	1 688 051 213
Loans to group companies	2, 3	160 014 949	152 119 636
Total financial fixed assets		**1 957 316 013**	**1 840 170 850**
Total fixed assets		**1 957 316 013**	**1 840 170 850**
Current assets			
Debtors			
Other receiveables		0	168 450
Intercompany receivables	2, 3	281 271 509	12 580 433
Total debtors		**281 271 509**	**12 748 884**
Cash and bank deposits	6	2 760 671	1 446 967
Total current assets		**284 032 180**	**14 195 850**
Total assets		**2 241 348 193**	**1 854 366 700**

Copeinca ASA Page 1

Balance sheet

Copeinca ASA

Equity	Note	2011	2010
Restricted equity			
Share capital (58.500.000 shares, nom. value NOK 5)	5	292 500 000	292 500 000
Share premium reserve		1 493 773 248	1 493 773 248
Other reserves		0	8 295 320
Total restricted equity		**1 786 273 248**	**1 794 568 568**
Retained earnings			
Other equity		30 615 893	0
Accumulated translation differences		169 544 779	53 188 374
Loss brought forward		0	-1 298 915
Total retained earnings		**200 160 672**	**51 889 459**
Total equity	4	**1 986 433 920**	**1 846 458 027**
Liabilities			
Other long term liabilities	2	614 446	0
Total of other long term liabilities		**614 446**	**0**
Current liabilities			
Trade creditors		253 255	556 575
Inter company debt	3	18 348 074	7 352 097
Dividends		228 000 000	0
Other short term liabilities	2	7 698 498	0
Total short term liabilities		**254 299 827**	**7 908 673**
Total liabilities		**254 914 272**	**7 908 673**
Total equity and liabilities		**2 241 348 193**	**1 854 366 700**

Oslo, March 26, 2012

Balance sheet

Copeinca ASA

The board of Copeinca ASA

Samuel Barnaby Dyer Coriat
Chairman

Samuel Edward Dyer Ampudia
Member

Kristjan Th. Davidsson
Deputy Chairman

Mimi Kristine Berdal
Member

Sheyla Dyer Coriat
Member

Ivan Orlic Ticeran
Member

Marianne E. Johnsen
Member

Luis Dyer Ampudia
Member

Pablo Trapunsky
CEO

Statement of cashflow - Copeinca ASA

Cash flow from operations	2011	2010
Profit before taxes	258,790,823	-9,480,921
Changes in other recivables	-267,762,002	309,438,625
Changes in trade payables	-303,320	-654,741
Value of share options expensed	1,881,561	3,604,599
Change in other items, included translation differences	10,346,619	-13,720,458
Net cash generated from operating activities	**2,953,681**	**289,187,104**
Cash flow from financing activities		
Dividend paid	0	-288,800,000
Options excercised	-1,639,976	0
Net cash used in financing activities	**-1,639,976**	**-288,800,000**
Net decrease/increase in cash and cash equivalents	**1,313,705**	**387,104**
Cash and cash equivalents at beginning of the period	1,446,967	1,059,863
Cash and cash equivalents at the end of the period	**2,760,671**	**1,446,967**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Revenue recognition

Revenue from sales of goods is recognised at the time of delivery. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue, and is recognized as revenue at the time of execution.

Classification and valuation of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Assets expected to be realised in, or is intended for sale or consumption in the entity's normal operating cycle have been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are reflected at nominal value.

Fixed assets are carried at historical cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the asset's estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs which is not expected to be temporary. Accruals are discounted to present value if the time value of money is material.

Subsidiaries, associated companies, and joint ventures

Investments in subsidiaries, associated companies and joint ventures are valued at cost in the company accounts. The investment is valued at the cost of acquiring the shares, providing they are not impaired.

Group contributions to subsidiaries, with tax deducted, are reflected as increases in the purchase costs of the shares.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary/ associated company accounts. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet.

Trade and other receivables

Trade and other receivables are recognised in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each receivable.

Foreign currencies

Items denomiated in foreign currencies are translated into the functional currency of Copeinca ASA (PEN = Peruvian new sol) at the exchange rate on the balance sheet date.

The company changed its functional currency from NOK to PEN on 1 January 2010. One used the actual currency rates to estblish the new balance sheet values (respectively 0,495 for assets and 0,504 for debt items). Balances in PEN as of 1 January 2010 represent new historical cost values.

Reference is also made to the consolidated accounts with respect to foreign currencies.

Taxes

The tax expense in the income statement consists both of taxes payable for the accounting period, and the period's changes in deferred tax. Deferred tax is calculated as 28% of the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Tax on group contributions given, booked as an increase in the purchase price of shares in other companies, and tax on group contribution received booked directly to equity, have been booked directly against tax items in the balance sheet (offset against tax payable if the group contribution has affected tax payable, and offset against deferred taxes if the group contribution has affected deferred taxes).

Cash Flow Statement

The Cash Flow Statement is prepared using the indirect method. The application of this method implies that profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Copeinca ASA

Notes to the annual accounts for 2011

Note 1 Subsidiaries

Investments in subsidiaries are booked according to the cost method.

Subsidiaries	Location	Ownership %	Equity last year (100%) - TNOK	Profit/loss last year (100%) - TNOK	Book value
Copeinca Internacional SLU	Spain	100.00%	59,533,475	126,165,463	228,919,977
Corporation Pesquera Inca SAC	Peru	43.38%	1,373,031,781	306,212,727	1,568,381,087
			1,432,565,256	432,378,190	1,797,301,064

Note 2 Receivables and liabilities

The company has granted a subordinated loan for TNOK 149.806 on one of its subsidiaries. The objective of the loan is to finance the subsidiary's investments in other group companies, and final repayment terms are not settled between the parties. Additional loan for TNOK 10.209 is granted to the same company.

All other receivables are due for repayment within 12 months after 31 December 2011

All liabilites of Copeinca ASA shall be repaid before 31 Dec 2016 (5 years after the end of 2011).
None of the liabilities are secured with mortgages.

Reference is made to the notes of the consolidated accounts regarding market risk, credit risk and liquidity risk.

Share holders and employees who are granted options, have with effect from 2011 the opportunity to receive payment in cash from Copeinca ASA when options are excercised (synthetic options). As consequense of this, calculated value of options are recorded as debt with TNOK 8.313 (hereof TNOK as current and TNOK 614 as non current debt and TNOK 7.698 as current debt)

Note 3 Intercompany balances with group companies

Inter group receivables and debt are shown as separate items in the balance sheet.

	2011		2010	
Specification of group receivables:	Non current	Current	Non current	Current
Copeinca SAC		12,904,668		12,580,433
Copeinca International	160,014,948		152,119,636	
Dividend		268,366,841		
	160,014,948	281,271,509	152,119,636	12,580,433
Specification of inter group debt:				
Copeinca SAC		18,348,074		7,352,097
		18,348,074		7,352,097

Note 4 Equity

	Share capital	Share premium reserve	Other paid up equity	Other equity	Translation differences	Total
Equity at 1 January	292,500,000	1,493,773,248	8,295,320	-1,298,915	53,188,374	1,846,458,027
Share options - transferred to debt			-8,295,320			-8,295,320
Translation difference 1)					116,356,405	116,356,405
Other direct equity transactions				1,123,985		1,123,985
Dividend				-228,000,000		-228,000,000
Profit and loss of the year				258,790,823		258,790,823
Equity at 31 December	**292,500,000**	**1,493,773,248**	**-**	**30,615,893**	**169,544,779**	**1,986,433,920**

1)
Copeinca ASA changed its functional currency from Norwegian kroner to Peruvian sol with effect from 1 Jan 2010. The presentation currency is still Norwegien kroner, and transalation diffrences arises from the conversion from sol to kroner.

Conversion to the presentation currency as of 31 December 2011 is made at 2,211 for assets (sales rate) and 2,237 for the debt (purchase rate). Profit & loss items are converted on the basis of the annual average rate of 2,007.

Material transactions are translated at the rate of exchange on the transaction date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Copeinca ASA

Notes to the annual accounts for 2011

Note 5 Share capital and shareholder information

Copeinca ASA has has its business office in Haakonsgate VII, Oslo, where the consolidated group financial accounts can be obtained.

The share capital of NOK 292.500.000 consists of 58.500.000 shares with a face value of NOK 5 each. All shares have equal rights.

Reference is made to the notes of the consolidated accounts with respect to warrants and options issued , and transactions with related parties.

List of major shareholders at 31.12.11	Total Shares	Ownership	Voting Rights
Dyer Coriat Holding	19,098,000	32.6 %	32.6 %
Andean Fishing LLC	8,118,075	13.9 %	13.9 %
ETVE Veramar Azul S.L.	6,323,745	10.8 %	10.8 %
Weilheim Investments S.L.	3,147,530	5.4 %	5.4 %
State Street Bank & Trust	1,528,436	2.6 %	2.6 %
South Winds	1,489,750	2.5 %	2.5 %
DNB NOR SMB	1,395,000	2.4 %	2.4 %
State Street Bank & Trust	1,381,750	2.4 %	2.4 %
GMO Emerging Illiquid Fund	1,145,350	2.0 %	2.0 %
The Northern Trust	1,097,534	1.9 %	1.9 %
State Street Bank & Trust	948,060	1.6 %	1.6 %
Fidelity Latin America Fund	939,655	1.6 %	1.6 %
Verdipapirfondet Handelsbanken	800,000	1.4 %	1.4 %
Alfred Berg Gambak	756,202	1.3 %	1.3 %
JP Morgan Clearing Corp	732,264	1.3 %	1.3 %
DNB NOR Markets	563,945	1.0 %	1.0 %
JP Morgan Chase Bank	480,422	0.8 %	0.8 %
Fidelity Funds Latin America	470,386	0.8 %	0.8 %
Alfred Berg Norge+	406,461	0.7 %	0.7 %
DERIS S	400,000	0.7 %	0.7 %
Top 20	51,222,565	87.7 %	87.7 %
Other	7,277,435	12.3 %	12.3 %
Total	58,500,000	100.0 %	100.0 %

Note 6 Taxes

Calculation of deferred tax/deferred tax asset

Temporary differences	**2011**	**2010**
Positive differences	-	-
Taxable share of dividend received	8,051,005	
Tax losses carried forward	-96,041,923	-88,347,466
Total	**-87,990,918**	**-88,347,466**
28 % deferred tax	-24,637,457	-24,737,290
Deferred tax assets not recognised	24,637,457	24,737,290
Deferred tax in the balance sheet	**0**	**0**

Basis for income tax, changes in deferred tax and tax payable

	2011	**2010**
Profit/loss before income tax	258,790,823	-9,480,921
Permanent differences	-258,434,275	3,604,599
Basis for the tax expense of the year	356,548	-5,876,322
Changes in temporary differences	-8,051,005	9,489,715
Basis for tax payable in the profit and loss statement	**-7,694,457**	**3,613,393**
Basis for tax payable liability	**0**	**0**

The company has decided not to recognise deferred tax assets in the balance sheet as it is not likely that the loss brought forward can be utilized against future taxable profit.

Bank deposits related to employees' tax deductions are TNOK 11 as of 31 Dec. There is no related payment obligations at year end.

Note 7 Employee benefits expense, number of employees, loans to employees and auditor's fee

Employee benefits expense	**2011**	**2010**
Board member remuneration	2,665,000	2,685,000
Social security expenses	375,765	378,585
Calculated value of share options issued	1,881,561	3,604,599
Total	**4,922,326**	**6,668,184**

The company has no employees.

Copeinca ASA has granted 930.000 share options to 11 key employees of the Group. At year end 2011 a total of 794.400 options remain outstanding. The value of the options is calculated on the basis of the Black Scholes model, and expensed in the Profit and loss account. During 2011 135.600 options have been excercised and settled by payment from the company. Reference is also made to the consolidated accounts where more information about the issue can be found.

Management renumeration

	General manager	**Board**
Salaries	-	2,665,000

No loans/securities have been granted to the board chairman or other related parties. No individual loan/security amounts to more than 5% of the company's equity.

Auditor

The expensed fees to the company's auditor consist of the following (VAT included):

-Statutory Audit	340,391
-Other advisory services	171,894
Total fee to the auditor	**512,285**

Note 8 Currency gains and losses included in the profit and loss statement

	2011	**2010**
Currency gain	13,198	4,872,897
Currency loss	5,782,808	9,298,795

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To the Annual Shareholders' Meeting of Copeinca ASA

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Copeinca ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, and the income statement and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2011, income statement, statement of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation 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 audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, including the assessment of the 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 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 evaluating the appropriateness of accounting policies used and the reasonableness of 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.

PricewaterhouseCoopers AS, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, www.pwc.no
Org.no.: 987 009 713 MVA, Medlem av Den norske Revisorforening

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Copeinca ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group present fairly, in all material respects, the financial position of the group Copeinca ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26. mars 2012
PricewaterhouseCoopers AS

Per Erik Pedersen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 31 December 2011 have been prepared in accordance with IFRS and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm, to the best of our knowledge, that the Board of Director´s report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Lima, Peru / Oslo, Norway
March 26, 2012
The Board of Directors and CEO

Samuel Dyer Coriat Chairman	Kristjan Th. Davidsson Deputy chairman	Samuel Dyer Ampudia Member
Marianne E. Johnsen Member	Mimi Kristine Berdal Member	Sheyla Dyer Coriat Member
Ivan Orlic Ticeran Member	Osterlin L. Dyer Ampudia Member	Pablo Trapunsky CEO