

**Mastellone Hermanos S.A.**  
Consolidated Financial Statements  
for the nine-month period ended  
September 30, 2015

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**

**CONSOLIDATED INFORMATIVE SUMMARY**

**AS OF SEPTEMBER 30, 2015**

(in thousands of Argentine pesos)

**1. BRIEF COMMENT ON THE COMPANY'S ACTIVITIES (\*)**

In spite of the overall uncertainty and lower international prices of dairy products which impacted directly in the whole dairy sector, during the quarter ended September 30, 2015, the Company displayed all the actions in order to recover its profitability.

The international price for the powdered milk remained low, nevertheless, by the end of the quarter there was a slight rebound but with few transactions.

Due to seasonality reasons as well as a sluggish raw milk production, the Company had low volumes in the export business. Regarding the Brazilian and Paraguayan markets, the Company has been normally selling its products, keeping intact its potential of growth.

In terms of the domestic market, the Company had a good performance maintaining its market share despite a tougher competition. During this quarter, we introduced new lines of products with higher added value increasing the Company's portfolio.

Regarding the cost of the raw milk, the international market has been the reference to set the prices paid to dairy farmers. The average price decreased following the trend seen during the previous quarter. Moreover, we continued controlling the volumes received (or processed), especially from those dairy farms that delivered part of their production to other industries when international prices were higher.

Finally, it is necessary to point out that the Company went on with the process of reducing cost and expenses that had begun during the previous quarter. Such strategy impacted positively in cash generation.

Mastellone Hnos. S.A. has conducted all the actions in order to improve its economic and financial indicators, especially considering that all the main variables had a negative behavior at the beginning of the year, impacting on Company's profitability.

**2. CONSOLIDATED FINANCIAL POSITION**

	<b>9/30/2015</b>	<b>9/30/2014</b>	<b>9/30/2013</b>	<b>9/30/2012</b>	<b>9/30/2011</b>
	(in thousand pesos)				
Current assets	2,477,591	2,500,814	2,118,989	1,613,420	1,486,272
Non-current assets	3,823,369	1,674,421	1,667,218	1,582,230	1,469,926
<b>TOTAL ASSETS</b>	<b>6,300,960</b>	<b>4,175,235</b>	<b>3,786,207</b>	<b>3,195,650</b>	<b>2,956,198</b>
Current liabilities	2,419,636	2,066,607	1,902,572	1,505,730	1,058,903
Non-current liabilities	2,466,932	1,763,259	1,137,492	1,003,781	1,093,483
<b>TOTAL LIABILITIES</b>	<b>4,886,568</b>	<b>3,829,866</b>	<b>3,040,064</b>	<b>2,509,511</b>	<b>2,152,386</b>
<b>Equity attributable to owners of the Company</b>	<b>1,414,368</b>	<b>345,350</b>	<b>746,128</b>	<b>686,129</b>	<b>803,802</b>
<b>Non-controlling interests</b>	<b>24</b>	<b>19</b>	<b>15</b>	<b>10</b>	<b>10</b>
<b>TOTAL EQUITY</b>	<b>1,414,392</b>	<b>345,369</b>	<b>746,143</b>	<b>686,139</b>	<b>803,812</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,300,960</b>	<b>4,175,235</b>	<b>3,786,207</b>	<b>3,195,650</b>	<b>2,956,198</b>

### 3. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	9/30/2015	9/30/2014	9/30/2013	9/30/2012	9/30/2011
	(in thousand pesos)				
<b>Continuing operations:</b>					
Operational results – income	77,867	295,809	204,189	33,064	131,644
Investment income, finance cost, loss on debt refinancing and foreign exchange differences	(469,876)	(637,558)	(266,599)	(183,595)	(132,927)
Other gains and losses	1,238	(4,861)	107,714	17,812	6,719
<b>(Loss) income before taxes</b>	<b>(390,771)</b>	<b>(346,610)</b>	<b>45,304</b>	<b>(132,719)</b>	<b>5,436</b>
Income tax and alternative minimum income tax	153,132	56,790	11,492	16,089	(6,980)
<b>Net (loss) income for the period from continuing operations</b>	<b>(237,639)</b>	<b>(289,820)</b>	<b>56,796</b>	<b>(116,630)</b>	<b>(1,544)</b>
<b>Discontinued operations</b>		<b>(41,606)</b>	<b>(10,123)</b>		
<b>Net (loss) income for the period</b>	<b>(237,639)</b>	<b>(331,426)</b>	<b>46,673</b>	<b>(116,630)</b>	<b>(1,544)</b>
<b>Other comprehensive (loss) income</b>	<b>(27,507)</b>	<b>23,125</b>	<b>8,048</b>	<b>1,121</b>	<b>(8,291)</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(265,146)</b>	<b>(308,301)</b>	<b>54,721</b>	<b>(115,509)</b>	<b>(9,835)</b>
<b>Net (loss) income attributable to:</b>					
Owners of the company	(265,151)	(308,302)	54,721	(115,509)	(9,835)
Non-controlling interests	5	1			
<b>Total comprehensive (loss) income:</b>	<b>(265,146)</b>	<b>(308,301)</b>	<b>54,721</b>	<b>(115,509)</b>	<b>(9,835)</b>

### 4. CONSOLIDATED STATEMENT OF CASH FLOWS

	9/30/2015	9/30/2014	9/30/2013	9/30/2012	9/30/2011
	(in thousand pesos)				
Cash flows provided by operating activities	607,580	245,782	389,374	321,316	282,347
Cash flows used in by investing activities	(84,338)	(171,134)	(47,813)	(152,197)	(92,860)
Cash flows used in financing activities	(372,118)	(4,236)	(169,724)	(61,024)	(16,039)
<b>Cash and cash equivalents provided in the period</b>	<b>151,124</b>	<b>70,412</b>	<b>171,837</b>	<b>108,095</b>	<b>173,448</b>

### 5. PRODUCTION AND SALES VOLUME (\*)

	ACUMULATED SALES				
	9/30/2015	9/30/2014	9/30/2013	9/30/2012	9/30/2011
	(in thousand liters of milk)				
Domestic market	1,118,240	1,165,644	1,190,561	1,235,896	1,135,828
Foreign market	194,318	52,399	190,511	224,543	161,256
<b>Total</b>	<b>1,312,558</b>	<b>1,218,043</b>	<b>1,381,072</b>	<b>1,460,439</b>	<b>1,297,084</b>

The production volumes are similar to sales volumes due to the perishable nature of marketed products.

### 6. RATIOS

	9/30/2015	9/30/2014	9/30/2013	9/30/2012	9/30/2011
Current assets to current liabilities	1.02	1.21	1.11	1.07	1.40
Equity attributable to owners of the Company to total liabilities	0.29	0.09	0.25	0.27	0.37
Non-current assets to total assets	0.61	0.40	0.44	0.50	0.50

## **7. OUTLOOK (\*)**

During the next Quarter, the Company will continue with efforts to increase its profitability and cash flow generation.

At the same time, we expect that the incipient recovery of the international price and demand of milk powder will remain strong in order to improve our exports. This fact will be positive economically and financially.

To strengthen the Company's brand names, market share position, quality and the enlargement of our portfolio of products, will be a central target for the Company during the next few months.

In order to face the future challenges, we believe that all the actions taken throughout the year are the key to keep the sustainability and strength of the economic and financial indicators. We will go on executing and improving such actions in order to achieve our objectives.

(\*) Information not reviewed by the Auditors.

City of Buenos Aires, November 9, 2015

**JOSÉ A. MORENO**

Chairman

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT**  
**SEPTEMBER 30, 2015**  
(in thousands of Argentine pesos)

	Notes	<u>9/30/2015</u>	<u>12/31/2014</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents		320,942	169,818
Other financial assets	3 and 18	22,563	77,930
Trade accounts receivable	4 and 18	844,458	801,575
Tax credits	5	117,807	73,827
Other receivables	6 and 18	35,958	39,526
Inventories	7 and 18	1,135,863	1,312,816
<b>Total Current Assets</b>		<b><u>2,477,591</u></b>	<b><u>2,475,492</u></b>
<b><u>NON-CURRENT ASSETS</u></b>			
Other financial assets	3	10,504	9,328
Tax credits	5	26,531	27,538
Other receivables	6 and 18	59,584	56,017
Deferred tax assets	12	13,027	6,568
Property, plant and equipment, and others	8 and 18	3,683,100	3,821,752
Investment property		5,344	1,190
Goodwill		3,121	3,121
Intangible assets		14,373	24,005
Other assets		7,785	7,783
<b>Total Non-Current Assets</b>		<b><u>3,823,369</u></b>	<b><u>3,957,302</u></b>
<b>TOTAL ASSETS</b>		<b><u>6,300,960</u></b>	<b><u>6,432,794</u></b>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Trade payable	9	1,343,572	1,281,471
Borrowings	10 and 18	402,401	470,945
Accrued salaries, wages and payroll taxes	11	415,969	348,422
Taxes payable		150,994	110,735
Advance from customers		84,371	14,906
Provisions		796	1,522
Other liabilities		21,533	16,610
<b>Total Current Liabilities</b>		<b><u>2,419,636</u></b>	<b><u>2,244,611</u></b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Trade payable		7,336	10,583
Borrowings	10 and 18	1,819,734	1,655,561
Taxes payable	18	29,143	39,431
Deferred tax liabilities	12	579,780	758,697
Provisions		17,505	22,494
Other liabilities		13,434	21,879
<b>Total Non-Current Liabilities</b>		<b><u>2,466,932</u></b>	<b><u>2,508,645</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>4,886,568</u></b>	<b><u>4,753,256</u></b>
<b><u>EQUITY</u></b>			
Common stock		457,547	457,547
Reserves		1,380,186	1,679,647
Accumulated deficit– including net result for the period or year		(423,365)	(457,675)
<b>Equity attributable to owners of the Company</b>		<b><u>1,414,368</u></b>	<b><u>1,679,519</u></b>
<b>Non-controlling interests</b>		<b><u>24</u></b>	<b><u>19</u></b>
<b>TOTAL EQUITY</b>		<b><u>1,414,392</u></b>	<b><u>1,679,538</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>6,300,960</u></b>	<b><u>6,432,794</u></b>

The accompanying Notes are an integral part of this consolidated financial statement.

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
(in thousands of Argentine pesos)

	Notes	<u>9/30/2015</u> <u>Nine-months</u>	<u>9/30/2014</u> <u>Nine-months</u>	<u>9/30/2015</u> <u>Three-months</u>	<u>9/30/2014</u> <u>Three-months</u>
<b><u>Continuing operations</u></b>					
Revenue	13	10,422,656	9,009,455	3,591,063	3,171,757
Cost of sales	14	(7,336,564)	(6,379,299)	(2,419,734)	(2,232,471)
<b>Gross profit</b>		<b>3,086,092</b>	<b>2,630,156</b>	<b>1,171,329</b>	<b>939,286</b>
Selling expenses	15	(2,598,019)	(1,999,125)	(935,259)	(713,600)
General and administrative expenses	15	(410,206)	(335,222)	(152,693)	(127,879)
Investment result		32,013	(4,203)	14,451	(14,886)
Finance cost	16	(278,517)	(188,190)	(92,842)	(70,961)
Loss on debt refinancing	10.2		(29,602)		(29,602)
Foreign exchange losses		(223,372)	(415,563)	(89,354)	(66,958)
Other gains and losses		1,238	(4,861)	(2,040)	(1,971)
<b>Loss before taxes</b>		<b>(390,771)</b>	<b>(346,610)</b>	<b>(86,408)</b>	<b>(86,571)</b>
Income tax and alternative minimum income tax	17	153,132	56,790	30,537	(22,238)
<b>Net loss for the period from continuing operations</b>		<b>(237,639)</b>	<b>(289,820)</b>	<b>(55,871)</b>	<b>(108,809)</b>
<b><u>Discontinued operations</u></b>					
<b>Net loss for the period from discontinued operations</b>	23		<b>(41,606)</b>		<b>(22,770)</b>
<b>NET LOSS FOR THE PERIOD</b>		<b>(237,639)</b>	<b>(331,426)</b>	<b>(55,871)</b>	<b>(131,579)</b>
<b>Other Comprehensive (loss) income</b>					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences on translating foreign operations		(27,507)	23,125	(18,827)	(13,270)
<b>Other comprehensive (loss) income, net of income tax</b>		<b>(27,507)</b>	<b>23,125</b>	<b>(18,827)</b>	<b>(13,270)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(265,146)</b>	<b>(308,301)</b>	<b>(74,698)</b>	<b>(144,849)</b>
<b>Net loss attributable to:</b>					
Owners of the Company		(237,644)	(331,427)	(55,874)	(131,581)
Non-controlling interests		5	1	3	2
<b>Net loss for the period</b>		<b>(237,639)</b>	<b>(331,426)</b>	<b>(55,871)</b>	<b>(131,579)</b>
<b>Total comprehensive loss attributable to:</b>					
Owners of the Company		(265,151)	(308,302)	(74,701)	(144,851)
Non-controlling interests		5	1	3	2
<b>Net comprehensive loss for the period</b>		<b>(265,146)</b>	<b>(308,301)</b>	<b>(74,698)</b>	<b>(144,849)</b>

The accompanying Notes are an integral part of this consolidated financial statement.

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
(in thousands of Argentine pesos)

	Shareholders' contributions		Reserves				Retained earnings (Accumulated losses)	Equity attributable to:		Total
	Common stock	Legal reserve	Facultative reserve	Foreign currency translation reserve	Special reserve established by General Resolution N° 609/12 of the CNV	Property, plant and equipment Revaluation reserve		Owners of the parents	Non controlling interest	
<b>Balance at December 31, 2014</b>	<b>457,547</b>	<b>15,273</b>	<b>30,682</b>	<b>35,064</b>	<b>128,603</b>	<b>1,470,025</b>	<b>(457,675)</b>	<b>1,679,519</b>	<b>19</b>	<b>1,679,538</b>
Net loss for the period							(237,644)	(237,644)	5	(237,639)
Other comprehensive loss for the period, net of income tax				(27,507)				(27,507)		(27,507)
Total comprehensive loss for the period	-	-	-	(27,507)	-		(237,644)	(265,151)	5	(265,146)
Resolution of General Ordinary and Extraordinary Shareholders' Meeting held on April 8, 2015:										
Absorption of accumulated losses		(15,273)	(30,682)		(128,603)		174,558			
Transfer to Accumulated losses (1)						(97,396)	97,396			
<b>Balance at September 30, 2015</b>	<b>457,547</b>	<b>-</b>	<b>-</b>	<b>7,557</b>	<b>-</b>	<b>1,372,629</b>	<b>(423,365)</b>	<b>1,414,368</b>	<b>24</b>	<b>1,414,392</b>

(1) Corresponding to the depreciation of the period of the revalued assets, net of deferred income tax.

The accompanying Notes are an integral part of this consolidated financial statement.

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014**

(in thousands of Argentine pesos)

	Shareholders' contributions	Reserves				Retained earnings (Accumulated losses)	Equity attributable to:		Total
	Common Stock	Legal reserve	Facultative reserve	Foreign currency translation reserve	Special reserve established by General Resolution N° 609/12 of the CNV		Owners of the parents	Non controlling interest	
<b>Balance at December 31, 2013</b>	<b>457,547</b>	<b>15,273</b>	<b>30,682</b>	<b>21,547</b>	<b>186,416</b>	<b>(57,813)</b>	<b>653,652</b>	<b>18</b>	<b>653,670</b>
Net loss for the period						(331,427)	(331,427)	1	(331,426)
Other comprehensive income for the period				23,125			23,125		23,125
Total comprehensive income (loss) for the period	-	-	-	<b>23,125</b>	-	<b>(331,427)</b>	<b>(308,302)</b>	<b>1</b>	<b>(308,301)</b>
Resolution of General Ordinary and Extraordinary Shareholders' Meeting held on April 10, 2014: Absorption of accumulated losses					(57,813)	57,813			
<b>Balance at September 30, 2014</b>	<b>457,547</b>	<b>15,273</b>	<b>30,682</b>	<b>44,672</b>	<b>128,603</b>	<b>(331,427)</b>	<b>345,350</b>	<b>19</b>	<b>345,369</b>

The accompanying Notes are an integral part of this consolidated financial statement.



**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-**  
**MONTH PERIOD ENDED SEPTEMBER 30, 2015**

(in thousands of Argentine pesos)

	<u>9/30/2015</u>	<u>9/30/2014</u>
<b><u>Cash flows from operating activities</u></b>		
Net loss for the period	(237,639)	(331,426)
Adjustments to reconcile net loss for the period to net cash provided by operating activities:		
Income tax and alternative minimum income tax accrued	(153,132)	(56,790)
Finance cost	278,517	188,190
Loss on debt refinancing		29,602
Foreign exchange losses	209,067	425,758
Depreciation of property, plant and equipment, and others	257,069	106,799
Net (reversal) additions to provisions	(2,657)	14,364
Write-off of inventories	190,480	
Depreciation of investment property	256	127
Amortization of intangible assets	9,632	26,469
Net loss from discontinued operations		41,606
Gain on sale of property, plant and equipment, and others	(843)	(4,750)
	<u>550,750</u>	<u>439,949</u>
Changes in working capital	78,128	(159,743)
Subtotal	<u>628,878</u>	<u>280,206</u>
Payments of income tax and alternative minimum income tax	(21,298)	(34,424)
<b>Net cash generated by operating activities</b>	<u>607,580</u>	<u>245,782</u>
<b><u>Cash flows used in investing activities</u></b>		
Payments for property, plant and equipment, and others	(125,343)	(149,839)
Payments for investment property	(4,410)	
Proceeds from (payments for) sale (purchase) of other financial assets	49,243	(8,468)
Proceeds from sale of subsidiary company	6,200	6,347
Proceeds from disposal of property, plant and equipment, and others	3,102	12,333
Payments for purchase of subsidiary company	(13,128)	(10,050)
Capital contributions to subsidiary held for sale		(22,313)
(Increase) decrease from other assets	(2)	856
<b>Net cash used in investing activities</b>	<u>(84,338)</u>	<u>(171,134)</u>
<b><u>Cash flows used in financing activities</u></b>		
Proceeds from issuance of Series F Notes		925,454
Proceeds from others borrowings	82,417	347,116
Debt settlement: Notes and loans-tranches A and B		(695,444)
Repayment of borrowings	(241,211)	(419,181)
Payments of debt refinancing cost		(43,821)
Payment of interests	(213,324)	(118,360)
<b>Net cash used in financing activities</b>	<u>(372,118)</u>	<u>(4,236)</u>
<b>Increase in cash and cash equivalents</b>	<b>151,124</b>	<b>70,412</b>
<b>Decrease in cash of discontinued operations</b>		<b>(504)</b>
<b>Cash and cash equivalents at beginning of year</b>	<u>169,818</u>	<u>115,288</u>
<b>Cash and cash equivalents at end of period</b>	<u>320,942</u>	<u>185,196</u>

The accompanying Notes are an integral part of this consolidated financial statement.

**MASTELLONE HERMANOS SOCIEDAD ANÓNIMA**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
(in thousands of Argentine pesos)

**1. GENERAL INFORMATION**

Mastellone Hermanos S.A. (hereinafter “Mastellone Hermanos S.A.” or the “Company”) is a sociedad anónima under the laws of Argentina, registered with the Public Registry of Commerce on May 17, 1976. The term of the Company expires on November 5, 2060. Its legal address is in Juana Manso N° 555, 3<sup>rd</sup> Floor, Suite “A”, City of Buenos Aires (see Note 24).

The main activity of the Company is the manufacturing and distribution of dairy products. The Company process and distribute a broad line of fresh dairy products including fluid milk, cream and butter, as well as long-life milk products, including cheese, powdered milk and caramelized condensed milk, which is known in Argentina and abroad as dulce de leche. The Company markets its dairy products under several brands names, including La Serenísima, La Armonía, Ser and Fortuna and to a lesser extent, the brand of some of its major customers.

The breakdown of consolidated companies in these condensed interim consolidated financial statements is exposed in Note 2.5.

**2. BASIS OF PREPARATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**2.1 Statement of compliance of International Financial Reporting Standards (‘IFRS’) and basis of preparation**

According to Title IV, Informative Periodic Régime, Chapter I, Informative Régime, Section I, General Regulations, Article 1<sup>st</sup>, Point b,1) of the rules issued by the Comisión Nacional de Valores (“CNV”) (N.T. 2013), the Company chose the option to prepare condensed interim consolidated financial statements in conformity with International Accounting Standard (“IAS”) N° 34, “Interim Financial Reporting”.

Accordingly, the condensed interim consolidated financial statements for the nine-month period ended September 30, 2015 have been prepared in conformity with IAS N° 34. The adoption of such standard and the entire set of International Financial Reporting Standards, as issued by the International Accounting Standard Board (‘IASB’), was established by Technical Resolution N° 26 issued by the Argentine Federation of Professional Councils in Economic Sciences (“F.A.C.P.C.E.”) and by CNV, Argentine Securities Commission. In accordance with the above mentioned accounting standards and regulatory standards, IFRS are mandatory for fiscal year beginning January 1<sup>st</sup> 2012.

The condensed interim consolidated financial statements do not include all the information required by IFRS for a complete set of financial statements, because they correspond to a condensed set of financial statements under IAS 34. Therefore, the condensed interim consolidated financial statements must be read in conjunction with the consolidated financial statements of the Company for the fiscal year ended December 31, 2014 prepared under IFRS.

The figures and other information for the fiscal year ended December 31, 2014 and the nine-month period ended September 30, 2014 are an integral part of these consolidated financial statements and are intended to be read only in relation to those financial statements.

The legal currency in Argentina is the Peso. The consolidated financial statements are presented in thousands of Pesos.

The condensed interim consolidated financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with IAS 34. The effects of the differences between IFRS and the accounting principles generally accepted in the countries in which these financial statements are to be used have not been quantified. Accordingly, the accompanying condensed interim consolidated financial statements are not intended to present the financial position, profit or loss and other comprehensive income, changes in equity and cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements that have not adopted the IFRS.

## **2.2 Applicable accounting policies**

The accounting policies used in the preparation of the condensed interim consolidated financial statements are the same as those used to prepare the consolidated financial statements for the fiscal year ended December 31, 2014, as described in those financial statements, except for the changes mentioned in the following section.

The condensed interim consolidated financial statements have been prepared under the historical cost conventions, except for the revaluation of certain non-current assets and financial assets. Usually, the historical cost is based on the fair value of the consideration given in exchange for the assets.

The preparation of these financial statements are the responsibility of the Company's Board of Directors and requires accounting estimates and judgments of the administrators when applying financial standards.

## **2.3 New standards and interpretations effective from fiscal year beginning on January 1<sup>st</sup>, 2015 which are material to the Company**

- The annual improvements to IFRSs (2010-2012 cycle) introduce amendments to various standards, including amendments to IAS 16 (Property, plant and equipment), to IAS 19 (Employee benefits), to IAS 24 (Related parties), to IAS 38 (Intangible assets), to IFRS 2 (Share based payments), to IFRS 3 (Business combination) and to IFRS 8 (Operating segments). The application of these improvements did not affect significantly the amounts set out in relation to assets and liabilities of the Company.
- The annual improvements to IFRSs (2011-2013 cycle) introduce amendments to various standards, including amendments to IAS 40 (Investment property), to IFRS 1 (First time adoption), to IFRS 3 (Business combination) and to IFRS 13 (Fair value measurement). The application of these improvements did not affect significantly the amounts set out in relation to assets and liabilities of the Company.

## **2.4 Standards and interpretations not yet adopted**

The Company did not adopt the following standards, revision of standards and interpretations as per the application of the mentioned pronouncements are not required for the nine-month period ended September 30, 2015:

Standard	Name
IFRS 9	Financial instruments <sup>1</sup>
IFRS 15	Revenue <sup>1</sup>
Amendments to IFRSs (annual cycle 2012-2014)	Various IFRSs <sup>2</sup>
Amendments to IAS 27	Separate Financial Statements <sup>2</sup>
Amendments to IAS 16 and 38	Property, plant and equipment and Intangible assets <sup>2</sup>
Amendments to IFRS 10, 12 and IAS 28	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Investments in Associates and Joint Ventures <sup>2</sup>
Amendments to IAS 1	Presentation of Financial Statements <sup>2</sup>

<sup>1</sup> Effective for fiscal years beginning on or after January 1<sup>st</sup>, 2018.

<sup>2</sup> Effective for fiscal years beginning on or after January 1<sup>st</sup>, 2016.

- IFRS 9 Financial Instruments issued in July 2014 replaces IAS 39 “Financial Instruments: Recognition and Measurement”. The new Standard includes requirements for the classification and measurement of financial assets and liabilities, a new expected loss impairment model and a substantially-reformed model for hedge accounting. The version of IFRS 9 launched in 2014 was issued as a complete standard and supersedes all previous versions.

IFRS 9 is effective for reporting periods beginning on or after January 1, 2018, with early adoption permitted. The Company’s Board of Directors has to evaluate the impact of such standard and anticipates that IFRS 9 will be adopted in the financial statements of the Company for the fiscal year beginning January 1, 2018.

- IFRS 15 will replace IAS 11 and IAS 18 and the related interpretations (IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31). The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the new criteria, the way by which goods or services are grouped in order to recognize revenue can change. This core principle is delivered in a five-step model framework that will be applied to all contracts with costumers: identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when the entity satisfies a performance obligation.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2018 with early application permitted. The Company’s Board of Directors has to evaluate the impact of such standard and anticipates that IFRS 15 will be adopted in the financial statements on the Company for the fiscal year beginning January 1, 2018.

- The annual improvements to IFRSs (2012-2014 cycle) introduce amendments to various standards, including amendments to IFRS 5 (Non-current assets held for sale and discontinued operations), to IFRS 7 (Financial Instruments: Disclosures), to IAS 19 (Employee Benefits) and to IAS 34 (Interim Financial Reporting).

The Company’s Board of Directors anticipates that such amendments will be adopted in the financial statements of the Company for the fiscal year beginning January 1, 2016. It is likely that changes will not affect significantly the amounts set out in relation to assets and liabilities of the Company. However, it is not possible to determine the potential impact in a reasonable manner until a detailed review is completed.

- IASB has amended IAS 27, “Separate Financial Statements” to allow the option of using the equity method of accounting for investments in subsidiaries, joint ventures and associates in the separate financial statements of an entity according to IAS 28.

The Company’s Board of Directors anticipates that such amendment will not have effect on the separate financial statements of the Company, as subsidiaries are valued according to the equity method.

- The improvements to IAS 16 and IAS 38 were issued by the IASB to clarify when a depreciation method that is based on revenue that is generated by an activity may be appropriate. The improvement to IAS 16 clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. Also, the improvement to IAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate. This presumption may be rebutted only under limited circumstances set forth in the standard.

The Company’s Board of Directors anticipates that such amendments will be adopted in the financial statements of the Company for the fiscal year beginning January 1, 2016. It is likely that changes will not affect significantly the amounts set out in relation to assets and liabilities of the Company. However, it is not possible to determine the potential impact in a reasonable manner until a detailed review is completed.

- IASB has amended IFRS 10 “Consolidated Financial Statements”, IFRS 12 “Disclosure of Interests in Other Entities” and IAS 28 “Investments in Associates and Joint Ventures” to address issues that have arisen in the context of applying the consolidation exception for investment entities.

The Company’s Board of Directors anticipates that such amendments will be adopted in the financial statements of the Company for the fiscal year beginning January 1, 2016. It is likely that changes will not affect significantly the amounts set out in relation to assets and liabilities of the Company. However, it is not possible to determine the potential impact in a reasonable manner until a detailed review is completed.

- IASB has amended IAS 1 “Presentation of Financial Statements” to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply; clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that the order of the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The Company’s Board of Directors anticipates that such amendments will be adopted in the financial statements of the Company for the fiscal year beginning January 1, 2016. It is likely that changes will not affect significantly the disclosures in the financial statements of the Company. However, it is not possible to determine the potential impact in a reasonable manner until a detailed review is completed.

## **2.5 Basis of consolidation**

The condensed interim consolidated financial statements of Mastellone Hermanos S.A. include the stand-alone financial statements of the parent and its subsidiaries. Subsidiary companies are those where the Company has the control of the subsidiaries, which is based on the following three elements: power over an investee, exposure or rights to variable returns from its

involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's return.

Total comprehensive result of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the non-Argentine subsidiaries used to prepare the consolidated financial statements were issued in accordance with IFRS. Assets, liabilities and equity accounts were converted into pesos considering the exchange rate prevailing at the date of these financial statements. The income and expenses accounts were converted into pesos according to the exchange rate prevailing at the end of each month.

The main consolidation adjustments are the followings:

- elimination of assets, liabilities, income and expenses of the parent with those of its subsidiaries, in order to disclose the balances maintained effectively with third parties; and
- offset the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Detailed below are the subsidiaries whose financial statements have been included in these consolidated financial statements:

Company	Main activity	Country	% of direct and indirect participation in capital stock and votes		
			9/30/2015	12/31/2014	9/30/2014
Compañía Puntana de Carnes Elaboradas S.A. (1)	Slaughtering, preparation and preservation of meat and production and storage of miscellaneous food products	Argentina		99,99	99,99
Con-Ser S.A.	Transportation services, services for vehicle, sale of parts and distribution of cooling equipments	Argentina	100,00	100,00	100,00
Leitesol Industria e Comercio S.A.	Production and distribution of dairy products	Brazil	100,00	100,00	100,00
Marca 4 S.A.	Ownership, administration and legal defense of trademarks <i>Ser</i> and <i>La Serenísima</i>	Argentina	99,99	99,99	99,99
Marca 5 Asesores en Seguros S.A.	Insurance broker	Argentina	99,99	99,99	99,99
Mastellone de Paraguay S.A.	Import and distribution of dairy products	Paraguay	100,00	100,00	100,00
Mastellone Hermanos do Brasil Comercial e Industrial Ltda,	Inactive	Brazil	100,00	100,00	100,00
Mastellone San Luis S.A. (1)	Manufacturer of dairy products	Argentina	99,99	99,99	99,99
Promas S.A. (2)	Agricultural exploitation	Argentina			100,00

- (1) Shareholders' meetings of Compañía Puntana de Carnes Elaboradas S.A. and Mastellone San Luis S.A. held on June 23, 2015 approved the merger of such companies, being Mastellone San Luis S.A. the incorporating company and Compañía Puntana de Carnes Elaboradas S.A. the incorporated company, The merger was decided based on financial statements as of March 31, 2015, to be effective July 1, 2015, The merger was approved by the companies' inspection bureau on September 21, 2015.
- (2) Company sold in 2014 fiscal year, See Note 23.

The financial position statements of Mastellone Hermanos Sociedad Anónima as of September 30, 2015 and December 31, 2014 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month periods ended September 30, 2015 and 2014, were consolidated based on financial statements of the subsidiaries companies for the periods or years ended at such dates, with the exception as of September 30, 2015 and 2014 of Marca 4 S.A., Mastellone de Paraguay S.A. and Mastellone Hermanos do Brasil Comercial e Industrial Ltda. The financial statements of such companies used for the preparation of the consolidated financial statements were those as of June 30, 2015 and 2014, respectively. Between those dates there were no events, involving those subsidiaries, with a material effect on the financial position and results of operations, which has not been taken into account for the

preparation of the consolidated financial statements.

### 3. OTHER FINANCIAL ASSETS

	<u>9/30/2015</u>	<u>12/31/2014</u>
• <u>Current</u>		
Government bonds		60,689
Restricted investment funds (Note 18d)	14,140	8,872
Corporate bonds	7,514	7,513
Short-term investments - other	909	856
<b>Total</b>	<b><u>22,563</u></b>	<b><u>77,930</u></b>
• <u>Non-current</u>		
Long-term investments	10,504	9,328
<b>Total</b>	<b><u>10,504</u></b>	<b><u>9,328</u></b>

### 4. TRADE ACCOUNTS RECEIVABLE

	<u>9/30/2015</u>	<u>12/31/2014</u>
Third parties (domestic)	752,885	709,052
Related parties (Note 19)	92,790	89,188
Foreign receivables	2,384	11,066
Notes receivables	825	420
Tax incentives on exports	17,847	20,566
<b>Subtotal</b>	<b><u>866,731</u></b>	<b><u>830,292</u></b>
Allowance for doubtful accounts	(22,273)	(17,127)
Allowance for trade discounts and volume rebates		(11,590)
<b>Total</b>	<b><u>844,458</u></b>	<b><u>801,575</u></b>

### 5. TAX CREDITS

	<u>9/30/2015</u>	<u>12/31/2014</u>
• <u>Current</u>		
Net value added tax	44,703	37,401
Turnover tax credit	14,460	13,893
Income tax and alternative minimum income tax receivable	6,427	7,329
Other tax credits	52,217	15,204
<b>Total</b>	<b><u>117,807</u></b>	<b><u>73,827</u></b>
• <u>Non-current</u>		
Net value added tax	12,084	24,948
Turnover tax credit	374	491
Other tax credits	14,073	2,099
<b>Total</b>	<b><u>26,531</u></b>	<b><u>27,538</u></b>

## 6. OTHER RECEIVABLES

	<u>9/30/2015</u>	<u>12/31/2014</u>
• <u>Current</u>		
Prepaid expenses	13,816	9,283
Receivable from sale of subsidiary company	5,000	10,300
Receivable from sale of property, plant and equipment, and others	428	413
Advances to services suppliers	5,859	4,618
Recovery of decrees N° 7290/67 and 9038/78		3,992
Insurance receivable	1,547	1,542
Guarantee deposits (Note 18c)	269	165
Receivables from customers in receivership and in bankruptcy	225	225
Other (Note 18c)	9,673	9,846
<b>Subtotal</b>	<b>36,817</b>	<b>40,384</b>
Allowance for doubtful accounts	(859)	(858)
<b>Total</b>	<b>35,958</b>	<b>39,526</b>
• <u>Non-current</u>		
Receivable from sale of subsidiary company	33,528	30,882
Régime for the professionalization of transport (1)	17,567	17,567
Receivables from customers in receivership and in bankruptcy	15,795	16,530
Receivable from sale of property, plant and equipment	6,448	5,845
Guarantee deposits (Note 18c)	115	338
Other	70	119
<b>Subtotal</b>	<b>73,523</b>	<b>71,281</b>
Allowance for doubtful accounts	(13,939)	(15,264)
<b>Total</b>	<b>59,584</b>	<b>56,017</b>

(1) In litigation.

## 7. INVENTORIES

	<u>9/30/2015</u>	<u>12/31/2014</u>
Resale goods	47,122	43,327
Finished goods	435,760	620,474
Work in progress	300,644	244,700
Raw materials, packaging and other materials	321,970	365,276
Goods in transit	24,855	23,968
<b>Subtotal</b>	<b>1,130,351</b>	<b>1,297,745</b>
Advances to suppliers	5,512	15,071
<b>Total</b>	<b>1,135,863</b>	<b>1,312,816</b>



## 8. PROPERTY, PLANT AND EQUIPMENT, AND OTHERS

	Cost or revalued cost					9/30/2015							Net value at the end of the period
	Value at the beginning of the year	Foreign currency exchange differences	Acquisitions	Transfers	Retirement and disposal	Value at the end of the period	Accumulated depreciation at the beginning of the year	Foreign currency exchange differences	Retirement and disposal	Depreciation		Accumulated depreciation at the end of the period	
										Rate	Of the period		
Land and buildings (1)	1,867,007	(7,145)	951	14,286		1,875,099	31,246	(3,881)		2 to 6	40,005	67,370	1,807,729
Machinery and equipment (1)	1,186,844	(3,385)	9,925	9,463	24	1,202,823	153,715	(2,438)	8	3 to 25	117,629	268,898	933,925
Facilities and laboratory equipment (1)	749,559	(1,540)	2,603	11,793	461	761,954	140,763	(1,172)	147	2 to 33	51,963	191,407	570,547
Furniture	53,029		1,462	67	530	54,028	44,900		520	25	2,822	47,202	6,826
Vehicles (2)	157,837	(274)	1,184	170	3,976	154,941	106,764	(186)	2,232	10 to 20	5,839	110,185	44,756
Work in progress	203,105		49,821	(33,279)		219,647							219,647
Advances to suppliers	3,156		8,663	(2,500)	175	9,144							9,144
<b>Subtotal</b>	<b>4,220,537</b>	<b>(12,344)</b>	<b>74,609</b>	<b>-</b>	<b>5,166</b>	<b>4,277,636</b>	<b>477,388</b>	<b>(7,677)</b>	<b>2,907</b>		<b>218,258</b>	<b>685,062</b>	<b>3,592,574</b>
<b>Other:</b>													
Trays	157,261		50,734			207,995	78,658			33	38,811	117,469	90,526
<b>Carrying amount as of September 30, 2015</b>	<b>4,377,798</b>	<b>(12,344)</b>	<b>125,343</b>	<b>-</b>	<b>5,166</b>	<b>4,485,631</b>	<b>556,046</b>	<b>(7,677)</b>	<b>2,907</b>		<b>257,069</b>	<b>802,531</b>	<b>3,683,100</b>

(1) Had assets revalued been measured at deemed cost, the carrying amount would have been as follows:

Land and buildings	752,550
Machinery and equipment	251,247
Facilities and laboratory equipments	185,039

(2) Includes vehicles operated by freighters of Con-Ser S.A. and Logística la Serenísima S.A. with a net value of 23,368 as of September 30, 2015.

12/31/2014

	Cost or revalued cost								Depreciation								Net value at the end of the year
	Value at the beginning of the year	Foreign currency exchange differences	Acquisitions	Transfers	Derecognised on disposal of a subsidiary	Retirement and disposal	Revaluation increase	Value at the end of the year	Accumulated depreciation at the beginning of the year	Foreign currency exchange differences	Eliminated on disposal of a subsidiary	Retirement and disposal	Depreciation		Eliminated on revaluation	Accumulated depreciation at the end of the year	
													Rate %	Of the year			
Land and buildings (1)	908,309	3,266	2,708	21,060	7,741	100	939,505	1,867,007	136,969	1,716	2,382		2 to 5	28,942	133,999	31,246	1,835,761
Olive plantations	50,166				50,166				15,465		15,465		2				
Machinery and equipment (1)	1,049,917	1,665	10,589	41,320	17,821	9,667	110,841	1,186,844	801,487	1,119	15,281	3,929	5 to 10	33,001	662,682	153,715	1,033,129
Facilities and laboratory equipment (1)	733,129	632	10,308	16,467	10,717	3,465	3,205	749,559	534,241	524	8,633	2,437	5 to 33	28,413	411,345	140,763	608,796
Furniture	50,371		3,174	127		643		53,029	40,972			634	25	4,562		44,900	8,129
Vehicles (2)	150,660	171	11,836		1,589	3,241		157,837	102,760	73	1,552	2,210	10 to 20	7,693		106,764	51,073
Work in progress	182,577		87,246	(64,878)	1,840			203,105									203,105
Advances to suppliers	4,315		13,436	(14,096)	499			3,156									3,156
<b>Subtotal</b>	<b>3,129,444</b>	<b>5,734</b>	<b>139,297</b>	<b>-</b>	<b>90,373</b>	<b>17,116</b>	<b>1,053,551</b>	<b>4,220,537</b>	<b>1,631,894</b>	<b>3,432</b>	<b>43,313</b>	<b>9,210</b>		<b>102,611</b>	<b>1,208,026</b>	<b>477,388</b>	<b>3,743,149</b>
<b>Other:</b>																	
Trays	94,578		62,683					157,261	37,089				33	41,569		78,658	78,603
<b>Carrying amount as of December 31, 2014</b>	<b>3,224,022</b>	<b>5,734</b>	<b>201,980</b>	<b>-</b>	<b>90,373</b>	<b>17,116</b>	<b>1,053,551</b>	<b>4,377,798</b>	<b>1,668,983</b>	<b>3,432</b>	<b>43,313</b>	<b>9,210</b>		<b>144,180</b>	<b>1,208,026</b>	<b>556,046</b>	<b>3,821,752</b>

(1) Had assets revalued been measured at deemed cost, the carrying amount would have been as follows:

Land and buildings	762,257
Machinery and equipment	259,606
Facilities and laboratory equipments	194,246

(2) Includes vehicles operated by freighters of Con-Ser S.A. and Logística la Serenísima S.A. with a net value of 26,072 as of December 31, 2014.

## 9. TRADE PAYABLE - CURRENT

	<u>9/30/2015</u>	<u>12/31/2014</u>
Trade payables	833,718	835,123
Related parties (Note 19)	243,454	204,255
Note payables	251,985	232,646
Foreign suppliers	14,415	9,447
<b>Total</b>	<b><u>1,343,572</u></b>	<b><u>1,281,471</u></b>

## 10. BORROWINGS

	<u>9/30/2015</u>	<u>12/31/2014</u>
<u>Short-term debt</u>		
<b>Principal:</b>		
Financial debt:		
Unsecured debt	37,521	42,431
Secured debt	263,199	385,697
Secured debt – related parties (Note 19)	35,600	41,200
<b>Total financial debt</b>	<b><u>336,320</u></b>	<b><u>469,328</u></b>
<b>Accrued interest:</b>		
Unsecured and secured debt	66,081	1,617
<b>Total accrued interest</b>	<b><u>66,081</u></b>	<b><u>1,617</u></b>
<b>Total</b>	<b><u>402,401</u></b>	<b><u>470,945</u></b>
 <u>Long-term debt</u>		
<b>Principal:</b>		
Senior Notes - Series F - due 2021 (net of issue costs and adjustment to amortized cost for 70,264 and 72,910 as of 9/30/2015 and 12/31/2014, respectively)	1,811,248	1,634,669
<b>Total – Senior Notes</b>	<b><u>1,811,248</u></b>	<b><u>1,634,669</u></b>
Other financial debt:		
Unsecured debt	2,435	8,919
Secured debt	6,051	11,973
<b>Total – Other financial debt</b>	<b><u>8,486</u></b>	<b><u>20,892</u></b>
<b>Total principal</b>	<b><u>1,819,734</u></b>	<b><u>1,655,561</u></b>

## **Main loans agreements**

### **10.1. Senior Notes – Series F – due 2021**

On July 3, 2014, the Company issued its Series F Senior Notes, under the Senior Notes Issuance Program for an amount up to U\$S 400,000,000 approved by the National Securities Commission on May 9, 2014.

The main characteristics of the new Senior Notes are as follows:

Amount:	U\$S 199,693,422
Issuing price:	100%
Maturity:	July 3, 2021
Payment:	Principal: 100% at maturity; interests: semi-annually on arrears
Annual interest rate:	12.625%
Use of proceeds (net amount of U\$S 113,733,744):	<ul style="list-style-type: none"><li>• Repurchase of existing debt detailed in Note 10.2</li><li>• Expenses related to the transaction (including taxes)</li><li>• Payment of other short term debt</li><li>• Working capital</li><li>• Capital expenditures in Argentina</li></ul>

The issuance conditions of these Senior Notes contain certain covenants, including, among others, reporting requirements, and imposed certain limitations affecting the Company's ability and the restricted subsidiaries' ability to: borrow money, pay dividends, redeem capital stock or redeem subordinated debt, make investments, sell capital stock of subsidiaries, guarantee other indebtedness, enter into agreements that restrict dividends or other distributions from restricted subsidiaries, enter into transactions with affiliates, create or assume certain liens, engage in mergers or consolidations, and enter into a sale of all or substantially all of the Company's assets.

Subsidiaries Con-Ser S.A., Leitesol Industria e Comercio Ltda, and Mastellone San Luis S.A. are jointly and severally liable for the Series F Senior Notes.

### **10.2 Payment of financial debt**

On June 4, 2014, the Company launched an offer (subject to obtaining the required financing resources) to all holders of Senior Notes issued by the Company (Series A, B, C and D) and to the holders of the floating rate loan debt final due 2015 and fixed rate loan debt final due 2018 ("the existing debt"), to repurchase such debt for the equivalent of its 100% principal amount plus accrued and unpaid interest or, in the case of holders of Senior Notes Series A and C, to exchange at par for new Senior Notes to be issued by the Company, also informing the Company's intention to exercise the call option included in those debt agreements for the part of such debt which did not accept the exchange or repurchase. Total Debt under the refinancing process was – in thousands - U\$S 160,795.

Having obtained under the issuance of the above mentioned Series F Senior Notes, the financing resources required to execute the payment of the financial debt subject to offer, such offer was executed. Accordingly, the existing debt was totally paid through (i) an exchanged with the new Series F Senior Notes by thousands of U\$S 85,960, (ii) thousands of U\$S 53,289 were paid in cash to the holders who accepted the offer and (iii) thousands of U\$S 21,546 were cancelled exercising the above mentioned call option.

As of September 30, 2014, the Company has recorded a loss of 29,602 as a result of the debt refinancing, amount which is included in the statement of profit or loss and other comprehensive income.

## 11. ACCRUED SALARIES, WAGES AND PAYROLL TAXES

	<u>9/30/2015</u>	<u>12/31/2014</u>
Payroll and bonus to management	297,428	241,209
Social security taxes	118,541	107,213
<b>Total</b>	<b><u>415,969</u></b>	<b><u>348,422</u></b>

## 12. DEFERRED TAX

### Deferred tax assets:

	<u>9/30/2015</u>	<u>12/31/2014</u>
Temporary differences:		
Provisions and other non-deductible accrued expenses	8,852	6,254
Inventories	1,014	285
Property, plant and equipment, and others	(8,337)	4
Tax loss carry-forwards	7,362	
Alternative minimum income tax	4,136	25
<b>Total</b>	<b><u>13,027</u></b>	<b><u>6,568</u></b>

### Deferred tax liabilities:

	<u>9/30/2015</u>	<u>12/31/2014</u>
Temporary differences:		
Provisions and other non-deductible accrued expenses	26,902	34,746
Inventories	55,165	63,658
Intangible assets	1,022	910
Other assets	(185)	(187)
Property, plant and equipment, and others	(1,019,587)	(1,091,764)
Borrowings	(24,967)	(25,883)
Tax loss carry-forwards	274,515	174,087
Alternative minimum income tax	107,355	85,736
<b>Total</b>	<b><u>(579,780)</u></b>	<b><u>(758,697)</u></b>

The unused tax loss carry-forwards filed with tax authorities by Mastellone Hermanos S.A. and its subsidiaries recognized as of September 30, 2015 are as follows:

<u>Year of generation</u>	<u>Tax loss amount</u>	<u>Applicable tax rate</u>	<u>Credit due to tax loss carry-forward</u>	<u>Expiration – date for submission of tax returns fiscal years</u>
2013	22,553	35%	7,894	2018
2014	510,834	35%	178,792	2019
Tax loss carry-forwards of the period			95,191	(1)
			<b><u>281,877</u></b>	

(1) It corresponds to the tax income estimated for the nine-month period ended September 30, 2015.

The movement of temporary differences between book carrying amounts and tax basis of assets and liabilities and tax loss carry-forwards is as follows:

	Balance at the beginning of the year	Decrease of discontinued operations	Reduction of tax loss carry-forwards	Charge to loss for the period or year (Note 17 in 2015)	Charge to Other comprehensive income	Balance at the end of the period or year
Temporary differences between book carrying amounts and tax basis of assets and liabilities	(1,011,977)			51,856		(960,121)
Tax loss carry-forwards	174,087		(189)	107,979		281,877
<b>Total as of September 30, 2015</b>	<b>(837,890)</b>	<b>-</b>	<b>(189)</b>	<b>159,835</b>	<b>-</b>	<b>(678,244)</b>
Temporary differences between book carrying amounts and tax basis of assets and liabilities	(262,522)	9,988		32,109	(791,552)	(1,011,977)
Tax loss carry-forwards	43,483	(3,060)	(2,106)	136,833	(1,063)	174,087
<b>Total as of December 31, 2014</b>	<b>(219,039)</b>	<b>6,928</b>	<b>(2,106)</b>	<b>168,942</b>	<b>(792,615)</b>	<b>(837,890)</b>

### 13. REVENUE

	9/30/2015 Nine-months	9/30/2014 Nine-months	9/30/2015 Three-months	9/30/2014 Three-months
Product sales	11,531,785	9,793,642	4,004,583	3,451,746
Services provided	273,971	250,118	99,000	82,964
Turnover tax	(310,296)	(277,623)	(112,071)	(100,146)
Sales discounts and volume rebates	(895,527)	(607,184)	(340,029)	(220,559)
Sales returns	(177,277)	(149,498)	(60,420)	(42,248)
<b>Total</b>	<b>10,422,656</b>	<b>9,009,455</b>	<b>3,591,063</b>	<b>3,171,757</b>

### 14. COST OF SALES

	9/30/2015 Nine-months	9/30/2014 Nine-months	9/30/2015 Three-months	9/30/2014 Three-months
<u>Cost of goods sold</u>				
Inventories at the beginning of the year	1,297,745	959,488	1,076,952	1,029,554
Decrease due to discontinued operations		(11,158)		
Purchases	4,694,571	4,781,118	1,621,302	1,722,730
Production expenses (Note 15)	2,284,093	1,688,612	829,791	612,324
Re-measurement of foreign subsidiaries inventories	(29,868)	30,739	(19,741)	(12,089)
Benefits from industrial promotion	(111,732)	(32,966)	(91,560)	(4,722)
Write-off of inventories	190,480		80,851	
Inventories at the end of the period	(1,130,351)	(1,156,445)	(1,130,351)	(1,156,445)
<b>Subtotal - cost of goods sold</b>	<b>7,194,938</b>	<b>6,259,388</b>	<b>2,367,244</b>	<b>2,191,352</b>
<u>Cost of services rendered</u>				
Purchases	21,278	21,089	7,659	7,884
Production expenses (Note 15)	120,348	98,822	44,831	33,235
<b>Subtotal - cost of services rendered</b>	<b>141,626</b>	<b>119,911</b>	<b>52,490</b>	<b>41,119</b>
<b>Total cost of sales</b>	<b>7,336,564</b>	<b>6,379,299</b>	<b>2,419,734</b>	<b>2,232,471</b>

**15. INFORMATION REQUIRED BY ART, 64 SUBSECTION B OF ARGENTINA  
CORPORATE LAW N° 19.550 – BREAKDOWN OF EXPENSES BY NATURE**

	<b>9/30/2015 (nine-months)</b>				Total
	Production expenses	Cost of services	Selling expenses	General and administrative expenses	
Remuneration to members of the Board of Directors and members of the statutory Audit Committee				35,097	35,097
Fees and compensation for services	252,702	263	534,395	42,935	830,295
Payroll, bonus and social security charges	1,042,350	70,638	392,335	213,586	1,718,909
Depreciation of property, plant and equipment, and others	227,018	9,793	15,504	4,754	257,069
Amortization of intangible assets	9,632				9,632
Provision for bad debts			8,849		8,849
Freights	404,564		1,291,540		1,696,104
Maintenance and repair	52,158	4,770	8,215	346	65,489
Office and communication	1,203	188	516	1,738	3,645
Fuel, gas and energy	128,125	21,061	10,951	29	160,166
Vehicles expenses	15,409		12,026	1,526	28,961
Publicity and advertising			277,044		277,044
Taxes, rates and contributions	41,082	1,067	2,457	95,742	140,348
Insurance	43,523	259	14,481	3,575	61,838
Travelling	1,404		2,156	433	3,993
Export and import			19,975	295	20,270
Miscellaneous	64,923	12,309	7,575	10,150	94,957
<b>Total</b>	<b>2,284,093</b>	<b>120,348</b>	<b>2,598,019</b>	<b>410,206</b>	<b>5,412,666</b>

	<b>9/30/2014 (nine-months)</b>				Total
	Production expenses	Cost of services	Selling expenses	General and administrative expenses	
Remuneration to members of the Board of Directors and members of the statutory Audit Committee				21,827	21,827
Fees and compensation for services	181,554	193	388,569	35,711	606,027
Payroll, bonus and social security charges	755,649	59,014	271,440	170,874	1,256,977
Depreciation of property, plant and equipment, and others	91,911	4,214	7,083	3,591	106,799
Amortization of intangible assets	26,469				26,469
Provision for bad debts			4,779		4,779
Freights	360,822		1,044,913		1,405,735
Maintenance and repair	52,445	2,672	8,959	449	64,525
Office and communication	1,017	110	408	1,664	3,199
Fuel, gas and energy	114,726	14,854	8,460	43	138,083
Vehicles expenses	13,150		7,397	1,147	21,694
Publicity and advertising			222,752		222,752
Taxes, rates and contributions	41,876	4,609	2,206	86,884	135,575
Insurance	25,988	292	8,441	2,234	36,955
Travelling	873		2,028	381	3,282
Export and import			16,565	256	16,821
Miscellaneous	22,132	12,864	5,125	10,161	50,282
<b>Total</b>	<b>1,688,612</b>	<b>98,822</b>	<b>1,999,125</b>	<b>335,222</b>	<b>4,121,781</b>

	<b>9/30/2015 (three-months)</b>				
	Production expenses	Cost of services	Selling expenses	General and administrative expenses	Total
Remuneration to members of the Board of Directors and members of the statutory Audit Committee				10,586	10,586
Fees and compensation for services	95,243	140	184,132	12,175	291,690
Payroll, bonus and social security charges	391,276	25,421	147,076	88,499	652,272
Depreciation of property, plant and equipment, and others	76,303	3,826	5,280	1,727	87,136
Amortization of intangible assets	1,899				1,899
Provision for bad debts			3,003		3,003
Freights	143,523		466,459		609,982
Maintenance and repair	17,547	3,384	2,718	139	23,788
Office and communication	387	31	207	545	1,170
Fuel, gas and energy	49,790	7,131	3,546	6	60,473
Vehicles expenses	5,360		4,564	595	10,519
Publicity and advertising			103,400		103,400
Taxes, rates and contributions	12,371	253	876	32,927	46,427
Insurance	19,830	124	6,899	1,679	28,532
Travelling	631		744	178	1,553
Export and import			4,209	82	4,291
Miscellaneous	15,631	4,521	2,146	3,555	25,853
<b>Total</b>	<b>829,791</b>	<b>44,831</b>	<b>935,259</b>	<b>152,693</b>	<b>1,962,574</b>

	<b>9/30/2014 (three-months)</b>				
	Production expenses	Cost of services	Selling expenses	General and administrative expenses	Total
Remuneration to members of the Board of Directors and members of the statutory Audit Committee				5,679	5,679
Fees and compensation for services	60,563	60	132,535	11,088	204,246
Payroll, bonus and social security charges	268,345	19,403	96,037	72,721	456,506
Depreciation of property, plant and equipment, and others	34,138	1,461	2,286	1,207	39,092
Amortization of intangible assets	7,102				7,102
Provision for bad debts			547		547
Freights	131,447		382,224		513,671
Maintenance and repair	18,984	890	3,074	151	23,099
Office and communication	311	41	133	689	1,174
Fuel, gas and energy	44,259	5,586	3,069	9	52,923
Vehicles expenses	5,328		2,525	407	8,260
Publicity and advertising			79,226		79,226
Taxes, rates and contributions	17,193	212	713	31,487	49,605
Insurance	9,835	100	3,143	829	13,907
Travelling	272		705	131	1,108
Export and import			5,241	91	5,332
Miscellaneous	14,547	5,482	2,142	3,390	25,561
<b>Total</b>	<b>612,324</b>	<b>33,235</b>	<b>713,600</b>	<b>127,879</b>	<b>1,487,038</b>



## 16. FINANCE COST

	<u>9/30/2015</u> <u>Nine-months</u>	<u>9/30/2014</u> <u>Nine-months</u>	<u>9/30/2015</u> <u>Three-months</u>	<u>9/30/2014</u> <u>Three-months</u>
Senior Notes and long-term loans interest	173,672	122,678	59,558	45,346
Other loans interest	101,259	59,983	32,941	23,508
Other interests	3,586	5,529	343	2,107
<b>Total</b>	<b><u>278,517</u></b>	<b><u>188,190</u></b>	<b><u>92,842</u></b>	<b><u>70,961</u></b>

## 17. INCOME TAX AND ALTERNATIVE MINIMUM INCOME TAX

	<u>9/30/2015</u> <u>Nine-months</u>	<u>9/30/2014</u> <u>Nine-months</u>	<u>9/30/2015</u> <u>Three-months</u>	<u>9/30/2014</u> <u>Three-months</u>
Current income tax	(250)	(19,841)	(189)	(4,918)
Tax loss carry-forwards for the period	107,979	107,960	21,174	8,714
Net change in temporary differences	51,856	19,284	13,209	5,370
Alternative minimum income tax	(6,453)	(50,613)	(3,657)	(31,404)
<b>Total – gain (loss)</b>	<b><u>153,132</u></b>	<b><u>56,790</u></b>	<b><u>30,537</u></b>	<b><u>(22,238)</u></b>

The reconciliation of income tax expense to the amount derived by applying the applicable statutory income tax rate to result before income tax and alternative minimum income tax for the period is as follows:

	<u>9/30/2015</u> <u>Nine-months</u>	<u>9/30/2014</u> <u>Nine-months</u>	<u>9/30/2015</u> <u>Three-months</u>	<u>9/30/2014</u> <u>Three-months</u>
Net loss before income tax and alternative minimum income tax	(390,771)	(346,610)	(86,408)	(86,571)
Statutory income tax rate	35%	35%	35%	35%
Income tax at statutory income tax rate	136,770	121,314	30,243	30,300
Permanent differences	16,362	(64,524)	294	(52,538)
<b>Total – gain (loss)</b>	<b><u>153,132</u></b>	<b><u>56,790</u></b>	<b><u>30,537</u></b>	<b><u>(22,238)</u></b>

## 18. PLEDGED AND RESTRICTED ASSETS

- a) Certain assets owned by the Company are pledged as collateral for bank and financial debt, tax debt (tax régime for promoted activities) and other liabilities for a total amount of 66,136 as of September 30, 2015 (139,684 as of December 31, 2014). Detail of pledged assets is as follows:

	<u>9/30/2015</u>	<u>12/31/2014</u>
Trade accounts receivable	35,600	41,200
Property, plant and equipment, and others	2,767	3,162
Equity value of holding in subsidiary Compañía Puntana de Carnes Elaboradas S.A. <sup>(1)</sup>	2,430	3,172

(1) As of September 30, 2015, the holding corresponds to Mastellone San Luis S.A. after the merger with Compañía Puntana de Carnes Elaboradas S.A.

- b) The Company also has pre-export credit lines in order to finance exports, which have as collateral, according to each case, a trust set up over the collections obtained from sales to the domestic retail market, inventories (of the parent Company and its subsidiary company Mastellone San Luis S.A.) and the assignment of purchase orders of the subsidiary company Leitesol I.C.S.A. As of September 30, 2015, inventories were collateralized for an amount of 131,295 (195,623 as of December 31, 2014). The outstanding balance of the debt amounts to 234,135 as of September 30, 2015 (281,940 as of December 31, 2014).
- c) Additionally, as of September 30, 2015 there were other receivables – guarantee deposits (current and non-current) for an amount of 384 (503 as of December 31, 2014) in guarantee of financial and commercial transactions and restricted assets disclosed in caption “other receivables – other” (current) for 1,328 as of September 30, 2015 (1,328 as of December 31, 2014).
- d) There were financial assets – investment funds by 14,140 of restricted availability as of September 30, 2015 (8,872 as of December 31, 2014), to secure transactions to purchase foreign currency forwards.
- e) The subsidiary company Con-Ser S.A. held certain properties encumbered with privilege of first grade for a net value of 5,435 and 5,599 as of September 30, 2015 and December 31, 2014, respectively, in guarantee of the business relationship with YPF S.A. and Oil Combustibles S.A., for an indefinite period while the commercial relationship between the parties is maintained, The guarantee amounts to US\$ 3,262 thousand.
- f) See also commitments for the financial debt described in Note 10.

## 19. RELATED PARTIES OUTSTANDING BALANCES

Company	Trade account receivables (current)		Trade payable (current)	
	9/30/2015	12/31/2014	9/30/2015	12/31/2014
Afianzar S.G.R.	2	3	4	9
Frigorífico Nueva Generación S.A.	568	364		
Logística La Serenísima S.A.	91,799	88,350	243,450	204,246
Los Toldos S.A.	421	471		
<b>TOTAL</b>	<b>92,790</b>	<b>89,188</b>	<b>243,454</b>	<b>204,255</b>

Company	Borrowings (current)		Advances from customers (current)
	9/30/2015	12/31/2014	9/30/2015
Fideicomiso Formu	35,600	41,200	
Logística La Serenísima S.A.			6
<b>TOTAL</b>	<b>35,600</b>	<b>41,200</b>	<b>6</b>

## 20. RELATED PARTIES OPERATIONS

Transactions with related parties for nine-month periods ended September 30, 2015 and 2014 were as follows:

	<u>9/30/2015</u>	<u>9/30/2014</u>
<u>Revenues</u>		
Afianzar S.G.R.	6	5
Antonio Mastellone		8
Fideicomiso Formu	1,197	823
Frigorífico Nueva Generación S.A.	204	220
José Mastellone		23
Logística La Serenísima S.A.	28,734	24,668
Los Toldos S.A.	290	370
<u>Purchase of goods and services</u>		
Logística La Serenísima S.A.	727,389	527,822
Los Toldos S.A.	3,096	3,571
<u>Investment income</u>		
Logística La Serenísima S.A.	3,054	2,615
Los Toldos S.A.		77
<u>Finance cost</u>		
Fideicomiso Formu	14,831	9,649
<u>Other gain and losses</u>		
Logística La Serenisima S.A.	1,403	307

During the nine-month periods ended September 30, 2015 and 2014, the Company paid a total of 66,994 and 39,378, respectively, in concept of remuneration and fees to members of the Board of Directors and executive officers. The Company does not provide its Directors or executive officers with any type of pension, retirement or similar benefits.

## 21. SEGMENT INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reports regarding components of the Company that are regularly reviewed by the Board of Directors in order to allocate resources to the segments and to assess their performance.

The accounting policies used for the preparation of the information for the segments that are reported are the same that the Company's accounting policies described in Note 2.

The Company's reportable segments under IFRS 8 are as follows:

- **Dairy products:** Includes the sales of products manufactured with the raw milk purchased by the Company directly to dairy farmers located in Argentina and, to a lower extent, to other dairy companies. Such sales are made in the Argentine domestic market (mainly retailers and public agencies), in the Brazilian domestic market (retailers) and the international markets (exports to third parties).
- **Other:** Includes principally services related to the transportation of raw milk and other associated to the coordination of such transport (purchases and sales of trucks, spare parts, etc.).

Information	9/30/2015		
	Dairy	Other	Total
Revenue from external customers	9,978,992	443,664	10,422,656
Intersegment revenue	1,693	204,322	206,015
Net (loss) income for the period	(237,811)	172	(237,639)
Assets allocated to the business lines	6,144,113	156,847	6,300,960
Liabilities allocated to the business lines	4,783,175	103,393	4,886,568
Additions to property, plant and equipment, and others	124,570	773	125,343
Depreciation of property, plant and equipment, and others	252,912	4,157	257,069
Amortization of intangible assets	9,632		9,632
Depreciation of investment property	256		256
Net domestic revenue	9,191,750	443,664	9,635,414

Information	9/30/2014		
	Dairy	Other	Total
Revenue from external customers	8,597,919	411,536	9,009,455
Intersegment revenue	1,068	334,934	336,002
Net (loss) income for the period	(293,903)	4,083	(289,820)
Assets allocated to the business lines	3,935,874	169,128	4,105,002
Liabilities allocated to the business lines	3,698,912	119,166	3,818,078
Additions to property, plant and equipment, and others	146,817	3,022	149,839
Depreciation of property, plant and equipment, and others	102,525	4,274	106,799
Amortization of intangible assets	26,469		26,469
Depreciation of investment property	127		127
Net domestic revenue	7,593,614	411,536	8,005,150

Additionally, the Board of Directors reviews the information based on the following geographical segments:

Period	Revenue			Total
	Domestic market	Exports		
		Brazil and Paraguay	Other countries	
9/30/2015	9,635,414	477,638	309,604	10,422,656
9/30/2014	8,005,150	292,520	711,785	9,009,455

## 22. KEEPING OF SUPPORTING DOCUMENTATION OF THE COMPANY'S TRANSACTIONS

In compliance with General Resolution N° 629 issued by the CNV, we hereby report that the Company's corporate books (namely, the Book of Minutes of Shareholders' Meetings, the Book of Minutes of Board of Directors' Meetings, the Share Deposit Book, the Book of Attendance to Shareholders' Meetings and the Book of Minutes of the Statutory Auditing Committee) and statutory accounting books (namely, the Journal, the Inventory and Financial Statements Book and the Subsidiary Journals) that are currently in use are kept at the Company's legal address located at Juana Manso Street N° 555, 3<sup>rd</sup> Floor, Suite "A", City of Buenos Aires, whereas the complete corporate and statutory accounting books are kept at the Company's main administrative offices located at Almirante Brown Street N° 957, General Rodriguez, Province of Buenos Aires.

We further report that the supporting documentation of the Company's transactions are kept both at its main administrative offices and at the warehouses of the Company's and its subsidiaries' production facilities, whereas the older documentation is kept at a property owned by the subsidiary Con-Ser S.A., located at Acceso Oeste, Km, 56,5, General Rodriguez, Province of Buenos Aires.

### **23. SALE OF SUBDIDIARY COMPANY PROMAS S.A.**

On October 1, 2014, the Company entered into a share purchase agreement with Forcam S.A., whereby the Company sold its wholly owned equity interest in the subsidiary Promas S.A. for a total amount of 60,760, to be paid as follows: 10,780 upon the execution of the agreement; 10,780, on November 1, 2014 free from any interest or adjustment whatsoever; and 39,200, accruing compensatory interest at a 12% annual rate as from the agreement execution date, payable in 4 annual installments of 9,800 each. The first installment is due on October 1, 2015 and the following installments are due on the same date the following years, with the fourth installment being payable on October 1, 2018, Furthermore, as guarantee of payment of the price, Forcam S.A. granted a security interest over the shares in favor of the Company.

The results of Promas S.A. for the nine-month period ended as of September 30 2014 have been included in the loss for the period from discontinued operations.

### **24. SUBSEQUENT EVENTS – CHANGE OF LEGAL ADDRESS**

The Extraordinary Shareholders' Meeting held on November 4, 2015, approved the change of legal address of the Company to the jurisdiction of the Province of Buenos Aires, setting headquarter at Almirante Brown No. 957, General Rodriguez. As a result of such change, the second article of the bylaws was amended. Currently, the Company is carrying out the procedures before both City of Buenos Aires and Province of Buenos Aires' regulatory agencies for corporations and the Argentine Securities Commission to obtain the approval of such change. The Board of Directors of the Company has established a period of 30 days to make effective the change approved and to start operating in the new headquarter, since the relocation of the headquarter office implies administrative and organizational changes of certain significance, in addition to the abovementioned procedures.

### **25. APPROVAL OF THESE FINANCIAL STATEMENTS**

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized to be issued on November 9, 2015.

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
**Mastellone Hermanos Sociedad Anónima**  
Juana Manso N° 555 – 3rd Floor – Suite “A”  
City of Buenos Aires

### **Report on the condensed interim consolidated financial statements**

#### **1. Identification of the condensed interim consolidated financial statements subject to review**

We have reviewed the accompanying condensed interim consolidated financial statements of Mastellone Hermanos Sociedad Anónima (hereinafter “Mastellone Hermanos Sociedad Anónima” or the “Company”) and its subsidiaries (detailed in Note 2.5 to the condensed interim consolidated financial statements), which comprise the condensed consolidated statement of financial position as of September 30, 2015, the condensed interim consolidated statement of profit or loss and other comprehensive income, the condensed interim consolidated statement of changes in equity, and the condensed interim consolidated statement of cash flows for the nine-month period then ended, and other selected explanatory information presented in Notes 1 to 25.

Amounts and other disclosures for the fiscal year ended December 31, 2014 and for the nine-month period ended September 30, 2014, are included as an integral part of the current period condensed interim financial statements, and are intended to be read only in relation to the amounts and other disclosures relating to the current interim period.

#### **2. Board of Directors' responsibility for the condensed interim consolidated financial statements**

The Company's Board of Directors is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements of the Company in accordance with International Financial Reporting Standards adopted by the Argentine Federation of Professional Councils in Economic Sciences as accounting standards, as they were approved by the International Accounting Standard Board (IASB), and incorporated by the National Securities Commission to its regulations, and, therefore is responsible for the preparation and presentation of the attached condensed interim consolidated financial statements, in accordance with International Accounting Standard N° 34, “Interim Financial Reporting” (IAS 34). In addition, the Company's Board of Directors is responsible for the internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement.

### **3. Auditors' responsibility**

Our responsibility is to issue a conclusion on the accompanying condensed interim consolidated financial statements based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE), adopted by the Argentine Federation of Professional Councils in Economic Sciences through its Technical Resolution N° 33, as they were approved by the International Auditing Accounting Standard Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **4. Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of Mastellone Hermanos Sociedad Anónima for the nine-month period ended September 30, 2015, are not presented, in all material respects, in accordance with IAS 34.

### **Review of the Informative Summary**

As part of our work, the scope of which is described in the section 3 of this report, we have reviewed the Informative Summary required by National Securities Commission regulations and prepared by the Company's Board of Directors. We have no observations to report on this document in matters within our professional incumbency.

### **English translation of the condensed interim consolidated financial statements**

This report and the accompanying condensed interim consolidated financial statements referred to in section 1 above have been translated into English for the convenience of English-speaking readers. As further explained in Note 2.1 to the accompanying condensed interim consolidated financial statements, the financial statements are the English translation of those originally prepared by the Company in Spanish and presented in accordance with IAS 34. The effects of the differences between International Financial Reporting Standards and the accounting principles generally accepted in the countries in which these financial statements are to be used have not been quantified. Accordingly, the accompanying condensed interim consolidated financial statements are not intended to present the financial position, profit or loss and other comprehensive income, changes in equity and cash flows in accordance with accounting principles generally accepted in the countries of users of the financial statements that have not adopted the International Financial Reporting Standards.

City of Buenos Aires, November 9, 2015

**Deloitte S.C.**

**Gustavo A. Nachon**  
**(Partner)**