

erreycorp

**P
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**S
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**PASSION
FOR OUR
CUSTOMERS**

**V
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N**

**VISION
FOR
DEVELOPMENT**

**2017
ANNUAL REPORT**



We aim to create the highest value for our customers, both in Peru and abroad. We seek to be always alongside them, offering them unique capacities to meet their needs, and providing them with more and more solutions. With our products and solutions, we serve the economic sectors that drive progress in the countries where we operate. This positive impact transcends the corporation, bringing about its sustainability.

DECLARATION OF RESPONSIBILITY

The present document contains truthful and complete information regarding the business development of Ferreycorp S.A.A. during the year 2017.

Without preconception of the responsibility held by the issuer, the signatories take responsibility for its content in accord with applicable legal mandates.

»»»»



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Corporate
Sustainability
Report

CATERPILLAR

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1 LETTER FROM THE PRESIDENT

The year 2017 was particularly important for the corporation, marking the 95th anniversary of its foundation. Few companies can boast such a continued presence in the business world, demonstrating once again Ferreycorp's growth and vitality.

We were born as a company open to the world. Over time we grew from a representation house to a grand corporation that provides capital goods solutions in Peru and Central America, as well as in other countries. At the closing of 2017, we had sales levels above USD 1,480 million generated by the daily efforts of more than 6,000 employees, who have inherited the drive and dedication of multiple generations of workers; we also extend our thanks to our customers and shareholders for the trust they place in us.

In 2017, we also celebrated 75 years of our relationship with our main represented brand, Caterpillar. Our relationship with Caterpillar has been and continues to be decisive for our corporation and it has enabled us to repeat healthy commercial practices and, above all, to further develop our concept of customer service. Today, Caterpillar is a worldwide reference in generating productivity for its customers with connectivity and digitalization.

“ THE NET ACCUMULATED GAINS AS OF DECEMBER 31, 2017 REACHED PEN 267 MILLION, EQUIVALENT TO AN INCREASE OF 16% WITH RESPECT TO 2016 ”

The President and CEO of Caterpillar, Jim Umpleby, wanted to accompany us in this double celebration, offering us his honorable praise and highlighting our solid relationship as one of his company's most important distributors.

This opportunity allowed the corporation to reaffirm its strategy to reveal a wide business portfolio that offers high-quality capital goods, consumables and services through specialized subsidiaries, all contributing to the productivity and efficiency of the main economic players.



Within this strategy, the provision of Caterpillar products and related services by Ferreycorp's subsidiary companies in Peru and Central America continued to be the corporation's main business in 2017, with a participation of approximately 76% of total revenue. Such development was complemented with the commercialization of diverse brands of international prestige, such as Kenworth trucks, Terex cranes, Metso construction equipment, Iveco dump trucks Massey Ferguson and Valtra tractors, Paus subterranean mining equipment, Goodyear tires, and 3M protective equipment, among others.

Ferreycorp continued to show positive results in 2017, not only regarding financials, but also in its portfolio development and in the trust and loyalty of its customers.

All of this was accomplished in a political, economic and social context that was less than ideal for achieving high results. The challenges presented were diverse. First and foremost, at the beginning of year the country was forced to confront pounding rainstorms and floods in the north that generated a delay in the investment and acquisition of equipment in the south. Furthermore, the negative effects of political instability were felt in both public and private investment in infrastructure projects, as well as a break in the payment chain in the construction sector due to anticorruption investigations.

In spite of all this, the corporation's sales reached PEN 4,843 million, practically the same level as the previous year, in which they totaled PEN 4,856 million.

Within this context, the corporation's companies continued to successfully implement market coverage policies, especially within the Caterpillar business in Peru, where a high level of share was maintained, with more than 70% of the open-pit mining and underground mining sectors. Also notable was the 57% market share in the construction sector, both



**MORE THAN
USD 1,480
MILLION
IN SALES
GENERATED
BY THE DAILY
EFFORTS OF MORE
THAN 6,000
EMPLOYEES**



**75
YEARS
OF RELATIONSHIP
WITH OUR MAIN
REPRESENTED
BRAND,
CATERPILLAR.**



**MORE THAN
70%
OF MARKET
SHARE IN PERU'S
MINING INDUSTRY**

with heavy and light-duty construction equipment in urban areas. Additionally, in Central America, Caterpillar machines maintained a market share of more than 50%.

As it is well known, the corporation's businesses are organized into three groups of companies; i) distributors of Caterpillar and allied brands in Peru, which include Ferreyros S.A., ii) distributors of Caterpillar and allied brands in Central America, and iii) companies that complement the portfolio of capital goods, consumables and services. The sales achieved last year are divided among these groups by 74%, 10% and 16%, respectively.



We must highlight the relevance of the mining sector regarding the corporation's business in 2017, representing 55% of total revenue, within an economy of restricted investment in the construction and infrastructure segments. An important part of these revenues was generated via the provision of repair and maintenance services oriented towards assuring a high level of equipment availability across the country. The available Caterpillar product portfolio for the mining sector has increased over the last several years. The fleet of 797 trucks, the largest of Caterpillar mining vehicles, with a 400 ton capacity, continued to grow, today surpassing 100 units in Peru. The reception of this model enabled participation of more than 80% in the national mining truck market during 2017. In addition, the 794 electric truck, recently incorporated, continued to show excellent results. At the moment, the total number of Caterpillar trucks of diverse capacities in the Peruvian mining sector should be greater than 600. The corporation's active participation in this sector with Caterpillar equipment also allows it to offer a portfolio of products and services through its other subsidiaries.

These levels of commercial activity have been made possible through constant efforts to improve customer satisfaction indicators, regarding both the management of machinery sales as well as repair and maintenance. It is worth mentioning that during the

year, by means of serious evaluation processes carried out by Caterpillar, the companies of the corporation reached high performance levels.

As part of the ongoing skill development that enables it to serve customers, Ferreyros carried out an important investment of USD 30 million in its new La Joya- Arequipa Operations Complex, destined to expand and improve its service to customers in the south of the country, especially to mining customers. This world class installation required demanding levels of design, construction and assembly in an



55%
OF TOTAL
REVENUE
WERE
DRIVEN BY
THE MINING
SECTOR
IN 2017



US\$ 29
MILLONES
MILLION
INVESTED BY
FERREYROS
IN ITS NEW
LA JOYA-
AREQUIPA
OPERATIONS
COMPLEX

area of more than 50,000 sq.m., and it includes Ferreyros' second Component Repair Center (CRC), which has the capacity to repair up to 3,000 heavy-duty equipment components per year. In the years to come, complementary workshops will be added to the facility.

Furthermore, the subsidiary Fargoline began operations in its new location in Punta Negra, along the Panamericana Sur highway, the construction of which demanded an investment of USD 5 million. The new location has an extension of 50,000 sq.m and will complement Fargoline's logistical operations in Callao, near the port and international airport, as well as in Lurín, thus consolidating its location in logistical centers of Lima.

At the same time, Unimaq inaugurated a new location in Cusco, replacing its previous site and expanding its ability to serve mining projects in this region, such as the regions of Abancay and Andahuaylas. Additionally, the company has prepared its new branch in Huancayo, replacing its current establishment.

The performance of the subsidiary Ferreyros also deserves mentioning, a company that greatly contributes to the income and profits of the corporation. Its high market participation and advanced practices

aligned with the corporation's guidelines have been recognized both internally and externally.

An example of this is Ferreyros' management of human resources, a key aspect in the success of all the corporation's companies. Among its efforts in 2017 to improve diverse practices and promote the development of personnel and commitment to the organization, Ferreyros was recognized by Merco Talento, for the fourth consecutive year, as one of the 10 Best Companies to Attract and Retain Talent in Peru and a leader in its sector. Employees, human resources executives, headhunters and individuals connected to the business school, among others, participated in the survey. Furthermore, Ferreyros was distinguished as the leading company in the heavy industry sector, according to the Marca Empleadora study of 2017, carried out by Laborum and Apoyo Comunicación, which convoked more than 13,000 surveys of different academic levels across the nation.

Within this policy, we must also mention that in the corporation, Ferreyros, Unimaq, Motored, Soltrak, Fargoline, Trex Peru and Cresko were recognized by the Good Employers Association for their good labor practices.

Regarding the corporation's financial results, we must point out that the net accumulated gains as of

December 31, 2017 reached PEN 267 million, equivalent to an increase of 16% with respect to 2016, thanks to a stable gross margin of 24%. At the same time, the operating margin was 9%, similar to that of the previous year. This is a consequence of an adequate mix of different business lines with respect to total sales. The net margin was situated at 6% at year end, compared to 5% in 2016, while the EBITDA margin was 12%, similar to the same period in 2016.

The annual financial costs (PEN 85 million) showed a reduction of 32% compared to 2016, generated by the application of a financing strategy that enabled reductions in financial debt and the average cost of debt, a prudent combination of short-term and mid-term debt and the second partial prepayment of international bonds. This was put into effect on November 28 at a price of 102,438% of the bonds' nominal value, in accordance with the placement agreement. It should be mentioned that in 2016 Ferreyrcorp carried out a tender offer of the bonds issued in 2013 (expiring in 2020) in order to add flexibility to the corporation's current capital structure and to reduce its finance costs. The prepaid amount in 2017 reached USD 62.3 million, leaving a pending balance of USD 100 million of bond debt.

The positive business results influenced a favorable evolution of Ferreyrcorp's shares in the Lima Stock



Exchange, reaching an appreciation of 51% during the year. A successful stock repurchasing program played an important role; initiated two years ago and concluded by means of an agreement in the Shareholders' Meeting, gathered in an extraordinary session in November, in which it approved an amortization of the shares within the corporation's control—approximately 40 million—with the ensuing capital reduction of the enterprise from PEN 1,014,326,324 to PEN 975,683,029. Aware of the importance of Good Corporate Governance, Ferreycorp maintained high operational demands, for which it was once again recognized as the issuing firm with best practices of Good Corporate Governance in Peru, receiving for the fifth time the Llave de la BVL, a recognition granted by the Lima Stock Exchange. After an exhaustive validation process, this award was granted in recognition of the corporation's compliance with the Principles of Corporate Governance during 2016, the liquidity of its shares and its ranking among the top five companies in "The Voice of the Market" (La Voz del Mercado), which gathers the perception of the principle capital market actors, both local and foreign.

Furthermore, Ferreycorp continued to integrate the Good Corporate Governance Index of the Lima Stock Exchange for the tenth consecutive year, since the launching of the index in 2008. At the same time, for its commitment to these values, Ferreycorp continued in the Companies Circle of the Latin American Round

Table of Corporate Governance, a small group of leading companies in matters of corporate governance in the region of which Ferreycorp has formed part since 2006.

Finally, it gives us great pleasure to announce that Ferreycorp was recognized by ALAS20 with the first place award as Leading Company in Corporate Governance and was simultaneously incorporated to the new Dow Jones Sustainability MILA Pacific Alliance Index, in recognition of its responsible management. This index is the first of its kind in the region and is comprised of 42 companies that are listed on the stock exchanges of the Pacific Alliance and stand out for their sustainability. This index provides a standard for sustainable investment portfolio management for the region.

These distinctions motivate us to continue making efforts to execute all of the corporation's activities and those of its subsidiary companies within clear policies of social responsibility, thus assuring responsible and sustainable management of their businesses.

In this way, Ferreyros, Fargoline, Orvisa, Soltrak and Unimaq were recognized with the Socially Responsible Company Distinctive, awarded by the organization Perú 2021, after a thorough evaluation process.

As part of these policies, the initiatives to promote the development of heavy-duty equipment technicians



51%
**ROSE
FERREYCORP'S
SHARES IN THE
LIMA STOCK
EXCHANGE
DURING THE YEAR**

**FOR THE TENTH
CONSECUTIVE
YEAR, FERREYCORP
INTEGRATED THE
GOOD CORPORATE
GOVERNANCE INDEX**

**THE FIRST
DOW JONES
SUSTAINABILITY MILA
PACIFIC ALLIANCE
INDEX INCORPORATED
FERREYCORP**

and operators were continued in 2017. Ferreycorp's clubs, created both for technicians and operators, today have more than 17,000 members. During the year, they offered 90 free courses in the country's three regions and organized the third Best Operator of Peru Contest.

At the same time, last year over 2,500 students from more than 30 universities and institutes participated in the workshops of the Ferreycorp Association, which provides ethical and civic formation to university students; 2017 marked the 20th anniversary of the program, which has now benefitted more than 32,000 young people.

Additionally, there was active participation in the execution of Works for Taxes (Obras por Impuestos), continuing the hydraulic and sanitation projects and initiating the construction of four schools, directly benefitting 30,000 Peruvians.

We would also like to highlight the support offered by the corporation to the community during the first months of the year during which many people throughout the country were greatly affected by heavy rains and floods unleashed by the El Niño phenomenon. To provide emergency assistance and bring relief to those Peruvians most affected, the Board of Directors of Ferreycorp destined PEN 4 million worth of use of its machines, equipment and services. Approximately 50 units were

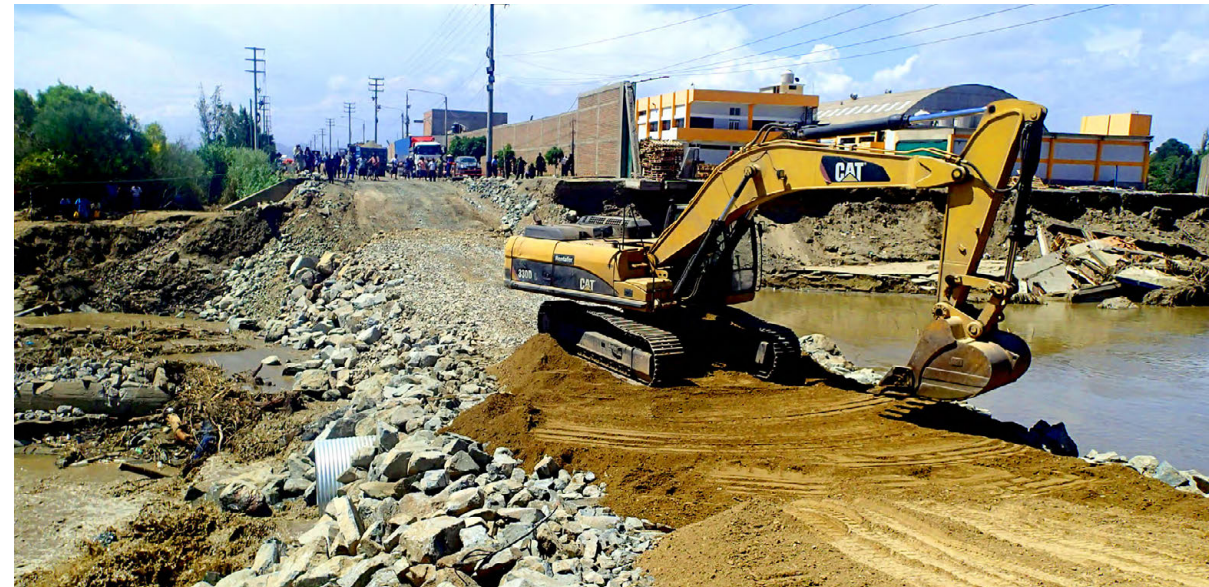
put to use, including Caterpillar machinery, lighting towers, motorized pumps and personal protection equipment, in addition to employee donations that were organized by the corporation. Furthermore, Ferreyros worked closely with the government, forming part of a group of companies that participated in the coordination of assistance and offered more than 500 units during the two most critical weeks of the emergency.

The strong results of 2017 activities were also accompanied by diverse social recognitions that,

together with those previously mentioned, give us great honor and motivate us to continue leading the organization with the highest values of integrity. Please allow me to mention, among others, our recognition for the fifth year as one of the ten "Most Admired Peruvian Companies", a ranking elaborated by the magazine G de Gestión and the firm PwC, as well as the nomination of the subsidiary Ferreyros, for the sixth year, as one of the ten companies with the best reputation in Peru and the best reputation in the industrial sector, according to the Merco ranking.



**PEN 4
MILLION**
DESTINED
FERREYCORP IN
WORTH OF USE
OF MACHINERY,
EQUIPMENT AND
SERVICES TO
ATTEND THE EL
NIÑO EMERGENCY



1

LETTER FROM THE PRESIDENT

“
THE COMPANIES IN THE CORPORATION WILL CONTINUE TO MAXIMIZE THEIR COVERAGE TO SEIZE THE MARKET OPPORTUNITIES
”

Upon presenting this annual report, we find ourselves beginning a new year, with our usual commitment and optimism. While the complex situation that has characterized the construction sector over the past months still persists, we are confident that it will drive certain projects that are vital for the country and for its global competitiveness. Additionally, the recent evolution in the price of raw materials leads us to foresee a more dynamic mining sector in 2018, despite the fact that we believe the year will present a number of challenges for business in the country. In the other countries where the corporation operates, the projected economic growth is largely moderate, which should not interfere with the positive development of our companies.

Considering these business prospects, the companies in the corporation will continue to maximize the market coverage to seize every opportunity they find, intensifying their clear priority towards innovation and technology, continuing their active quest to modernize processes that will permit the use of advanced technology while supporting the initiatives of Caterpillar, a company with an important commitment to innovation. At the same time, they will continue to make adjustments in their organizations to improve efficiency and reach greater levels of profitability.

To conclude, I must reiterate our recognition to our shareholders for the confidence placed in the Board, reaffirming our disposition for a fluent and transparent relationship; to our customers for their loyalty and continued preference; to Caterpillar and the other prestigious brands we represent, for their continued support; and to all those who have granted us their financial endorsement.

Hereafter, it is my pleasure to present to the fellow shareholders the 2017 Management Report, prepared by the management and approved by the Board in session on February 28, 2018, as well as the Financial Statements, according to Conasev Resolution N° 141.98 EF/94.10, which establishes the presentation of the companies' Annual Reports, including the statement of responsibility set forth by this regulation.

**ÓSCAR
ESPINOSA BEDOYA**
EXECUTIVE PRESIDENT



PASSION FOR EXCELLENCE

strategic vision

Ferreycorp continues its consolidation as a leading Latin American business group with high levels of excellence. The corporation focuses its efforts on offering customers a best in class portfolio of capital goods and services. More than 6,000 employees are committed to this goal.

VISION

To be recognized as a leading economic group in Peru with presence in the Latin American region and as an excellent supplier of capital goods and related services. Contributing to increase the productivity and profitability of the economic sectors in which it participates and promoting the development of the countries and of its different stakeholders.

Is recognized as the preferred corporation for adopting new businesses and representations in its field, for its operational and financial capabilities.

The companies that conform the corporation recognize the holding as the entity that promotes and facilitates their profitable growth with the highest standards and degree of efficiency.



MISSION

Ferreycorp in its totality: To operate, through subsidiaries, businesses engaged in the provision of capital goods, supplies, services and support, with focus and high levels of specialization, for prestigious global brands, with high standards, efficiency and profitability, achieving at the same time the development of its employees and acting as a benchmark for modern and responsible companies.

Ferreycorp individually: To provide to the corporation's companies the planning, financial resources, monitoring and control services that they need for the development of their operations and their profitable growth, assuring the consolidation of a investment portfolio with an adequate profile thanks to the diversification, incorporating new businesses in priority areas.

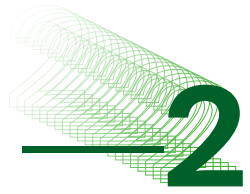
About Ferreycorp

Ferreycorp is a Peruvian corporation that has existed for 95 years and is specialized in the provision of capital goods and related services. It is mainly active in Peru, where it concentrates nearly 90% of its revenue, and in Chile, Ecuador, Colombia, with a staff of more than 6,300 employees.

Since 1942, Ferreycorp has maintained a solid relationship with Caterpillar, a global leader in machinery, and has also acted as distributor of other world-class brands. Simultaneously, Ferreycorp offers services related to the capital goods sector; in this way, our subsidiaries articulate a comprehensive portfolio with solutions for customers that enhance the corporation's market coverage.

Ferreycorp's mission is to operate businesses engaged in the provision of capital goods, supplies, services and support, through subsidiaries with focus and high levels of specialization, for prestigious global brands, with high standards, efficiency and profitability, achieving at the same time the development of its employees and acting as a benchmark for modern and responsible companies.





Ferreycorp is a publicly traded partnership whose shares have been traded on the Lima Stock Exchange (Bolsa de Valores de Lima—BVL) since 1962. Today, it has local investors, such as Pension Fund Administrators, as well as foreign funding. Recognized for its extensive stock experience in the capital market as well as for issuing different types of fixed-income debt instruments, Ferreycorp is a benchmark in Good Corporate Governance. As mentioned in its Report on the Compliance of the Good Corporate Governance Code for Peruvian Companies, in 2017 Ferreycorp received for the fifth time Llave de la BVL (Key of the Lima Stock Exchange), a recognition granted for being the strongest performer in this area in Peru.

Furthermore, the corporation is one of Peru’s benchmark companies and is present in a series of business associations and organizations that actively promote and contribute to the nation’s development.

These subsidiaries contribute to national development in the countries where they operate by targeting their products and services at sectors such as mining, construction, industry, energy, oil, agriculture, fisheries, trade and transport.

In 2017, Ferreycorp’s Board of Directors decided that the corporation would put an end to its activities in

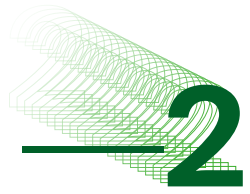
the metal-mechanic sector by selling the subsidiary Fiansa S.A. and/or the shares linked to this business line, whichever option was in the best interest of the firm. The sale was carried out in November 2017.

The Business Areas section includes a comprehensive description of these subsidiaries, their business activities and operations.

For further information about the Economic Group according to the Stock Market Superintendency (Superintendencia del Mercado de Valores or SMV in Spanish), please refer to Appendix 1.

“**FERREYCORP RECEIVED IN 2017, FOR THE FIFTH TIME, THE KEY OF THE LIMA STOCK EXCHANGE FOR THE BEST CORPORATE GOVERNANCE IN PERU**”





The Companies of the Corporation

Ferreycorp is formed by the following subsidiaries and/or businesses:

Representation of Caterpillar and allied brands in Peru



CAT HEAVY MACHINERY AND PARTNER BRANDS



CAT LIGHT MACHINERY AND PARTNER BRANDS



CAT MACHINERY AND PARTNER BRANDS IN THE AMAZON REGION

Representation of Caterpillar and allied brands in Central America



CAT MACHINERY (GUATEMALA AND BELIZE)



CAT MACHINERY (EL SALVADOR)



CONSUMABLES (NICARAGUA)



SPARE PARTS FOR HEAVY TRANSPORT (EL SALVADOR AND HONDURAS)

Supplementary businesses in Peru and Central America



HEAVY TRANSPORT VEHICLES



LIGHT MACHINERY (ECUADOR)



CONSUMABLES



STANDARD, TEMPORARY AND CUSTOMS WAREHOUSING



ASIAN MACHINERY



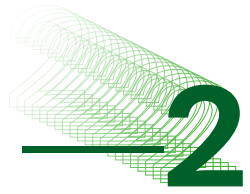
FREIGHT FORWARDERS



CRANES, PLATFORMS AND PORT EQUIPMENT (CHILE, ECUADOR, COLOMBIA AND PERU)



TECHNOLOGICAL SOLUTIONS



Representations

While during the first years after its foundation in 1922 the company was largely involved in the trade of a number of consumer products, in 1942 Ferreycorp began its relationship with Caterpillar in Peru, a bond that, over the years, has grown stronger and more distinguished with this premium global brand. In 2010 the corporation assumed the representation of Caterpillar in Central America.

At the same time, throughout its history Ferreycorp has incorporated the distribution of a number of brands for representation both in Peru and in other Latin American countries.

Thanks to the experience and knowledge acquired with Caterpillar, the corporation and its subsidiaries have established strong long-term relationships with a number of global brands. Ferreycorp has consolidated a prestigious portfolio of represented brands, becoming the undisputed leader in its field. The corporation capitalizes on the knowledge it has gained over the years and its optimized capabilities to serve the brands it represents in different territories with growth potential.



OUR OPERATION SITES



The presence of Ferreycorp corporation today covers the following countries in Latin America:



History

Below is a summary of the principal milestones of our 95 years of operation. For further information, please refer to the Historical Review in Appendix 1.

1920

The corporation is created in Peru, under the name of Enrique Ferreyros & Co., as a limited partnership dedicated to importing and distributing consumer goods and supplies.

1940

The corporation obtains Caterpillar representation, entering the capital goods business, and supplementing the distribution of consumables.

1950

Initiation of the geographical expansion by opening branches within Peru.

1960

Registration on the Lima Stock Exchange.

1970

New infrastructure capacities: the corporation moves to a new office building with 38,000 sq.m on Industrial Avenue. Orvisa commences operations in the Amazon region.

1980

Redefinition of business portfolio, with focus in capital goods to give a fresh impulse for sustainable growth.

Development of logistical capabilities with the creation of a warehouse company that subsequently becomes Fargoline.

History

Below is a summary of the principal milestones of our 95 years of operation. For further information, please refer to the Historical Review in Appendix 1.

1990

The corporation maximizes its participation in the mining sector with Ferreyros taking part in mining megaprojects along with the arrival of the first CAT trucks.

World-class workshops. Unimaq begins activities with a focus on partner brands' equipment and later takes on the CAT light-duty equipment line.

2000

Incorporation of supplementary capital goods for new market segments with associated products and services. Acquisition of Mega Caucho (now Soltrak); creation of Cresko.

2010

Internationalization: The corporation enters the Central American market by acquiring Genfrac and General de Equipos, Caterpillar representatives. Expansion of the portfolio with the acquisition of Mercalsa and Transpesa (now Soltrak and Motored, respectively).

Expansion in South America with the acquisition of Trex (Chile, Ecuador and Colombia). Enhancement of the logistics business with the creation of Forbis Logistics. Launching of Soluciones Sitech Peru.

New organizational structure with the establishment of the Ferreycorp holding.



PASSION FOR DEVELOPEMENT

innovative vision

The company that was born in Peru in 1992 turned 95 years, transformed into a corporation that promotes the development of its stakeholders.

In this long trajectory, the only constant has been change. And the ability to innovate and reinvent has been the main driver of its success.

3 BUSINESS AREAS

Despite slow growth in Peru and a drop in investment in construction and infrastructure, in 2017 Ferreycorp and its subsidiaries managed to generate annual sales of USD 1,484 million, 3.2% higher than those of the previous year (USD 1,439 million). In Peruvian soles, sales reached PEN 4,843 million, similar to those of 2016 (PEN 4,856 million), as a result of the lower average exchange rate during 2017 (PEN 3.263 vs. PEN 3.377 in 2016).

These high income volumes were driven primarily by the sustained growth of after-sales business lines that service machinery in the country, representing 49% of the corporation's revenue; by business with the open-pit mining sector, which is expanding; by the reactivation of underground mining acquisitions; by used equipment; and by growth in businesses that complement the Caterpillar portfolio.

Below is a panorama of the commercial management operations of Ferreycorp's subsidiaries, in accordance with the three groups of companies described in Chapter 2 (We Are Ferreycorp).

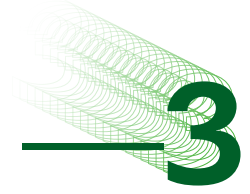
Caterpillar and Allied Brands Representatives in Peru

The flagship company of the corporation, Ferreyros, as well as Unimaq and Orvisa, are the subsidiaries that represent Caterpillar and allied brands in Peru. This group of companies registered sales of USD 1,103 million in 2017, 1.8% higher than those of the previous year. In soles, revenues reached PEN 3,598 million, 1.5% less than those of 2016. These levels represent 74% of the corporation's total annual income.

Management of these subsidiaries once again contributed to the solid leadership of Caterpillar in Peru, surpassing a market share of 60% during the year, according to official import information in Free On Board (FOB) values.

Ferreyros, the leading company in the provision of heavy machinery and services in the country, provides the largest scale machinery and equipment of the portfolio. In its area of business, Unimaq specializes in light equipment. Orvisa serves the Amazon region with a portfolio of Ferreyros and Unimaq products, as well as other product lines focused on the region's needs.





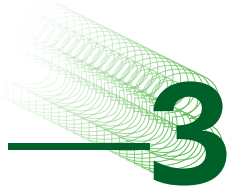
BUSINESS AREAS



Ferreycorp — Passion for Our Customers — Vision for Development



FERREYROS



BUSINESS AREAS



Ferreyros

In 2017, Ferreyros, the corporation's main subsidiary, generated sales of USD 911 million, higher than those of the previous year. In soles, sales reached PEN 2,972 million, close to those of 2016.

As mentioned in the Letter from the President at the beginning of this report, the company and its main represented brand, Caterpillar, celebrated 75 years of their excellent commercial relationship and mutual respect, maintaining their solid leadership across Peruvian territory.

In a year with timid investment in new equipment and a construction sector with numerous adversities, the service and spare parts business line once again constituted an important sales driver. Such a demand was met thanks to Ferreyros' leading support capacity that includes a nationwide network of 20 workshops and its presence at many customer operation sites.

With the promise of offering high-quality after-sales service, an important development was the start of operations in the La Joya-Arequipa Operations Complex, which expands customer service capacities in the south of the country, especially to the mining sector. This world-class installation of more than 50,000 sq.m includes the second Component Repair Center

(CRC), with the ability to service up to 3,000 heavy-duty components per year.

In 2017 Ferreyros reached the highest level (Gold) in the Caterpillar Service Excellence Program, which evaluates indicators such as the quality of after-sales service, technical preparation and customer satisfaction. At the same time, the company obtained Four Stars in the Agco Diamond Program for its service standards, service capacities and commercial results. Ferreyros is the first distributor to receive Four Stars in Latin America, with the exception of countries where Agco, manufacturer of Massey Ferguson, has factories.

The efforts made throughout the year to assist customers and to reorganize the service structure put in place in 2016 generated an improvement in net loyalty indicators, incorporating critical factors like customer satisfaction regarding the provision of both equipment and spare parts and services.

Additionally, the progress achieved in the portfolio of digital solutions is notable. With the support of Caterpillar, Ferreyros has established itself as a pioneer in the online sale of heavy spare parts in Peru, via the ecommerce platform Parts.Cat.Com, generating sales of USD 4 million in 2017. The digital solutions portfolio also includes tools and applications to optimize fleet management and maximize the efficiency of after-sales support.



FERREYROS AND ITS MAIN REPRESENTED BRAND, CATERPILLAR, CELEBRATED 75 YEARS OF THEIR EXCELLENT COMMERCIAL RELATIONSHIP AND MUTUAL RESPECT



Mining

The year saw continuity of the operations of mining customers in Peru, with the world-class support of Ferreyros. Support projects included highly complex activities, such as the successful overhaul of the largest Cat mining machine in the world, the Cat 7495 shovel, at a copper mine in the south of the country. This operation, carried out both on-site and in the company's workshops, positions Ferreyros as the first Cat distributor in the world to have accomplished a project of such magnitude.

While there is a generalized reduction in the investment of new assets, the Cat brand once again demonstrated its leadership in the provision of heavy mining machinery in the country, with a market share of more than 70%, according to imports in FOB values. Expanding operations were the principal destination of this equipment, with notable demand for gigantic Cat machines and ancillary equipment as part of the expansion of an important mine in the south of the country.

The mining sector required new Cat 797F 400-ton trucks in 2017. Mining operations valued the consolidated trajectory these machines equipment have had in Peru since their introduction in 2011, as well as Ferreyros' mine site service capacity and extensive knowledge of these heavy machines. The mining sector once again opted for tendency towards the gigantic as a way of maximizing productivity. Eight of every ten mining trucks that arrived to Peru in 2017 were Cat 797Fs.

Simultaneously, the successful operation of the alternative Cat 794 320-ton electric-drive truck expanded the Cat truck portfolio in Peru, confirming its high availability of more than 90%, as well as its reliability and productivity.

It is worth reiterating that the La Joya-Arequipa Operations Complex opened in December 2017. The

first motor repaired in the complex for the customer Sociedad Minera Cerro Verde marked the official inauguration of operations, increasing the service capacity for the mining sector in the south of the country.

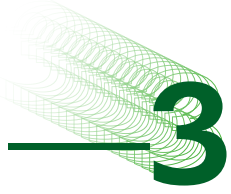
Historically high prices of polymetallic minerals characterized the underground mining sector, favoring investment by mining companies and contractors in fleet expansion and equipment renovation. In 2017, sales of Cat underground load, haul and dump (LHD) loaders increased compared to the previous year, with a leading market participation of 73%, according to FOB imports. Also, the demand of Paus brand scalers contributed to safe underground mining production.

During the year, the company carried out the successful reconstruction of more than 30 Cat underground LHD loaders for mining with the Cat Certified Rebuild (CCR) certification, which constituted a valuable option for reducing the operating costs of specific customers.

Construction

In 2017, the construction sector continued to shrink, a trend that began several years ago and was notably accentuated by current national events, which consequentially had an impact in the demand for new equipment and the use of existing units. As a reference,





BUSINESS AREAS

during a period of five years (2013-2017), the volume of new machines imports for heavy construction reduced by nearly a quarter, from more than 2,100 units to approximately 590.

In this difficult context, Ferreyros sought to add market efficiencies. The company's renovated service and coverage structure, oriented to serve national and regional customers with special offers, managed to maintain Caterpillar's leadership with unique support capacities. Caterpillar reached a market share of 56%, four times that achieved by competitors, according to FOB imports.

Despite the limited use of customers' fleets, valuable support alternatives were promoted, such as the Made to Order Repairs (Reparaciones a Medida) program that presents service packages with a flexible design to enable the configuration of personalized alternatives. This initiative was widely chosen across the country with the support of the company's network of 20 workshops. Additionally, many maintenance contracts were retained in which Ferreyros is integrally responsible for the support of customer fleets, assuring high operational levels of availability and productivity.

As with mining equipment, there was also an impulse in the construction sector for the reconstruction of customers' heavy-duty Cat equipment, carried out by

Ferreyros with the Cat Certified Rebuild (CCR) certificate. The increased dynamism in the demand for used equipment provided by Ferreyros was notable in various areas throughout the country. Ferreyros offered more than 300 used units in 2017, an increase of more than 20% when compared to the previous year. Providing used equipment stems from the goal of offering customers diverse alternatives to meet their needs- it have become a relevant option over the last few years.

Simultaneously, Rentafer, which has the most complete heavy-duty rental fleet in the country, with more than 250 Cat units and engines and has maintained market leadership over the past years, offered rentals to its customers to service many types of projects.

Throughout the year, new Cat equipment for heavy construction continued to consolidate, such as the new hybrid hydraulic 336D2L XE excavator, which reuses the energy of its own movement. Among the most demanded machines for the construction sector were different models of excavators, front-end loaders, motor graders, tractors and roller compactors, among others.

Government

Machinery purchases in the public sector experienced a relevant deceleration in 2017 with respect to the

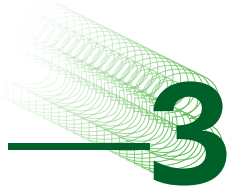
previous year, in line with state spending cuts. In this context, less than 40 tenders for heavy-duty construction machinery were offered, compared with 191 in 2016. Ferreyros was awarded 41% of the tender offers in 2017.

In the last trimester of the year, various customers of Ferreyros leased an important fleet of Cat machines for the execution of dredging works in the Piura, Lambayeque and Trujillo rivers, the rental period for which concluded at year end.



FERREYROS AND CATERPILLAR REACHED A 56% OF MARKET SHARE IN THE CONSTRUCTION INDUSTRY, FOUR TIMES THAT ACHIEVED BY THE CLOSER COMPETITORS





BUSINESS AREAS



Agribusiness

The tractor market grew in Peru during 2017 compared with the previous year, driven mostly by agro exportation, in spite of the effects of the El Niño Phenomenon in the north and center of the country.

Ferreyros managed to increase sales of Massey Ferguson farming tractors by 27%; Massey Ferguson is the company's main brand in this sector, selling approximately one tractor per day. Further, the company maintained leadership in the Peruvian market, reaching the highest market share in the region, of 30% (calculated in FOB values) and superior to the 28% share of 2016.

To complement its diverse agriculture portfolio, the company continued to offer Massey Ferguson harvesters, fumigators and hay balers, Tatu tillage equipment, Kuhn Montana fumigators and Kepler grain storage silos, among other equipment.

Equally, during the course of the year the company secured the representation of several new brands, such as Valley central pivots and Double TT cane planters. Also, it met the service and spare parts needs of agriculture customers in different locations nationwide.

Energy and Fossil Fuels

The energy sector was greatly impacted by an oversupply of electricity; the effective power offered by the National Interconnected Electrical System (Sistema Eléctrico Interconectado Nacional or SEIN) was 11.69 MW, including reserves, paired with an approximate maximum demand of only 6.59 MW. Thus, the estimated reserve is at 43.62%. Furthermore, the limited number of new mining and industrial projects in remote areas did not generate a significant need for temporary energy solutions.

In this context, Ferreyros promoted the installation of auto generated or peak-shaving solutions among customers with gas-powered Cat gensets to reduce the costs incurred for energy use during peak hours. This market, still in development, presented diverse business opportunities, showing its potential future growth.

Additionally, Ferrenergy, a subsidiary of Ferreyros, offers electrical power plants from 1MW up to the level demanded by the customer. In 2017, Ferrenergy led the temporary and permanent energy markets for the private sector. Furthermore, compared to the previous year, the company increased its sales of temporary power and power during peak periods.

It is also worth mentioning the business secured with important mining company in the south of the county that, after an initial experience with the company, renewed its confidence with our service contract that includes an even greater scope. Also, the synergy generated by Ferrenergy and Ferreyros' energy line stands out by complementing products and services for joint ventures. Ferrenergy was created in 2006 by way of a partnership with Energy International Corporation SoEnergy.

In the fossil fuels sector, to which Ferreyros offers gensets that provide electricity in oil wells, oil exportation showed growth in 2017 but monthly production did not surpass the levels of the previous year, given a context of low crude prices. Thus, a several operational fronts received little use or closed, limiting the demand for spare parts and services related to motor repair and reconditioning. At the same time, the suspension of the construction of the Gasoducto del Sur halted growth opportunities in this sector.

Fishing and Marine

The fishing sector had strong performance in 2017, experiencing 10% growth in volumes compared with 2016, with a catch of 3,031,550 TM thanks to a recovery of biomass.

The industrial fishing sector maintained a fleet of around 830 ships and 110 plants operating along the coast, in which the share of Cat engines is approximately 65%. This segment required general repairs and re-strengthening after a year of intense use, generating a 43% increase in the sales of spare parts and services compared to the previous year.

In contrast, a limited re-strengthening or replacing of marine engines, in line with the efficiencies generated over the past years by the Anchoveta Catch Limit Law, which established a maximum catch and generated a significant fleet reduction in 2009. The engines and spare parts of retired ships continue to serve as replacements for active ships.

While this year did not include opportunities for naval construction, such as new patrol units or multipurpose ships, greater activity is expected in this field in 2018 with the reactivation of marine motor sales.

It is necessary to highlight that an important customer support agreement (CSA) was retained with the Peruvian Navy (Marina de Guerra del Perú) for the maintenance of ship engines. The complete after-sales service that Ferreyros offers in this contract preserves the strong loyalty of this customer towards the Caterpillar brand.

Also, the company's portfolio expanded to include Caterpillar MaK marine engines with medium speeds and high power that are showing excellent results in fishing applications in one of the largest and most modern ships in the country, as well as in the tugboats of the Callao port, which assist entering and exiting merchant vessels.

About Ferreyros

- Leader in the provision of heavy machinery and specialized services in Peru, Ferreyros distributes the large-scale equipment of the Caterpillar portfolio required by various economic sectors within the country.
- Along with the products of its main brand, Caterpillar, Ferreyros represents other prestigious brands such as Metso equipment to produce aggregates for construction, Astec asphalt plants, Paus underground mining equipment and Massey Ferguson farming tractors, among others.
- With the most complete after-sales support in the market, it has around 60 points of service throughout the country, including branches, offices and headquarters, as well as a permanent presence at customers' operation sites

**UNIMAQ- THE CAT
RENTAL STORE**



Unimaq- The Cat Rental Store

In 2017, Unimaq, specialist in providing light Caterpillar equipment and that of allied brands, had sales of USD 153 million, higher than those of the previous year. In soles, they reached PEN 498 million, very similar to those of 2016. Among its business lines, the provision of light Caterpillar equipment stands out, with a market share in the general construction market of nearly 60%, measured in FOB import prices, leaving its competitors far behind. Also, its main allied brands maintained clear leadership in the country.

Sales were driven primarily by the greater demand of light Cat equipment; products for sanitation, including the provision of fiberglass tubes for a strategic irrigation project in the north of the country; Carmix cement mixers, which consolidated their privileged position; and Wacker compactors, among other lines, as well as provision of spare parts and service on a national scale.

During the year, Unimaq continued to consolidate its portfolio, adding Blend Plants mobile concrete plants and Towmotor forklifts, a Caterpillar-owned product fabricated in Asia. With its diverse portfolio, today Unimaq is the undisputed leader in light-duty equipment, serving nearly every sector of the economy. The construction sector stands out, where the company

generated 41% of its annual sales, followed by the mining sector (16%), commercial services sector (12%), agriculture (6%) and transport (6%).

During the year, the market showed slight growth in the demand for new equipment, especially for concrete compactors, and required fewer rental services of light-duty units.

Unimaq has national coverage with 13 branches and offices. In 2017, it inaugurated a new branch in Cusco, replacing an older location, which expands

its capacity to serve mining operations in this region together with its offices in Abancay and Andahuaylas. Furthermore, it began the construction of a new facility in Huancayo, larger and more complete than its current facility, in addition to announcing the upcoming expansion of its installation in Ate, Lima. Beyond improving its geographical coverage, Unimaq launched a new online sales channel for spare parts. It is also worth noting that 60% of light-duty Cat equipment sales were to new customers.

In the service sector, the securing of new support contracts to auxiliary teams in open-pit mines was notable, complementing Ferreyros, which handles heavy-duty equipment.

Within its value proposition, Unimaq includes a vast rental fleet of light-duty machines. During the year, this fleet was reduced to a more appropriate dimension for the current market, taking into account the reduction within the diverse sectors it serves. The fleet comprises Caterpillar machines and those of allied brands, as well as small units that can be rented on a weekly basis; it totaled 228 Cat units and 431 units of other allied brands at the end of 2017. Unimaq offers long-term forklift rentals for industrial and commercial sectors, reducing the need for investment and providing a complete service that includes continued maintenance and fleet renovation every two years.



DURING THE YEAR, THE MARKET SHOWED SLIGHT GROWTH IN THE DEMAND FOR NEW EQUIPMENT, ESPECIALLY FOR COMPACTION AND CONCRETE.



It is worth noting that in 2017, Unimaq received important recognition, including the Best Light Caterpillar Distributor Prize on a world scale for the fourth consecutive year, thanks to its commercial performance; the #1 Distributor in the World award from Carmix; and recognition as the #1 Distributor in Latin America, awarded by Wacker Neuson. Also, it received the Four Star Certificate in the Rental Operation Process from Caterpillar for offering the best customer experience in its class. Its quality management systems certificate was also renewed.

About Unimaq

- Established in 1999, Unimaq is the company of the corporation in charge of sales and rental of light capital goods from Caterpillar and allied brands. It serves the light urban construction sector as well as other sectors like industry, agriculture, trade, services and mining.
- In addition to the CAT General Construction line (compact equipment), it distributes allied brands such as CAT forklifts, Wacker compaction equipment, Lincoln Electric welding equipment, Olympian Cat gensets, Amida lighting towers,



Enerpac hydraulic equipment, Rival and Benxi Beitai piping, Compair stationary compressors, Sullair portable compressors, Lincoln Industrial lubrication system, Valtra farming tractors and Carmix self-loading concrete mixers, among others.

- It has branches in Piura, Cajamarca, Lambayeque, Trujillo, Huancayo, Arequipa, Cusco and Ilo. The headquarters is located in Lima, along with a subsidiary focused on rental units, located in the south of the city. It also has offices in Cerro de Pasco, Andahuaylas and Ayacucho.

Ferreycorp — Passion for Our Customers — Vision for Development



ORVISA

Orvisa

In 2017, Orvisa, the Ferreycorp subsidiary that serves the Amazon region, achieved sales of USD 48 million, equal to those generated in 2016. Its revenues in soles were PEN 157 million, also close to those of the previous year. Its commercial activity was mainly driven by the construction sector, by the equipment needs of local customers and by river transport, with the provision of consumables and materials. In the past years, its business in the fossil fuel sector has diminished due to the reduction of petroleum activity in the area.

The heavy and light-duty lines of Cat machines (leader in the Amazon region), Massey Ferguson agriculture and automotive lines reached sales levels similar to those of the previous year. Further, sales of allied brands, such as Carmix cement mixers, Wacker electric tampers and Sullair compressors grew by 30% during 2017.

In agriculture market, there were exceptional sales of Massey Ferguson tractors to a public sector customer in the jungle. Also, the promotion of grain milling and storage equipment, with specialized technical visits of represented brands in conjunction with other initiatives, added value to customers' operations with

permanent coverage and modern technology. Furthermore, the timber sector, especially dynamic in the Loreto region, continued to show its preference for the Caterpillar 527 skidders and trunk harvesters, machines that have been demonstrating productivity since their arrival to the country five years ago.

Confirming its commitment with the river transport sector, of great importance in the Amazon region, Orvisa continued to serve its customers with new engines and repairs. Also, through its subsidiary Motomaq, the company continued selling consumables for river transport for the second year, standing out for its modern service station with high standards of quality and security.

It should be mentioned that Orvisa received the Silver award as part of the Caterpillar Service Excellence Program, which, as previously mentioned, recognizes indicators such as product support quality, customer satisfaction and technical personnel training.

At the same time, in 2017 the company carried out different actions to strengthen its capacities. Orvisa completed its adherence to important initiatives of Caterpillar than will enable the company to fortify its business administration in the years to come.

Furthermore, it intensified its improvement of service, marketing and connectivity; it continued to migrate to the SAP program and to make the most of opportunities for efficiency and optimization of related processes.

Sobre Orvisa

- A specialist in capital goods, services and consumables in the Peruvian Amazon, Orvisa's primary represented brand is Caterpillar.
- Its portfolio offers the same line of products and services as Ferreyros and Unimaq, as well as other products of specific use for the Amazon region.
- It services sectors such as oil, river transportation, timber extraction and wood processing, as well as agriculture and construction.
- Its headquarters is located in Iquitos, with subsidiaries in Pucallpa and Tarapoto, as well as in Huánuco, Bagua, Jaén and Madre de Dios.

Companies Representing Caterpillar and Other Businesses in Central America

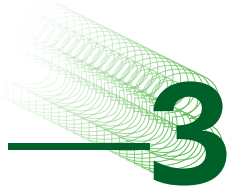
In 2017, the companies representing Caterpillar and other businesses in Central America had sales of USD 141 million, an increase of 4.7% compared with 2016 figures. In soles, these volumes total PEN 460 million, 1.3% more than the previous year. Together, these companies' sales made up 9.5% of the total annual sales of the corporation.

The corporation's operations in Central America began eight years ago with the acquisition of companies that represented Caterpillar in Guatemala and Belize (Gentrac) and El Salvador (General de Equipos). Subsequently, it acquired Soltrak (previously Mercalsa), a wholesale distributor of Mobil lubricants in Nicaragua and Motored (previously Transpesa), which commercialized spare parts heavy-duty transport vehicles in El Salvador.





**GENTRAC (GUATEMALA
AND BELIZE) AND
SOLTRAK (NICARAGUA)**



BUSINESS AREAS



Gentrac (Guatemala y Belice) y Soltrak (Nicaragua)

In 2017, Gentrac, which represents Caterpillar in Guatemala, registered sales levels of USD 80 million (PEN 261 million), superior to those of 2016. The commercial and operations management of the company attracted demand from manufacturing, commercial, agricultural and public sectors, compensating for the drop in traditional industries, such as mining and construction.

Once again the company led the market by representing Caterpillar, with a market share of more than 50% according to import figures. In the new equipment portfolio, Cat heavy and light machinery for construction, as well as paving equipment, showed the strongest performance.

Remarkable developments during the year included equipment sales to the public sector; diverse businesses with local contractors and with the sugarcane industry; the fleet renovation required for nickel producers, winning business previously held by the competition and the renewal of rental contracts. The rental business, along with the provision of used equipment, contributed to the total offer of customer solutions.

It is also worth noting the successful launch of the new Caterpillar GC series, which includes the 320D2 GC excavator and the 950 CG front-end loader, both important portfolio additions for light-duty construction applications. Furthermore, the incursion into the banana and African palm industries was remarkable, with rental solutions of heavy and light-duty Cat equipment.

In 2017, Gentrac received numerous recognitions for its management, including the Caterpillar Four Star Certificate in Rental and Secondhand Sales Operative

Processes and the Silver distinction in the Caterpillar Service Excellence Program. It also demonstrated its distributive capacities in important initiatives put forth by Caterpillar.

At the same time, the company finished the implementation of a matrix organization that will foster efficiencies in serving the market and it also launched commercial and finance programs for the private and public sectors.

In Belize, Gentrac registered sales of USD 3.9 million, (PEN 12.7 million) in 2017, less than those of the previous year, in a difficult economic context marked by low levels of public and private investment, as well as an absence of relevant infrastructure projects.

The company took advantage of opportunities to provide machinery to construction, quarrying and aggregate sectors, reaching a 100% market share in heavy-duty Caterpillar machinery. Also, after-sales service played an important role, showing a 25% increase compared with 2016.

Gentrac focused its efforts on the market introduction of Mobil products for heavy and light-duty vehicles, as well as industrial lubricants, after being designated the only Mobil distributor in the country in 2016.

GENTRAC AND CATERPILLAR CONTINUED LEADING THE MARKET OF HEAVY MACHINERY IN GUATEMALA AND BELIZE

Additionally, the subsidiary Soltrak in Nicaragua (previously named Mercalsa) offered Mobil lubricants with sales of USD 6.6 million (PEN 21.5 million) in 2017, lower than those of 2016.

Sales to companies dropped due to a reduction in the use of combustion engines to generate electricity, which traditionally required high volumes of lubricant, and due to the halting of activities in several mines in the country during the second semester. However, consumer sales growth was achieved by increasing the offer of products for light-duty vehicles.

The Mobil brand maintained a strong position in the lubricant market, similar to that of 2016, being the second supplier in the country. It is worth noting that ExxonMobil awarded Soltrak Nicaragua the Silver Medal of the Circle of Excellence, which recognizes distributors' strategic alignment and best business practices.

About Gentrac (Guatemala and Belize) and Soltrak (Nicaragua)

- In Guatemala, Gentrac is the exclusive representative of Caterpillar machinery and equipment as well as a national distributor of Mobil lubricants and representative of other renowned brands, such as Mitsubishi (forklifts), Genie, Sullair, Wacker Neuson (light-duty and compact), Lincoln Electric, Cifa and Carmix, among others.

Gentrac's headquarters along with a spare parts store are located in Guatemala City. It has a shop dedicated to Mobil lubricants, branches in Quetzaltenango and Teculután, one spare parts store in Morales and 14 mobile warehouses. Gentrac was created in 1938 under a different name and stakeholders as the exclusive Caterpillar distributor in Guatemala; it was then purchased by the distributor in El Salvador in 1998, and afterwards by Ferreycorp in 2010.

- In Belize, Gentrac is the exclusive representative of Caterpillar machinery and equipment as well as a national distributor of Mobil lubricants and representative of the brands Wacker, Sullair, Twin Disc, Mitsubishi forklifts and Olympian generators.



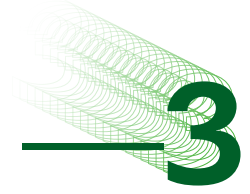
IN GUATEMALA, GENTRAC WAS GRANTED WITH THE SILVER DISTINCTION IN THE CATERPILLAR SERVICE EXCELLENCE PROGRAM



Its head office is in Ladyville, where the country's international airport also located. It was established in 1998, the year in which it purchased Belize Cemcol Limited, the country's Caterpillar distributor at the time.

- Soltrak (previously Mercalsa) has its headquarters in Managua, where it serves all of Nicaragua.

It was incorporated to Ferreycorp in 2013. Its foundation dates to 2009, after Nicaragua Mobil transferred operations to a group of executives, assuming the development of a national distribution network.



BUSINESS AREAS



GENERAL DE EQUIPOS- COGESA (EL SALVADOR)

General de Equipos- Cogesa (El Salvador)

General de Equipos, a Caterpillar representative and the exclusive distributor of Mobil lubricants in El Salvador, along with other prestigious brands, had sales of USD 31 million (PEN 102 million) in 2017, surpassing those of the previous year. Its businesses were mainly focused on providing construction equipment, farming equipment and lubricants.

The company maintained its market leadership in the sector of earth-moving machines, achieving a market share of more than 50% with Caterpillar. There was demand for machines such as excavators, tractors and wheel loaders mainly for medium or small infrastructure projects, carried out either directly by the government or through contracts with private companies.

In the agriculture sector, its represented brand John Deere covered 68% of the market. General de Equipos accompanied the sugarcane sector in the goal of mechanizing its seeding and harvesting processes with the appropriate machinery for each step.

Furthermore, direct consumer sales (B2C) especially drove the sales of Mobil lubricants. The segment of

automotive dealers stood out, with a growth of more than 40% from 2016 to 2017.

However, during 2017 there was less consumable demand for preventative and corrective maintenance, due to a drop in the use of customer fleets provoked by the absence of large-scale construction projects.

General de Equipos was recognized by Caterpillar as its second Latin American distributor with the

best performance in sales of spare parts through the platform Parts.Cat.Com, in line with its vision to promote diverse coverage channels and to take advantage of Caterpillar’s digital tools

About General de Equipos

- Established in 1926, it has been the Caterpillar distributor in El Salvador since 1930. It is the sole distributor of Mobil lubricants in the country, as well as distributor of other top quality lines.
- It also represents lines such as Mitsubishi-CAT forklifts, Wacker lighting and compaction equipment, Lincoln Electric welding equipment, Olympian-CAT generators, Sullair compressors, Mack trucks, John Deere farming equipment and Michelin tires for construction, agriculture and trucks.
- It provides nationwide after-sales coverage through its three branches located in San Salvador in the central region, Sonsonate in the western region and San Miguel in the eastern region of the country.



**MORE THAN
50%
MARKET
SHARE WAS
ACHIEVED BY
CATERPILLAR IN
EARTH-MOVING
MACHINERY**



**40%
GREW THE
SALES OF
LUBRICANTS IN
THE AUTOMOTIVE
DEALERS
SEGMENT
(B2C)**





MOTORED
(EL SALVADOR)

Motored (El Salvador)

Motored, previously called Transpesa, had 2017 sales of USD 18 million (PEN 58 million) in El Salvador, less than those of the previous year. In addition to providing spare parts and consumables for heavy-duty transportation equipment, it began to commercialize trucks and busses throughout the country.

The company maintained its market leadership in the sales of spare parts and consumables, reaching a share of approximately 55%. At the same time, it provided Kenworth trucks—a brand also represented in Peru by Ferreycorp—in different points throughout the country, mainly to municipalities, with the roller-compactors line. Also, it distributes Higer passenger buses.

It is worth noting that Paccar, the manufacturer of Kenworth, awarded Motored the Latin American Dealer of the Year award, an award given to the distributor with the greatest sales growth.

Furthermore, in 2017 the company entered into the secondhand truck business, importing the first units and aligning itself with the high demand for used vehicles in the country.

In 2017, Motored opened two new sales locations, focused on the spare part distribution. With this, the company has today a network of eleven locations throughout El Salvador.

Sobre Motored (El Salvador)

- Having joined the corporation in 2015, the main business line of Motored (previously named Transportes Pesados S.A. de C.V.—Transpesa) is the provision of spare parts for trucks and buses in El Salvador.
- It also has additional consumable lines such as lubricants and tires, and the representation of Kenworth trucks, also distributed in Peru by the corporation, as well as Higer passenger busses.
- It has eleven branches in El Salvador, located in San Salvador, Santa Ana, Sonsonate, Metapán, Lourdes, San Miguel, Soyapango, Santa Rosa de Lima, Zacatecoluca and Usulután. Additionally, it has operations in Honduras.



**MOTORED
WAS AWARDED
BY PACCAR
AS THE LATIN
AMERICAN
DEALER OF THE
YEAR, FOR
ITS SALES
GROWTH**

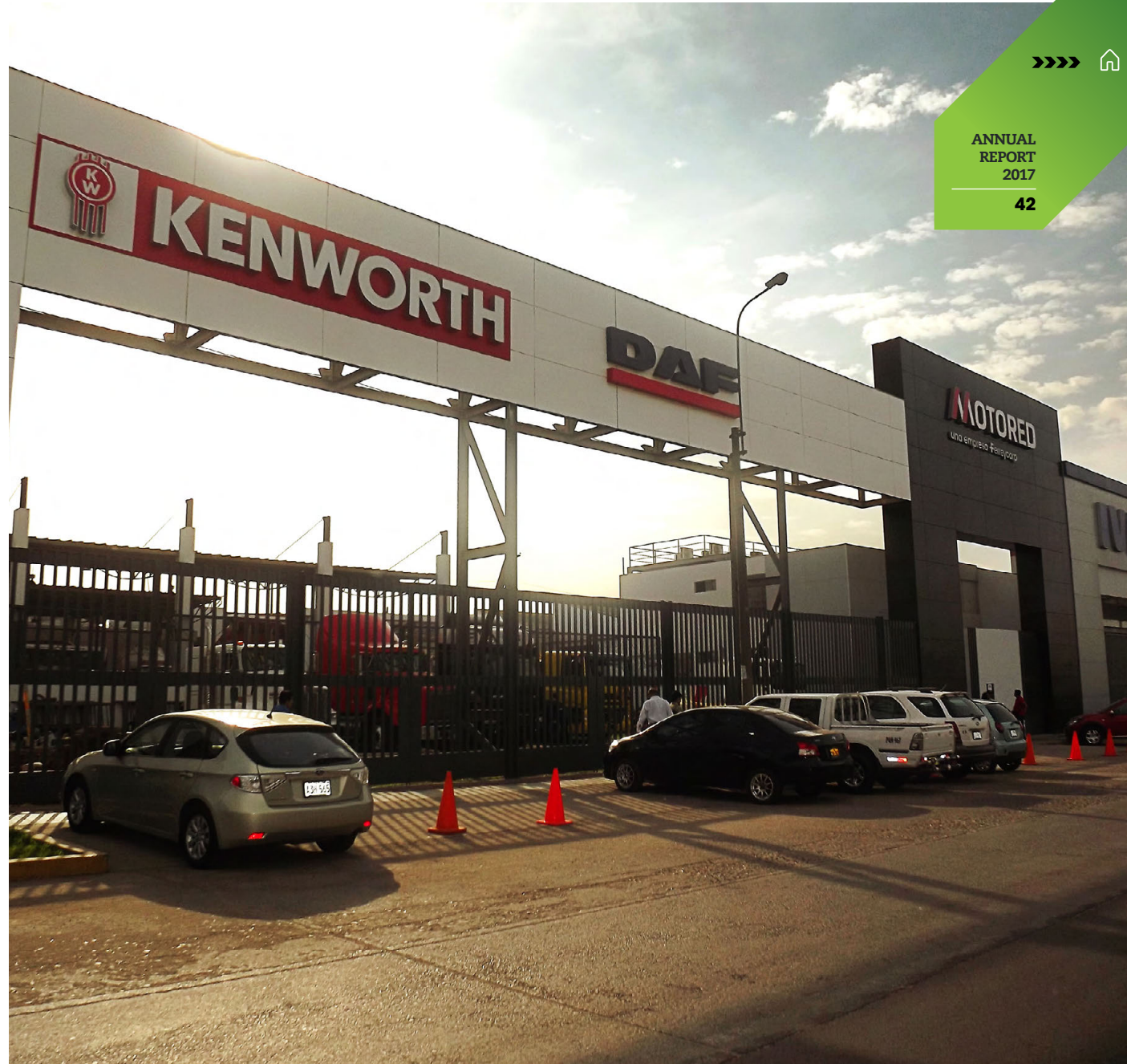


Supplementary Businesses in Peru and other South American countries

In 2017, the businesses that complement the offer of goods and services in Peru and other South American countries reached sales of USD 241 million, 8.7% higher than those of the previous year. In soles, sales amounted to PEN 785 million, a 5.1% growth compared to 2016. In total, these businesses comprised 16% of the corporation's total sales.

In the capital goods sector, these businesses include Motored, a specialist in transport solutions in Peru; Trex, a provider of cranes and hoisting equipment present in Chile, Colombia, Ecuador and Peru; Cresko, focused on Asian machinery; and Maquicentro, dedicated to providing light-duty equipment in Ecuador.

With the goal of attending diverse customer needs, this group of companies includes Soltrak, a provider of industrial consumables; the subsidiaries Fargoline and Forbis Logistics in logistics; and Soluciones Sitech Perú, a technological solutions company.





MOTORED
(PERU)

Motored (Peru)

Motored, a specialist in transport solutions for the country's principal economic sectors, had 2017 sales of USD 61 million, similar to those of the previous year. In soles, sales were PEN 199 million, very close to those of 2016.

The company managed to increase truck and tractor trucks sales by 13%, an increase higher than that experienced by the market, which expanded only by 3%. In this business line, Motored managed to slightly increase its market share to 6.6% in the segments that include trucks and tractor trucks with a gross vehicle weight of more than 16 tons. The most-relevant new

**MOTORED TRUCK
AND TRACTOR
TRUCKS SALES
ROSE IN 13%,
AN INCREASE
HIGHER THAN THE
MARKET**

developments in 2017 include the introduction of the new Kenworth T880 truck, particularly interesting for shipping companies, and the incorporation of new lines of spare parts, complementing the company's offering to customers and contributing to total sales.

It is worth highlighting that the Motored Parts division, in charge of selling motor parts, inaugurated a new service center in Cusco with a wide array of spare parts for both American and European trucks and busses.

Adding the specialized after-sales service offered in different points of the country, the company took steps to promote customer satisfaction and customer relations, such as training initiatives and open door sessions in its branches in important Peruvian cities.

Throughout the year, in response to the slow reactivation of the sector, Motored continued to generate operational and financial efficiencies by controlling costs, thus achieving positive results.

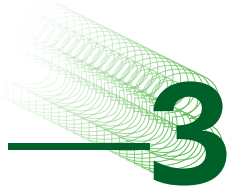
The company received noteworthy recognition from Paccar, manufacturer of Kenworth and DAF trucks and tractor trucks, for its sales performance with Kenworth units, having achieved the highest sales among all dealers in Latin America, with the only exception of Mexico.

About Motored (Peru)

- The company started operations in the mid-90s as the automotive division of Ferreyros and since 2012 it has functioned as a subsidiary.
- It represents the Kenworth, Iveco and DAF brands, handling a comprehensive portfolio that includes tractors, trailers, trucks with different settings, diesel and natural gas buses, as well as the equipment of allied brands for the automotive market.
- It has two branch offices in Lima: one of 30,000 sq.m along the Panamericana Sur highway where the main service workshop operates, along with the replacement part retail outlet and local storage; and another of 4,000 sq.m in Ate, on the Via de Evitamiento where the central warehouse for spare parts is located, along with a retail office for spare parts and vehicles and the administrative offices.
- It has three integral offices in Arequipa, Trujillo and Cajamarca. Additionally, Motored Parts has three sales outlets in Lima and operates in the cities of Huancayo, Piura, Chiclayo and Cusco.



SOLTRAK
(PERU)



BUSINESS AREAS



Soltrak (Peru)

Soltrak, specialist in industrial consumables such as lubricants, tires and personal protective equipment for different sectors, reported sales of USD 83 million, (PEN 272 million) superior to those of the previous year. With its portfolio of solutions, Soltrak primarily serves the construction, industrial and mining sectors, mining contractors, and the retail commercial sector.

Mining and mining contractors showed the greatest demand for the company's products and services. Industrial companies also stood out, especially in the personal protective equipment product lines.

The industrial safety business has the most relevant sales, with an important increase compared with 2016, thanks to the business focus given to protecting workers in every moment of the workday and in making workplaces safer. Soltrak participated in the growth of safety awareness in the Peruvian market with a technical team that assesses the company's main customers regarding safety solutions on a daily basis and offers training sessions for workers on the proper use of safety equipment.

As a specialist in industrial safety, Soltrak has a very diverse portfolio that expands beyond common categories, such as eye, face, hand and foot protection,

and includes specialized lines for critical risks: work carried out at great heights and in confined spaces, energy control and emergency response. Soltrak is committed to offering the best safety solutions, positioning itself as the largest distributor of personal protective equipment in Peru.



MINING AND MINING CONTRACTORS SHOWED THE GREATEST DEMAND OF PRODUCTS AND SERVICES.



SOLTRAK SERVED CUSTOMERS DIRECTLY IN MORE THAN 20 WORKSITES

The line of lubricants, that has been in the company's portfolio for more than 24 years, strengthened and consolidated its after-sales service by way of permanent and personalized on-site service for consignations and with lubrication services for mobile equipment and industrial plants. Furthermore, the company offers specialized services such as vibration analysis, video diagnosis, oil analysis, laboratory analysis and lubrication guides and studies; lubrication equipment and bays; customer training; and diffusion of specialized knowledge.

In the tire business, notable for its dynamism, Soltrak began to serve the large-scale mining sector with tires for off-highway trucks. It maintains its after-sales service with on-site workshops for customers, seeking the best price per hour and/or per ton.

At the same time, in all of its business lines, Soltrak continued to offer after-sales services to customers by assigning on-site personnel and providing service in its workshops. In 2017, Soltrak served customers directly in more than 20 worksites with more than 150 dedicated employees.

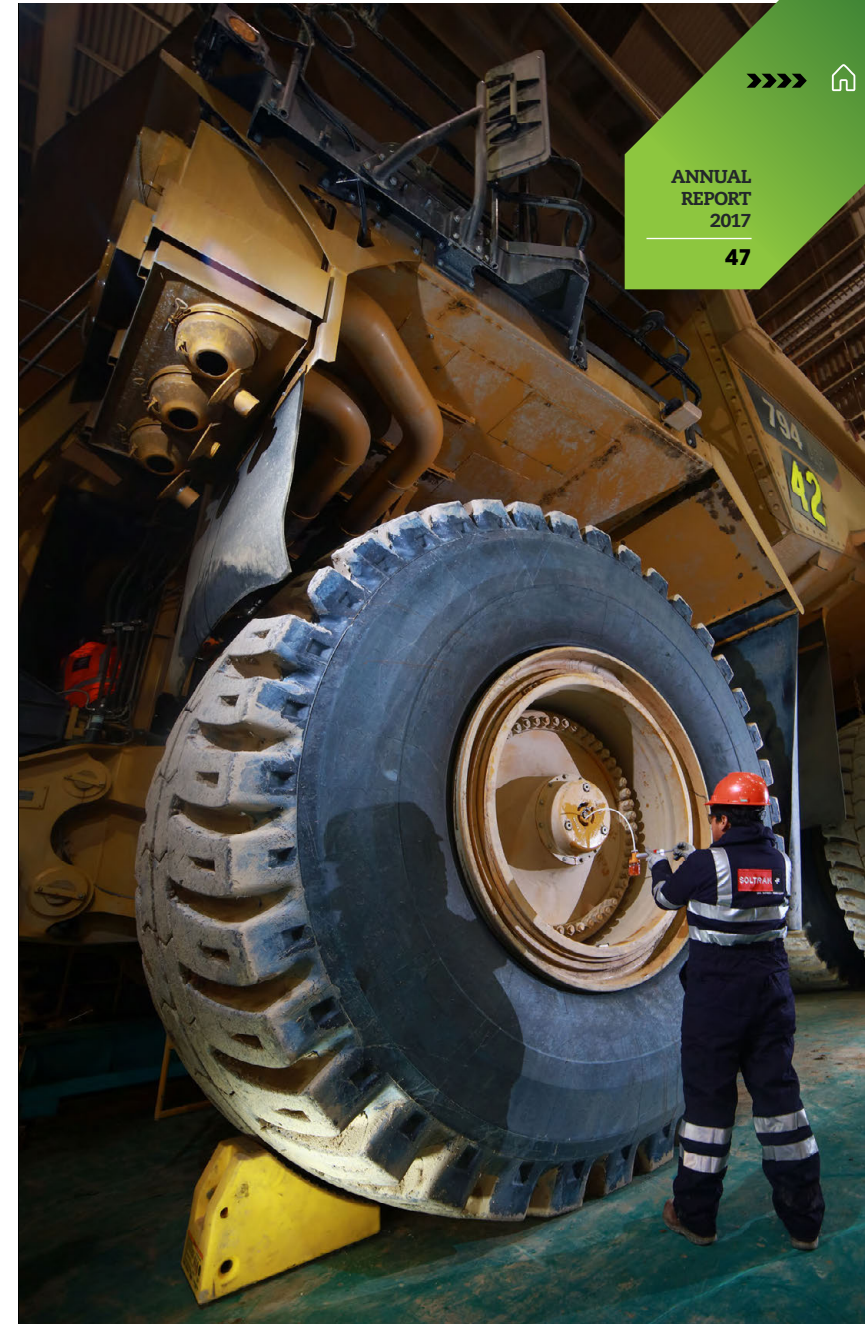
During the year, Soltrak secured an alliance with a well-known firm dedicated to managing knowledge of machine lubrication. At the same time,

it expanded its portfolio, taking on the exclusive distribution of Kimberly Clark Wypall Fuerza Max industrial cleaning towels.

One of Soltrak's growth strategies is to internationalize hand in hand with the principal companies it represents in its portfolio. There is already a plan in place to initiate business in Bolivia, Chile, Ecuador and Central America. In 2017, Soltrak completed its first year of operations in Bolivia, distributing tires and industrial safety equipment. To date, it has established operations in Santa Cruz, La Paz and Cochabamba.

About Soltrak (Peru)

- Soltrak is the Ferreycorp subsidiary that specializes in industrial consumables.
- Its product portfolio includes first-level products such as Goodyear and Superhawk tires; Mobil lubricants; Donaldson filters; 3M, Kimberly Clark, MSA, Capital Safety, Microgard, Ansell, Tecseg and Westland industrial safety equipment; 3M and Dewalt abrasive products; Sata hand tools; and Bosch, Dewalt and Milwaukee electric tools, among others.
- It has branches in Talara, Trujillo, Arequipa, Huancayo, Huánuco and Pucallpa, with head offices in Lima, and it also has a presence in Loreto through its subsidiary Soltrak del Oriente. Additionally, it has a branch in Santa Cruz, Bolivia.
- Soltrak was incorporated into Ferreycorp in 2007, with the acquisition of the tire company Mega Caucho S.A. In 2009, this company merged with Inlusa (Industria y Comercio S.A.), thus adding the lubricants line. In 2013, Tecseg was acquired, adding an industrial safety products portfolio.





CRESKO
(PERU)

Cresko (Peru)

Cresko, a specialist in providing products of Asian origin, had an increase in sales in 2017, registering figures of USD 9 million (PEN 28 million). Cresko is part of the corporation’s strategy to complement its portfolio with products from other geographical regions, with less-complex specifications that can serve different sectors of the market.

Mostly the construction and public sectors required Cresko’s products during the year. The company



**CRESKO, A SPECIALIST
IN ASIAN MACHINERY,
REAFFIRMED ITS
LEADERSHIP WITH
SEM EQUIPMENT AND
SHACMAN DUMPERS**

reaffirmed its leadership in Asian earth-moving equipment with high levels of market participation for SEM equipment, a Caterpillar brand, and for Shacman dumpers. However, the shrinking of the construction sector has affected the demand for subcontractors, who typically require Cresko products.

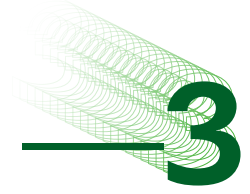
The company advanced with its plans for the expansion and consolidation of its portfolio in the country; after taking on the representation of Shaorui (of the Metso group) crushers, shredders and crushing plants, the company drafted a business plan to introduce this new product line in Peru.

In 2017, Cresko carried out a strategy to expand sales force coverage through the Customer Relations Management (CRM) platform and it continued to establish sales synergies with the corporation’s other companies to generate business opportunities and capture more customers.

Additionally, to optimize service levels, the company launched Cresko Pro, a training and professional development program for technical personnel that certifies specialized knowledge in product support.

About Cresko (Peru)

- Established in 2007, Cresko commercializes products manufactured in Asia at competitive prices, with an after-sales proposal different to that offered by Caterpillar distributors. It mainly serves emerging customers in the construction, mining, agriculture and industrial sectors.
- Among its main represented brands is SEM, manufactured by Caterpillar as part of its strategy to provide products with a differentiated proposal. Cresko carries SEM loaders, tractors, graders and rollers.
- Likewise, its portfolio includes Shacman trucks, Lovol (formerly Foton) farming tractors, Wacker Neuson rollers and lighting towers, Super gensets, Mitsubishi forklifts and Shaorui crushers, among others.
- Cresko’s main offices are in Lima while it expands its national coverage through several of the corporation’s subsidiaries.



BUSINESS AREAS



Ferreycorp — Passion for Our Customers — Vision for Development



TREX (CHILE, COLOMBIA, ECUADOR AND PERU)

Trex (Chile, Colombia, Ecuador and Peru)

In 2017, sales of Trex in Chile, Ecuador and Colombia showed important growth, reaching USD 47 million (PEN 154 million). Important drivers were operations in Chile, in spite of the delay of business as a result of national elections, which showed growth of 40% due to increased activity in response to higher mineral prices.

Trex led the crane market in the most important segments related to its business activities, such as heavy-duty cranes for difficult terrain, as well as crawler cranes with a market share of more than 50% according to import registers. Sales were strongly linked to the demand of the mining sector in Chile.

It is important to highlight the placement, during the year, of the Terex/Demag CC3800 crane. It is the largest, most modern and most efficient high-tonnage lattice boom crawler crane in operation in Chile. In its most equipped version, it reaches a 800 ton capacity. This crane is designed to serve to most demanding industries in the country, such as the mining and energy sectors, as well as large-scale infrastructure projects.

Additionally, there was notable dynamism in the sale of used cranes, an option that was greatly valued by customers during the year. The number

of transactions tripled compared to those of 2016, demonstrating that the regional business structure favors the sale of secondhand units.

Trex continued to provide after-sales service to customers across Chile that includes on-site support, a permanent presence at customer sites, and service offered through the company's network of workshops and warehouses.

Simultaneously, in Peru, Trex registered revenues of USD 16.5 million (PEN 54 million) in 2017, higher than those of the previous year. In a year with limited opportunities in the new crane segment as a result of the reduction of new mining projects, the company promoted a used equipment line, highly demanded especially by rental customers.

Furthermore, the company served logistic and port sectors with the commercialization of new Konecranes Liftace container cranes, showing a market share of more than 60%.

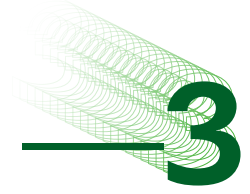
During the year, Trex participated in the implementation of Ferreyros' new Operation Complex in La Joya, Arequipa by providing more than 50 heavy-duty cranes and eight portal cranes of the brands Donati and Demag.

As part of its growth strategy, Trex added the Dutch line of Hyva articulated cranes and Mitsubishi forklifts to its portfolio.

The lines of after-sales service and spare parts also greatly contributed to Trex's sales in Peru. The company developed activities to strengthen its technical, commercial and operational capacities, emphasizing the training of technical specialists.

About Trex

- Trex distributes a wide Terex portfolio, which include cranes, lift platforms and a complete series of port equipment.
- Trex has been present in Chile, with operations in Ecuador and Colombia since its incorporation to Ferreycorp in 2014. It was established in 2000, but its origins in the crane and port equipment industry date back to the 1980s.
- Trex started activities in Peru in 2016. Before that, the distribution and support of Terex cranes in Peru was carried out by the subsidiary Ferreyros.



BUSINESS AREAS



FARGOLINE (PERU)

Fargoline (Peru)

In 2017, the logistic operator Fargoline reported sales of USD 23 million (PEN 76 million), higher than those of the previous year. These figures were driven by the temporary container storage warehouse, which constituted 74% of total revenues, followed by simple storage, temporary storage of loose and rolling cargo and its recently-added transport distribution line.



74%
**OF FARGOLINE'S
REVENUES
CORRESPONDED
TO TEMPORARY
CONTAINER
STORAGE
WAREHOUSE**



**PEN 13
MILLION
REQUIRED THE
CONSTRUCTION
OF PUNTA
NEGRA NEW
FACILITIES,
WHICH STARTED
OPERATIONS IN
2017**

During the year, Fargoline expanded its coverage with two new service centers. It initiated operations in the southern zone of Lima (Punta Negra), at a location of 50,000 sq.m located at kilometer 45 of the Panamericana Sur highway, the construction of which required and investment of PEN 13 million. Also, it opened a branch in Arequipa to offer storage, merchandise distribution and transport services in the region.

It is worth noting that 81% of Fargoline's sales was generated by a wide range of customers from different productive sectors, while the remaining 19% corresponds to service offered to other Ferreycorp companies.

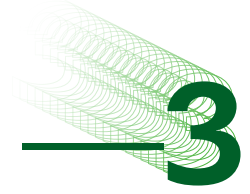
In 2017, Fargoline's level of customer satisfaction surpassed 90%. Furthermore, the company achieved a level of cargo transport greater to that of 2016, despite the low dynamism in international commerce during the period. In line with its commitment to customers, Fargoline invested in equipment, technology and infrastructure maintenance, contributing to the optimization of its operational capacity and its high level of service.

Fargoline continues to be certified by the BASC (Business Alliance for Secure Commerce), an international alliance that promotes secure commerce

and cooperation with governments and international organizations. Furthermore, it upholds ISO, OHSAS, ESR and ABE certificates. Fargoline was recognized by the Ministry of Labor and Promotion of Employment (Ministerio de Trabajo y Promoción del Empleo) with the Good Labor Practices 2017 award.

About Fargoline

- With 34 years in the national market, Fargoline offers temporary containers, loose and rolling load storage, customs storage, simple warehousing, transport and distribution.
- It has locations in Callao (along Gambetta Avenue), as well as in Punta Negra and Lurín (at the south of Lima). It also has a branch in the city of Arequipa.
- Its Security and Control Management System is certified by the Business Alliance for Secure Commerce (BASC). Additionally, it has ISO 9001 and OHSAS 18001 certifications.



BUSINESS AREAS



FORBIS LOGISTICS (PERU)

Forbis Logistics (Peru and United States)

Forbis Logistics, an international freight forwarder, continued to grow during 2017, reaching sales of USD 18 million (PEN 58 million). Air cargo transport services and maritime container transport were the most demanded services by customers from diverse sectors.



OFICINA DE SANTIAGO DE CHILE INICIÓ OPERACIONES, EN LÍNEA CON SU ESTRATEGIA DE EXPANSIÓN COMERCIAL



FORBIS OCCUPED THE NUMBER ONE POSITION IN THE RANKING OF AIR FREIGHT FORWARDERS IN THE ROUTE UNITED STATES - PERU, AND THE THIRD BETWEEN PERU AND THE WORLD

In line with these positive results, Forbis Logistics reaffirmed its leadership by occupying the number one position in the ranking of air freight forwarders between Peru and the United States and the number three position between Peru and the rest of the world, determined by kilograms transported during the year, according to Infoescomar.

With its focus on commercial expansion, Forbis Logistics began operations in its office in Santiago, Chile. In its first year of commerce, it carried out tasks as a freight forwarder from Chile with destinations in the United States, Peru and several European countries.

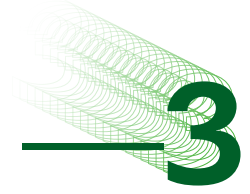
Furthermore, in Peru Forbis Logistics launched consultancy and management services related to cargo export that include resolving customs requirements both for imports and exports, capitalizing on its vast international commerce experience with the companies of Ferreycorp. Additionally, Forbis began to offer land transport services during the year.

The sales of this subsidiary to third-party customers outside the corporation are also noteworthy, showing growth of 85% at year end.

During the year, Forbis installed an automated system of shipping and receiving in its principal warehouse in Miami that reduces operational costs and expedites processes.

About Forbis Logistics

- Forbis Logistics is a logistics operator with offices in Peru and the United States that serves the international cargo transport needs of Latin American customers by air and sea.
- Forbis was created in 2010 in Miami, Florida where it has a strategically located warehouse nine kilometers from the Miami International Airport and 26 kilometers from the seaport. Forbis Logistics was established in Lima in 2012.
- It has the Indirect Air Carrier (IAC) and NVOCC certifications, given by the United States government, and it is currently completing the process to obtain the ISO and BASC certifications. Likewise, it works with Caterpillar quality standards.



BUSINESS AREAS



Ferreycorp — Passion for Our Customers — Vision for Development



**SOLUCIONES
SITECH PERÚ**

Soluciones Sitech Perú

Soluciones Sitech Perú, specialist in the integration of technologies to increase customer productivity, had sales of USD 1.3 million (PEN 4.1 million) in 2017, superior to those of the previous year.

Mining was the primary sector of its activities. In 2017, the company implemented the Cat DSS fatigue monitoring solution, which detects signs of operator fatigue and activates alerts to avoid related accidents, in the truck fleet of an important mine in Cajamarca. This milestone was possible thanks to a successful pilot project that Sitech carried out in a mine in 2016. It is important to mention that, given the results of this



SITECH IMPLEMENTED THE CAT DSS FATIGUE MONITORING SOLUTION IN ALL THE OFF-HIGHWAY TRUCK FLEET OF AN IMPORTANT PERUVIAN MINE.

pilot project, the holding company of the mine decided to repeat the experience in all of its operations across the globe.

Simultaneously, Sitech continued to provide productivity solutions in underground mines, emphasizing the line of Loadrite scales and weighing equipment. Also, it expanded its portfolio of security solutions with the brand Brigade, including its offer of anti-collision technology and security cameras.

As part of its growth strategy, Sitech began developing its own platform to manage operations with the goal of adding efficiencies to its value proposition. Additionally, the company optimized its coverage of

the national market.

About Soluciones Sitech Perú

- Since 2013, Sitech has integrated technologies to provide solutions that increase customer productivity in mining, construction, hydrocarbon and agriculture activities.
- Sitech has a complete portfolio, representing brands such as Trimble, Loadrite, AMT, MST and DSS, among others.



Ferreycorp — Passion for Our Customers — Vision for Development



MAQUICENTRO
(ECUADOR)

Maquicentro (Ecuador)

Maquicentro continued to consolidate its commercial activities in Ecuador during 2017, with sales of USD 4.8 million (PEN 15.7 million), greater than those of 2016. The agriculture sector, with a high demand for Valtra tractors, was the most relevant for the business during the year.



**MAQUICENTRO
SERVED
MAINLY THE
AGRICULTURE
SECTOR, WITH
VALTRA TRACTORS
LINE**

The company strengthened its coverage throughout the country with three new sub-distributors. Now, Maquicentro serves the Ecuadorian market with branches in Guayaquil and Quito and with dealerships in the provinces of Loja, Pichincha, Imbabura and Los Ríos.

The company, which has been a subsidiary of Ferreycorp since mid-2016, was created to serve the Ecuadorian market with a portfolio of light-duty equipment comprised of allied brands that the corporation also represents in Peru.

About Maquicentro

- Maquicentro specializes in Ferreycorp's light-duty equipment in Ecuador, satisfying the needs of different productive sectors.
- Its portfolio includes farming trucks, construction equipment, self-loading concrete mixers, forklifts and welding equipment, among others, with brands such as Valtra, Wacker Neuson, Carmix and Lincoln Electric.





**PASSION
FOR OUR
PEOPLE**

**a committed
vision**

During 2017, the corporation received important awards that put into evidence the work that it has developed regarding employee management.

Human capital is crucial in organizations that successfully last over time.

4 ORGANIZATION AND HUMAN RESOURCES

Ferreycorp's governance matters are handled by the General Shareholders' Meeting, the Board of Directors and by Management, while issues related to the Board of Directors are regulated firstly by the company's articles of incorporation and in further detail by the Rules of Procedure of the Board of Directors and its respective committees.

This chapter contains information on the two decision-making and control structures of the Organization: the Board of Directors and Management.

The Board of Directors

Composition of the Board of Directors

The number of members who compose the Board of Directors should ensure that plural opinions coexist in the Board in such a way that all decisions made in the Board of Directors' meetings will have been appropriately discussed, always bearing in mind the best interests of the company and its shareholders.

The Board of Directors of Ferreycorp S.A.A. is made up of eight to twelve directors elected for three-year periods, in compliance with the Law of Business Associations and with article 32 of the company's articles of incorporation.



In the General Shareholders Meeting held on March 29, 2017, it was agreed that the Board of Directors would be composed by nine members, and the following candidates were determined following the review of their resumes, which had been published in advance.



THE DIRECTORS
OF FERREYCORP FOR THE
2017-2020
PERIOD ARE:

Óscar Espinosa Bedoya

Carlos Ferreyros Aspíllaga

Manuel Bustamante Olivares

Jorge Ganoza Durant

Humberto Nadal del Carpio

Gustavo Noriega Bentín

Javier Otero Nosiglia

Juan Manuel Peña Roca

Andreas Von Wedemeyer Knigge

The directors of the Board chose Óscar Espinosa Bedoya as their Executive President and Carlos Ferreyros Aspíllaga as their Vice President for the said period.

The directors' professional backgrounds are available in Appendix 1. The Report on the Compliance of Good Corporate Governance deals with the practices of the Board of Directors. These include the plural makeup of its members, the participation of independent members, the operations done by the specialized committees and the performance of direction, supervision and risk control functions.

4

ORGANIZATION AND HUMAN RESOURCES



MANUEL
BUSTAMANTE
OLIVARES

JAVIER
OTERO
NOSIGLIA

JUAN MANUEL
PEÑA ROCA

GUSTAVO
NORIEGA
BENTÍN

CARLOS
FERREYROS
ASPILLAGA

ÓSCAR
ESPINOSA
BEDOYA

HUMBERTO
NADAL DEL
CARPIO

ANDREAS
VON
WEDEMEYER
KNIGGE

JORGE
GANOZA
DURANT



SPECIAL BODIES FORMED AND ESTABLISHED WITHIN THE BOARD OF DIRECTORS

The Board of Directors of Ferreycorp S.A.A. has three committees, each of which is presided over by independent directors:

- **Committee of Appointments, Compensations, Corporate Governance and Sustainability:**
PRESIDED OVER BY HUMBERTO NADAL DEL CARPIO.
- **Committee of Auditing and Risks:**
PRESIDED OVER BY JAVIER OTERO NOSIGLIA.
- **Committee of Innovation and Systems:**
PRESIDED OVER BY JORGE GANOZA DURANT.

For further information on the functions and powers bestowed on each of the Board Committees, please refer to the Good Corporate Governance Compliance Report.



BOARD OF DIRECTORS OF THE SUBSIDIARY COMPANIES

The corporation's governing structure also includes the Boards of Shareholders and Directors of the subsidiary companies. The Board of Directors of the main subsidiary, Ferreyros S.A., is primarily comprised by directors of Ferreycorp S.A.A., while the Boards of the other subsidiaries are formed mostly by corporate managers. In all cases, the Boards are presided over by the corporation's President and have as Vice President the General Manager of Ferreyros S.A.A.

Ferreyros Board of Directorss

- **Óscar Espinosa Bedoya**
- **Carlos Ferreyros Aspíllaga**
- **Manuel Bustamante Olivares**
- **Jorge Ganoza Duranti**
- **Mariela García Figari de Fabbri**
- **Gustavo Noriega Bentín**
- **Raúl Ortiz de Zevallos Ferrand**
- **Juan Manuel Peña Roca**
- **Andreas Von Wedemeyer Knigge**

4

ORGANIZATION AND HUMAN RESOURCES



The Boards of Ferreyros' different subsidiaries were integrated in 2017 by the different directors and managers of Ferreycorp S.A.A. and/or some of its subsidiary companies:

NAME	POSITION	CORRESPONDING SUBSIDIARY
Oscar Espinosa Bedoya	President	All subsidiaries
Mariela García de Fabbri	General Manager of Ferreycorp	All subsidiaries
Luis Bracamonte Loayza	Corporate Business Manager of Ferreycorp	Soltrak, Fargoline, Forbis Logistics, Motored in Peru, Cresko, Motriza and Soluciones Sitech Peru
Patricia Gastelumendi Lukis	Corporate Finance Manager of Ferreycorp	Director of all the corporation's companies
Rodolfo Paredes León	Corporate Development Manager of Ferreycorp	Soltrak, Fargoline and Forbis Logistics
Oscar Rubio Rodríguez	Corporate Business Manager of Ferreycorp	Unimaq, Orvisa, Motored in Peru, Cresko, Motriza, Trex and Maquicentro
Gonzalo Díaz Pro	General Manager of Ferreyros	Unimaq, Ferrenergy, Orvisa, Soluciones Sitech Peru, Motriza, Cresko, the companies of the Gentrac group and Trex
Enrique Salas Rizo-Patrón	National Accounts Division Manager of Ferreyros	Unimaq, Soltrak, Motored in Peru, Cresko, Motriza and Soluciones Sitech Peru
Andrea Sandoval Saberbein	Corporate Excellence Manager of Ferreyros	Fargoline and Forbis Logistics
Hugo Sommerkamp Molinari	Central Finance Manager of Ferreyros	Unimaq, Orvisa, Fargoline, Forbis Logistics, Cresko, Motriza, Motored in Peru and El Salvador, Mercalsa and the companies of the Gentrac group



MANAGEMENT

In 2012, the company went through a reorganization process in which corporate functions were assigned to the parent company, Ferreycorp. Since then, Ferreycorp has been involved in the process of setting up its full managerial structure.

The corporate functions include choosing what businesses to explore and with which subsidiary companies, supervising and monitoring the subsidiary companies' management, establishing standardized processes and providing shared services. To carry out these functions, Ferreycorp has a General Management and Corporate Managements. The subsidiary companies have, in turn, structures that match the complexity and size of their respective operations.

Below is a list of the senior management of Ferreycorp and of its subsidiary companies in 2017. The professional background of each of these managers is available in Appendix 1.

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ORGANIZATION AND HUMAN RESOURCES



Managers of Ferreycorp S.A.A.

Mariela García Figari de Fabbri
General Manager

Luis Bracamonte Loayza
Corporate Business Manager

Oscar Rubio Rodríguez
Corporate Business Manager

María Teresa Merino Caballero
Human Resources Manager

Alberto García Orams
**Corporate Manager of Information Technologies,
Processes and Innovation**

Patricia Gastelumendi Lukis
Corporate Finance Manager

Tito Otero Linares
Corporate Internal Audit Manager

Rodolfo Paredes León
Corporate Development Manager

Eduardo Ramírez del Villar López de Romaña
Corporate Affairs Manager

José Miguel Salazar Romero
Corporate Manager of Communication and Image

Senior Managers of Ferreyros

Gonzalo Díaz Pró
General Manager

José López Rey Sanchez
Central Human Resources Manager

Hugo Sommerkamp Molinari
Central Finance Manager

Luis Fernando Armas Tamayo
Large Scale Mining Division Manager

Jorge Durán Cheneaux
Product Support Division Manager

Ronald Orrego Carrillo
Regional Accounts Division Manager

Paul Ruiz Lecaros
Energy and Retail Manager

Alan Sablich Nairn
Marketing and Digital Business Division Manager

Enrique Salas Rizo-Patrón
National Accounts Division Manager

Senior Managers of other subsidiaries and businesses of Ferreycorp

Alberto Parodi de la Cuadra
General Manager of Unimaq

César Vásquez Velásquez
General Manager of Orvisa

Ricardo Ruiz Munguía
**General Manager of Gentrac (Guatemala and Belize)
and Cogesa (El Salvador)**

Carlos Barrientos Gonzales
Gerente general de Soltrak

Henri Borit Salinas
General Manager of Soltrak

Víctor Otero Pizarro
General Manager of Trex Latin America

Carlos Ojeda Iglesias
Manager of Trex in Peru

Javier Barrón Ramos Plata
Manager of Cresko

Jorge Devoto Núñez del Arco
General Manager of Forbis Logistics

Raúl Neyra Ugarte
General Manager of Fargoline

Marcos Wieland Conroy
General Manager of Soluciones Sitech Peru

Ernesto Velit Suarez
General Manager of Ferrenergy

4

ORGANIZATION AND HUMAN RESOURCES

Human Resources

Ferreycorp's more than 6,300 employees are fundamental for the corporation's sustainability and the successful execution of its strategy.

Human Resources Corporate Management seeks to maintain and optimize management of the human capital of all the corporation's companies, each of which has its own human management areas with the same base values and cultural principals, as well as the same business strategy with their leaders acting as the main promoters of the management model.



**THE MORE THAN
6,300
FERREYCORP'S
EMPLOYEES
ARE FUNDAMENTAL FOR
THE CORPORATION'S
SUSTAINABILITY AND THE
SUCCESSFUL EXECUTION
OF ITS STRATEGY.**

The main goals of the human resources program are:

- To maintain a solid and exceptional corporate culture that supports the growth of the business and fulfills the goals of the corporation.
- To develop the abilities of the corporation's leaders so they can lead the organization and take responsibility for performance, promoting employee development and talent management.
- To consolidate the management of work relationships and social well-being to serve the different needs and maintain and excellent work environment.
- To implement and maintain a culture of corporate safety, consolidating and Integrated System of Occupational Health, Safety and Environmental Management with high safety standards to care for the lives of all employees in all of the corporation's companies.



4

ORGANIZATION AND HUMAN RESOURCES

Ferreycorp and its subsidiary companies have 6,387 employees in Peru and other countries, as detailed in the following diagrams:



4

ORGANIZATION AND HUMAN RESOURCES



Hereinafter are details of some of the main actions related to human capital management.

Organizational Environment

Maintaining employees motivated and committed is a goal of the corporation that highly depends on employee opinions to discover the impact of different initiatives. Just like any organization with modern and robust practices in the field of human resources and talent, Ferreycorp listens by way of periodic surveys to the opinions of its employees about the corporation's value proposition and that of its subsidiaries, including different factors that affect the work environment.

In 2016, the Work Environment Survey was carried out, in which employees were asked to share their opinions about things such as the role of the corporation's leaders, the level of commitment towards employees, systems of recognition, development opportunities, compensations and benefits, the suitability of the organizational structure and its different processes, customer orientation, innovation and respect, as well as safety promotion in the workplace, among other topics. There was a very high participation rate of 95%, and the factors evaluated enjoyed a high level of favorability, above the national average in Peru and in the region, according to the statistics provided by the consultants who facilitated the survey process.



**WE ARE AN
INNOVATIVE
CORPORATION
WITH PASSION
FOR OUR
CUSTOMERS AND
FOR OUR PEOPLE,
GEARED TOWARDS
ACHIEVING
EXCELLENT
OPERATIONAL
RESULTS,
SOLID VALUES,
FLEXIBILITY AND
COLLABORATION**



One of the most remarkable results is the high level of pride (91%) that employees feel to be part of Ferreycorp and their high level of commitment (85%) to the corporation.

Based on these results, plans of action were put in place at all management levels of the corporation's

subsidiaries that were initiated at the end of 2016 and carried out for the entirety of 2017. In 2018, the Work Environment Survey will be carried out once again in order to validate the effectiveness of these plans of action and to establish an updated employee perception of the corporation.

Commitment to Occupational Health and Safety

With its Integrated System of Occupational Health, Safety and Environmental Management, Ferreycorp establishes the standards and best practices to be applied in all of the operations and establishments of its subsidiaries in order to prevent accidents and incidents and to safeguard the physical well-being of employees and interested parties. Notable best practices include:

- Danger identification, risk assessment and establishment of controls
- Identification of critical risks and control measures
- Safe operation guidelines
- Planned and random inspections
- Elimination of unsafe actions and conditions
- Periodic safety audits

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ORGANIZATION AND HUMAN RESOURCES

Another critical element in this security system is the visible role of company leaders, who actively participate in supervising compliance with guidelines and constantly promote a culture of safety.

Additionally, indicator monitoring is another critical factor in the system. There is a reporting and indicator monitoring system in place that includes equipment training and training related to risk exposure, reporting on indexes of accident frequency, severity and occurrence, health monitoring and occupational hygiene, among other factors.

Thanks to this system, Ferreycorp has achieved progressive improvement over the last six years in the safety indexes of its companies, obtaining in 2017 an accident index of 2.08 and a Recordable Injury Frequency (RIF) index (recommended by one of the brands the corporation represents) of 1.01.

Corporate Culture

Two years ago, the corporation identified a desired culture as part of its strategic mid-term goals, that establishes the following: “We are an innovative corporation with passion for our customers and for our people, geared towards achieving excellent operational

results, solid values, flexibility and collaboration”. Many of these cultural elements are already embodied by employees, while others are in the process of implementation, being considered very important for the future and part of a transformation of the business.

Given the corporation’s performance through its diverse subsidiaries with a focus on specialization, it is of utmost importance to incorporate the cultural values in all of Ferreycorp’s companies and to meet this goal, a program of cultural transformation has been put in place.

Development of Leaders

Given that the leaders define the vision of their teams, communicate strategies, monitor performance and accompany the talent development, it is important to permanently work with leadership training, especially so after incorporating young talent employees that, having entered the organization in the last few years, today hold leadership positions.

In 2017, an evaluation program of the principal leaders was carried out; it defined the map of succession of critical positions and approved the directive skills development program. In 2018, this program will begin to solidify the desired skills among the main leaders.

Performance Management

In 2016, the Performance Management Program was reformulated to enlarge its systematization and measurement parameters. The set of corporate skills was also updated to a total of 13 that are aligned with the corporation’s culture and strategy. These skills are divided into the following groups: strategic skills, operational skills, personal skills and people skills. The performance management system has a direct impact on the achievement of strategic goals and contributes to employee development and motivation.

In 2017, the performance management process was strengthened, fortifying governance to complete with different steps: identifying goals that can be concretely measured, mid-year performance reviews and an annual performance evaluation, thus assessing the level achieved in each required skill for each position, together with the level of completion of the goals set for the year.

An important part of the performance management process is the feedback given in each step. The company continues to offer reinforcement and advice so that the process is carried out correctly.

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ORGANIZATION AND HUMAN RESOURCES

Compensation and Benefits

Ferreycorp has a corporate compensation and benefits policy that is focused on establishing internal fairness, staying competitive with the market, promoting meritocracy and assuring that compensation reflects both employee performance and the financial results of the corporation's different subsidiaries. The compensation system also allows fairness among the corporation's different companies. Updating the functions and values of each position forms the base of the system, which is accompanied by an evaluation of market salary surveys.

Ferreycorp also offers corporate benefits focused on health, education and housing, in the form of both direct benefits and loans, following company policy. Furthermore, the corporation organizes integration activities with employees and their families, promoting health and social responsibility.

Internal Communication

Ferreycorp is focused on sharing information with each of its 6,300 employees about its projects and company news. To achieve this, the corporation has internal communication channels such as intranet (Mundo Ferreycorp), a magazine



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ORGANIZATION AND HUMAN RESOURCES

(Enfoque Ferreycorp) and mailing lists (Ferreycorp Internal Communication). Additionally, many of the subsidiaries have their own personalized communication channels that include intranet, magazines, bulletins, mailing lists, videos, and networks of spokespeople and correspondents.

The success of the internal communication system depends largely on the spokespeople and correspondents that communicate news with each

subsidiary. For this reason, they receive training to promote spaces of interaction.

In addition to the management of internal media, in 2017 more than 20 workshops about how to handle direct communication with work teams were carried out for the leaders of the different subsidiaries, given that they are the first line of communication. The goal was to raise their awareness of their role as agents of communication and for them to get to know what the “direct communication” cultural value truly implies. The level of satisfaction with these workshops was 98%, and as a result such training sessions will be continued in 2018.

In 2017, large-scale campaigns were carried out to contribute to encourage employee identification with the corporation. The most recent was The Ferreycorp Challenge: Knowing ourselves makes us greater, in which more than 4,600 employees (72%) participated, getting to know the integrated portfolio of products and services offered by the corporation and its subsidiaries. The campaign consisted of a virtual trivia game and a final event to determine a winner, who was awarded a trip to visit the subsidiary of his/her choice.

Training

Ferreycorp promoted employee development through internal and external training and opportunities to work in different subsidiaries. During 2017, 410 employees changed positions, either horizontally or vertically. Also, 41 employees were able to take on new responsibilities by changing subsidiaries.

Furthermore, the scope of ten corporate agreements with educative entities was expanded and two new agreements were signed (with ten more still pending for January 2018). These cover undergraduate and graduate-level education, language studies and technology.

Internally, employees are trained with company resources and with the help of consultants. At Ferreyros, technician training is carried out in the modern Technical Development Center (Centro de Desarrollo Técnico or CDT). The classrooms of the CDT are used to training in technical courses, SSM and corporate practices. As a reference, Ferreycorp employees in Peru had access to more than 150,000 man-hours of training in 2017, 90,000 of which were destined to technical personnel.



**MORE THAN
150,000 TRAINING
MAN-HOURS
RECEIVED FERREYCORP'S
EMPLOYEES**

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ORGANIZATION AND HUMAN RESOURCES

The corporation also has a Virtual Campus accessible to every employee for the completion of the following obligatory courses: Information Security, Personal Data Protection Law, Peruvian Financial Intelligence Unit and Corporate Code of Ethics.

Shared Service Center

In 2017, plans were drafted to gradually implement a Shared Service Center (Centro de Servicios Compartidos or CSC) for human resources, the scope of which will be: Payroll, Administrative Processes, Social Care, Occupational Medicine and Recruiting and Selection.



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ORGANIZATION AND HUMAN RESOURCES



MANAGEMENT RECOGNITION

In 2017, Ferreycorp continued to receive important recognition in the field of human capital management, including the following highlights:

Socially Responsible Company Award. **Entregado por Perú 2021 a las subsidiarias Ferreyros, Fargoline, Orvisa, Soltrak, y Unimaq.**

"The Most Admired Peruvian Companies" Award. **Presented by PwC and the magazine G de Gestión to Ferreycorp for the fifth time.**

Merco Talent 2017 (Merco Talento) – Top 10 companies to attract and retain talent in Peru. Leader in its sector. **Presented by Merco and ESAN University to Ferreyros for the fourth consecutive year.**

Merco Companies 2017 (Merco Empresas) – Top 5 companies with the best reputation in Peru. Leader in its sector. **Presented by Merco and the newspaper Gestión to Ferreyros, which has been among the Top 10 for the past six consecutive years.**

Good Labor Practices 2017 Contest – First Place. **Presented by the Ministry of Labor and Promotion of Employment to Ferreyros in the category "Work-Family Balance"; to Fargoline in the categories "Efficiency in the Management of Compensations, Salary Policy and Employee Benefits", "Promotion of Organized Work with Customers and Suppliers" and "Eradication of Child Labor and Forced Labor"; and to Orvisa in the category "Prevention of Work-Related Health and Safety Risks".**

Safe Company Free of Violence and Discrimination Seal. **Presented by the Ministry of Women and Vulnerable Populations to Ferreyros. This is the highest distinction awarded to those organizations that prevent violence and promote gender equality.**



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ORGANIZATION AND HUMAN RESOURCES

These awards motivate the corporation to continue making efforts to generate a positive impact in the lives of its employees.

In addition to these awards, Ferreyros, Unimaq, Motored, Soltrak, Fargoline, Trex Peru and Cresko form part of the Association of Good Employers (Asociación de Buenos Empleadores or ABE), sponsored by the American Chamber of Commerce (Amcham). Ferreyros is a founding partner of this association, which brings together companies that stand out for their respect towards their employees and the good work environment they achieve through good human capital management practices.





PASSION FOR OUR INDUSTRY

expert vision

Ferreycorp has built unique support capacities, with the vision of an expert in its field, accompanying the quality of the machinery and equipment it distributes. This value proposition is enhanced with specialized services and supplies, consumables, logistics, energy and technology.

FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS

Financial Management

The main goal of our financial management is to ensure the corporation's sustainability and achieve the profitability our shareholders expect.s. This is why in 2017 the ROE (Return On Equity) went up consistently from 12.8% in 2016 to 13.4%.

This improvement in the ROE has been the result, firstly, of the profit obtained by Ferreycorp and its subsidiaries, which is shown by the form of equity value or by the dividends the companies transfer to Ferreycorp every year. During the present fiscal year, this consolidated net profit increased to PEN 267 million, 16% more than in 2016.

Key Profit Factors

Some of the aspects that should be highlighted because of their positive impact on the increase of profit in 2017 are the defense of the gross and operative margins, similarly to the previous year; the decrease in financial expenses; and the foreign exchange gain.





FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



The gross margin of 24%, same as the previous fiscal year, was achieved due to the composition of different business lines in relation to the total sales, and had an important participation of the spare parts and services areas.

The operative margin of 9% was at the same level as in 2016 in spite of the increase in expenses in 2017, particularly during the last quarter, due to the record of the provision of receivables caused by the delay in collecting from some customers of the construction

THE DEFENSE OF THE GROSS AND OPERATIVE MARGINS, SIMILARLY TO THE PREVIOUS YEAR; THE DECREASE IN FINANCIAL EXPENSES; AND THE FOREIGN EXCHANGE GAIN WERE KEY ASPECTS ON THE INCREASE OF PROFIT



sector, in line with the current situation of said industry, aiming to be conservative with regard to the possible risk of deterioration.

On the other hand, the financial expenditure went down by 32%, from PEN 125 million to PEN 85 million in 2017, mainly due to a change in the structure of the company's sources of funding and thanks to the strategy of taking on short-term debt with more flexible financing conditions, which is further explained in the capital markets section.

Similarly, the foreign exchange gain was favorable during the year, reaching PEN 25 million, contrasting with the PEN 0.5 million of 2016. During the last quarter of 2017, a foreign exchange gain was registered as a result of the currency appreciations both in Peru, the main location of the corporation's operations, and in Chile.

Asset Turnover and Liability Reduction

Other aspects that had an impact on the ROE obtained in 2017 were the turnover of assets and the reduction of the corporation's liabilities.

At year-end, the total assets went up to PEN 4,848 million, 1.7% more than in 2016. The asset turnover remained at 1.00 during 2017. The variation in the total assets with regard to December 2016 is the result of:

- The reduction of cash and cash equivalents by PEN 48 million, due to the prepayment of international bonds.
- The increase in inventory, from PEN 1,233 million in 2016 to PEN 1,393 million in 2017, mainly due to the operations closed during 2017, which will be delivered and billed during the first quarter of 2018.
- The variation of the total investment in the receivables of the companies of the corporation, mainly as a result of the larger provisions of bad debts during the year. Without considering the provisions, there was a slight increase in the receivables, because of an extension in the terms of payment of an important customer of the mining sector and the delays in payment of the customers of the construction sector, mentioned above.
- The increase in fixed assets, which will be explained in the corresponding subheading.

It is important to point out that the cash conversion cycle, which has an influence on the cash surplus-generation that enabled the reduction of liabilities, remained stable. Even though there were more days of collection, we managed to take the receivables to be paid to providers from 61 to 69 days.

The company's liabilities went down by PEN 83 million, contributing towards the reduction of financial expenses, as will be explained in detail later.

Fixed and Intangible Assets

With regard to fixed assets, distribution companies of capital goods, especially those working for Caterpillar, were able to largely reduce their investment in the equipment of their rental fleet, due to the reduction in the demand from the construction sector. However, fixed assets did not fall as they did in 2016, because of the emphasis put on acquiring capabilities to serve our customers. As part of the Premises Master Plan, the building of Ferreyros' La Joya- Arequipa Operations Complex was completed, requiring a total investment of USD 30 million. This installation, which includes the second Component Reparation Center (CRC) of the company, is part of a lot of over 50 000 sq.m, strategically located near mining operations.

Meanwhile, the building of Fargoline's new warehouse was completed in the plot of Punta Negra, in the south of Lima, demanding an investment of USD 5.2 million. The plot was acquired in 2015 for Fargoline and other subsidiaries.

The investment in intangible assets, corresponds to the implementation of the ERP SAP S/4 HANA, which will be installed in 2018 in the main companies of the corporation in order to improve their processes, statements and reports.

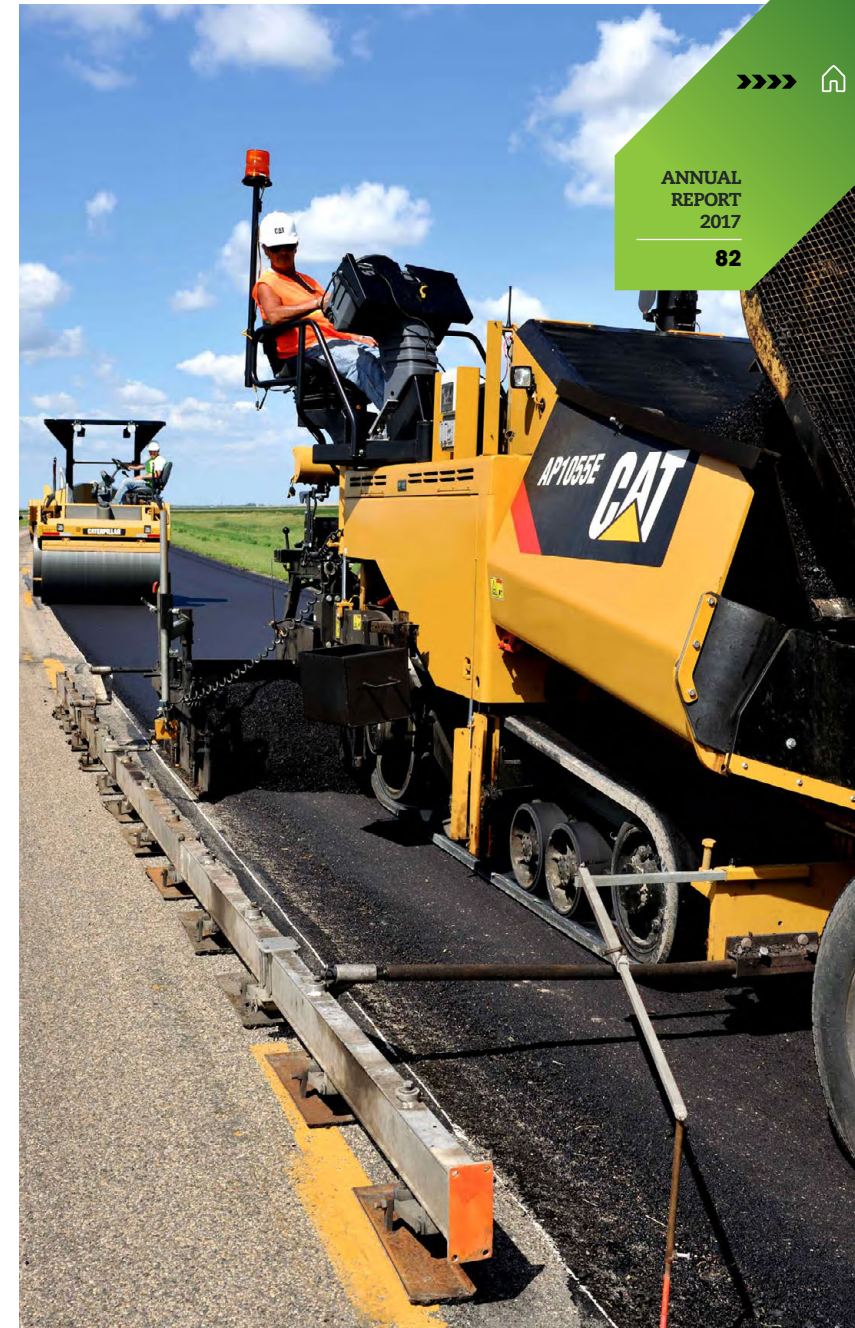
Capital Market

Ferreycorp has been an active participant of the capital market since its shares were listed on the Lima Stock Exchange (BVL by its acronym in Spanish) in 1962 and later when it ventured into the placement of bonds. In more recent years, that decision has enabled it to offer its investors interesting levels of profitability. In 2017, the corporation continued to be dedicated and attentive to these important stakeholders, who maintain both variable debt (shares) and fixed income securities (bonds), as stated in the Presentation Letter of the Report on the Compliance of the Good Corporate Governance Code for Peruvian Companies.

We would like to highlight two 2017 initiatives aimed at improving financial results and reassuring our shareholders: the redemption of Treasury shares and the prepayment of international bonds.

Redemption of Treasury Shares

Between 2015 and 2017, the company acquired 50 million shares issued by the corporation under the Share Repurchase program, which avoided an abrupt fall of the share price by withdrawing shares from the market and had a positive impact on the share's profitability.



In November 2017, the General Meeting of Shareholders agreed on the redemption of 38 million shares that had remained in the share portfolio at an average price of PEN 1.29. After the Meeting reached a unanimous agreement, this amount was paid and applied to the corporation's capital, which went from PEN 1,014,326,324 to PEN 975,683,029.

As a result, an added value was offered to the shareholders, making their investment more profitable: the share went from PEN 1.17 to PEN 2.65 between September 2015 and November 2017, while the utility per share went from PEN 0.233 in 2016 to PEN 0.274 in 2017.

We must highlight the outstanding increase of 51% of Ferreycorp's share price, which was PEN 1.69 at the beginning of 2017 and closed the year at PEN 2.55. Additionally, in accordance to the dividend policy that has been in place for almost 20 years, in May we paid cash dividends equivalent to 12.8457% of the capital. Thus, those who acquired shares of the corporation on 1 January 2017 obtained a profitability of 58% throughout the year, both through cash dividends and share appreciation.

Partial Prepayment of International Bonds

After executing a tender offer of USD 138 million in 2016, paid with debt in better conditions or with the

surplus of the company's cash, in 2017 the corporation carried out an additional tender offer of USD 62 million paid in cash generated by the corporation with funding in better and more flexible conditions and with lower interest rates. In that sense, the strategy of short-term funding of the corporation's activities was maintained, enabling the reduction of Ferreycorp's financial expenses.

It must be noted that the company has a USD 100 million-dollar balance on these bonds in the international market.



51% INCREASED FERREYCORP'S SHARE PRICE IN 2017



FERREYCORP ENCOURAGES ITS SUBSIDIARIES TO IDENTIFY ADJACENT OR NEW BUSINESSES THAT WILL FOSTER THEIR GROWTH

About Ferreycorp's Work

It should be noted that the Ferreycorp holding company, which is the result of the reorganization that took place in 2012, operates through subsidiary companies, granting them operative autonomy within the strategic consistency and guidelines for the standardization of certain processes provided by the corporation. The corporation in turn applies monitoring and supervision processes.





FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



In that sense, Ferreycorp encourages its subsidiaries to identify adjacent or new businesses that will foster their growth and enable them to give a better value proposal to their customers. An interdisciplinary team made up of officers of both the corporation and the businesses is in charge of the assessment of business opportunities, establishing a Strategic Planning Committee and a Business Development Committee. Such opportunities may include the acquisition of companies that are already operative.

Ferreycorp supports its subsidiaries in obtaining the capabilities that are critical to their success, such as the availability of infrastructure and adequate inventories for a timely after-sales service, the provision of financial services to customers, the access to financial resources from diversified sources and the development of human talent, among other important aspects.

In order to promote the best possible return on the capital invested in each business, through management control the holding company contributes to enabling its subsidiaries to achieve their goals of reducing operating expenses, improving their asset turnover, reducing their investment in work capital and carrying out an adequate management of funding sources, resulting in the lowest expenses in this area.

Similarly, Ferreycorp provides shared services to their subsidiaries that are duly hired and paid, in order to gain in efficiency and build synergies, reducing costs and optimizing their work so that the companies may focus on their business activities.

Thus it carries out tasks such as internal auditing, legal advice, risk management and financial planning, communications, mergers and acquisitions, security program auditing, development of common programs for talent management, infrastructure, informatics and processes, sustainability management, among others, always within the frame of transfer prices and market prices. Thus, the holding company has sought that the services it provides to its subsidiaries are comparable to others. It even establishes comparable prices through the quartile method in order to demonstrate transparency. That is how Ferreycorp applies its strategy and complies with accountable and taxing norms, the International Financial Information Standards (IFRS) adopted by the company in 2010 and the principles of Good Corporate Governance.

It must be mentioned that Ferreycorp has price regulations on the operations carried out among companies of the economic group and there is an area in charge of assessing internal transactions. There is a rigorous analysis of the sales made among the

companies, of the support functions the corporation provides to its subsidiaries, of the assets or resources employed in the development of those functions, as well as the risks and costs it assumes. Likewise, an auditing company validates the establishment of prices once a year and creates a report on transfer prices that must be presented along with the tax affidavit to the tax administration office.



**MANAGEMENT'S ANALYSIS AND DISCUSSION
OF THE FINANCIAL STATEMENT AUDITS**

Ferreycorp S.A.A., in its holding capacity, carries out investments in both its national and international subsidiaries and establishes strategic alignments and policies with which all companies within the corporation must comply. On an individual level, the corporation's income is generated principally by its participation in the investments in subsidiaries both in Peru and abroad, as well as in joint businesses.

By maintaining ownership of the properties used by its principal subsidiary, Ferreyros S.A., Ferreycorp receives operational income rents that cover the operating costs of administering such properties. These rental agreements have signed contracts with set term agreements and market pricing rates.

Additionally, the corporation fulfills the role of financing its subsidiaries in order to concentrate loans in high-volume operations and to achieve better conditions, as has been the case with the placing of corporate bonds in the international market. In this way, the corporation also receives revenues from the interest that corresponds to the loans issued.

For a thorough understanding of the business volume and the profits of all the related businesses of the corporation, it is recommended to read this chapter, taking into consideration the consolidated financial statement.



FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Separated Financial Statement of Ferreycorp S.A.A. Financial Statement Overview

BALANCE SHEET (IN MILLIONS OF PERUVIAN SOLES)

	31-12-17	31-12-16	AMOUNT	VARIATION %
Assets				
Current Assets				
Cash and Cash Equivalents	11.8	25.0	-13.2	-52.8
Trade Receivables, net	2.1	4.4	-2.3	-52.3
Accounts Receivable to Related Entities	140.6	132.5	8.1	6.1
Other Receivables, net	20.6	23.3	-2.7	-11.6
Investment in shares	80.1			
Assets available for sale	14.6			
Prepaid Expenses	1.1	1.2	-0.1	-8.3
Total Current Assets	270.9	186.4	84.5	45.3
Long-term Trade Receivables, net	1.0	1.4	-0.4	
Long-term Account Receivables to Related Entities	221.2	455.3	-234.1	-51.4
Other Long-Term Account Receivables, net value	0.0	0.9	-0.9	-100.0
Investments in Subsidiaries, Associates and Joint Businesses	1,580.6	1,695.7	-115.1	-6.8
Investment Properties, net	367.7	292.0	75.7	25.9
Property, plant and equipment	0.9	0.0	0.9	
Other assets, net	0.5	0.4	0.1	25.0
Total Assets	2,442.8	2,632.1	-189.3	-7.2



FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Separated Financial Statement of Ferreycorp S.A.A. Financial Statement Overview

BALANCE SHEET (IN MILLIONS OF PERUVIAN SOLES)

	31-12-17	31-12-16	AMOUNT	VARIATION %
Liabilities and Net Equity				
Current Liabilities				
Other Financial Liabilities	40.0	60.9	-20.9	-34.3
Trade Payables	2.4	1.4	1.0	71.4
Other Payables	25.3	25.4	-0.1	-0.4
Accounts Payable to Related Entities	3.0	2.9	0.1	3.4
Total Current Liabilities	70.7	90.6	-19.9	-22.0
Other Financial Long-Term Liabilities	369.1	714.2	-345.1	-48.3
Deferred Income Tax Liabilities, net	43.8	29.9	13.9	46.5
Total Non-Current Liabilities	412.9	744.1	-331.2	-44.5
Total Liabilities	483.6	834.7	-351.1	-42.1
Equity				
Share Capital	975.7	1,014.3	-38.6	-3.8
Treasury Shares	0.0	-50.2	50.2	-100.0
Additional Capital	73.5	50.3	23.2	46.1
Legal Reserve	162.4	139.4	23.0	16.5
Other Equity Reserves	264.7	272.5	-7.8	-2.9
Retained Earnings	482.9	371.1	111.8	30.1
Total Equity	1,959.2	1,797.4	161.8	9.0
Total	2,442.8	2,632.1	-189.3	-7.2

As of December 31, 2017, total assets reached PEN 2,442.8 million with respect to PEN 2,632.1 million on December 31, 2016, which indicates a reduction of PEN 189.3 million (-7.2%). The principal variations in assets are a result of: a) the reduction of receivables from affiliates due to payments received by several subsidiaries; and b) the reduction of investments as a result of the dividends obtained and the sale of a subsidiary. This reduction was compensated partially by the increase in investment properties, due to the transfer of assets received by the merger from Inmobiliaria CDR S.A.

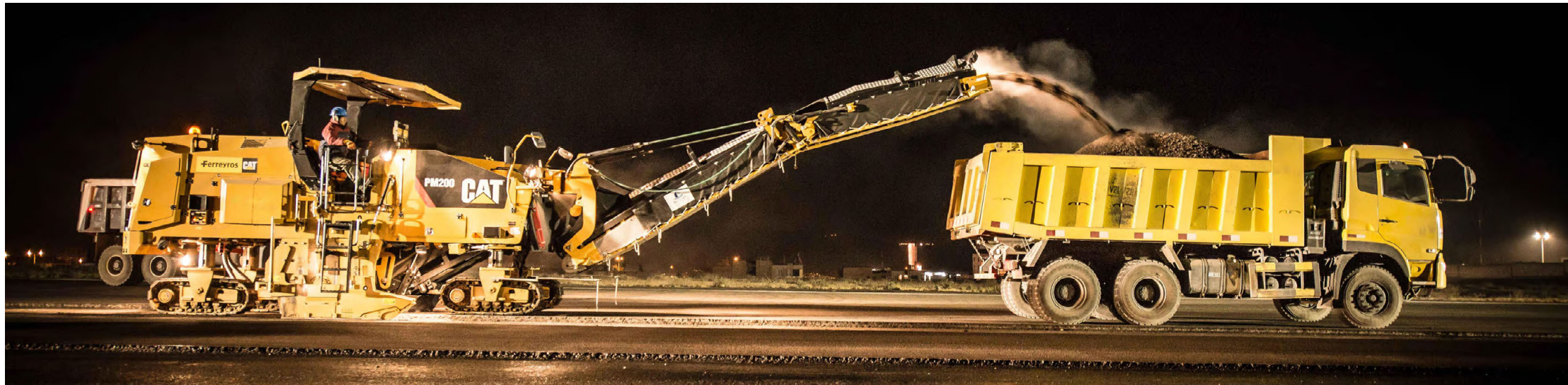
As of December 31, 2017, total liabilities reached to PEN 483.6 million compared to PEN 834.7 million on December 31, 2016, equivalent to a reduction of PEN 351.1 million (-42.1%). This variation is explained by the reduction of assets mentioned in point a).

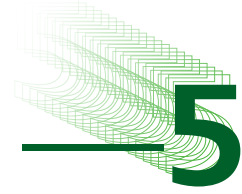
Financial Ratios

The current ratio as of December 31, 2017 is 3.83, greater than the current ratio of 2.06 on December 31, 2016. The financial debt ratio on December 31, 2017 is

0.20, in comparison with 0.42 on December 31, 2016. The cash and cash equivalents balance and liabilities with suppliers that do not generate financial costs have been excluded from the calculation of this ratio.

The total debt ratio as of December 31, 2017 is 0.25, in comparison with 0.46 on December 31, 2016.





FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Separated Financial Statement of Ferreycorp S.A.A. Operating Profit Overview

PROFIT AND LOSS STATEMENT (IN MILLIONS OF PERUVIAN SOLES)

	2017 AMOUNT	2016 AMOUNT	VARIATION %
Income			
Share of the Profit of Subsidiaries, Associated and Joint Businesses	286.8	249.9	14.8
Financial Income	27.5	43.1	-36.2
Rents	29.2	27.6	5.8
Management Support Services	9.8	8.4	16.7
Diverse Income	10.2	5.2	96.2
	363.5	334.2	8.8
Operating Costs and Expenses			
Financial Expenses	-43.9	-62.2	-29.4
Administrative Expenses	-38.3	-32.0	19.7
Rents	-5.1	-5.4	-5.6
Diverse Expenses	-7.7	-0.9	755.6
Exchange Difference, net	5.8	-0.6	
	-89.2	-101.1	-11.8
Profit before Income Tax	274.3	233.1	17.7
Income Tax Expenses	-7.3	-2.7	170.4
Net Profit	267.0	230.4	15.9

The higher income in 2017 can largely be attributed to the gains obtained by the corporation for its share of the profit of subsidiaries and associates, explained by the higher net profit of subsidiaries, that have compensated the lower financial income as a result of less loans to subsidiaries.

The reduction of expenses in 2017 essentially correspond to lower financial expenses, a lower financial debt and lower interest rates. Also, in 2017 there was a foreign exchange gain with regard to the small loss registered in 2016. In 2017, there was an appreciation of the Peruvian sol with respect to the dollar of 3.42%, and in 2016 there was also an appreciation of the sol against the dollar of 1.55%.

Changes in Parties Responsible for the Preparation and Revision of Financial Information

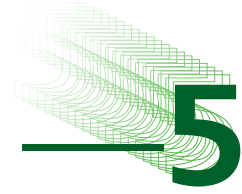
During 2016 and 2017, no changes were recorded in those parties responsible for the preparation and revision of the company's financial information.



CONSOLIDATED FINANCIAL STATEMENT OF FERREYCORP S.A.A.

Hereinafter is presented the consolidated financial statement as of December 31, 2017 and December 31, 2016, and the explanation of the primary accounts and their variations. For all intents and purposes, some figures have been reclassified in the financial statement detailed below in order to include the gross profit of purchase orders transferred by Caterpillar to Ferreyros as sales and cost of sales.





FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Consolidated Financial statement of Ferreycorp S.A.A

Overview of the Consolidated Statement of Financial Position of Ferreycorp and Subsidiaries

CONSOLIDATED FINANCIAL STATEMENT (IN MILLIONS OF PERUVIAN SOLES)

			VARIATION	
	31-12-17	31-12-16	AMOUNT	%
Assets				
Current Assets				
Cash and Cash Equivalents	80.7	128.9	-48.2	-37.4
Trade Receivables, net	1,031.2	1,080.1	-48.9	-4.5
Other Receivables, net	196.1	188.7	7.4	3.9
Inventories, net	1,393.3	1,233.0	160.3	13.0
Investment in shares	80.1			
Assets for sale	14.6			
Prepaid Expenses	22.5	21.9	0.6	2.7
Total Current Assets	2,818.5	2,652.6	165.9	6.3
Long-Term Receivables, net	79.8	45.0	34.8	77.3
Other Trade Receivables in Long-Term, net	0.5	1.7	-1.2	-70.6
Investments in Associates and Joint Venture	13.1	78.2	-65.1	-83.2
Property, plant and equipment, net	1,464.5	1,524.9	-60.4	-4.0
Intangibles assets, net	105.8	81.0	24.8	30.6
Goodwill	175.8	187.9	-12.1	-6.4
Differed Income Tax Asset	190.1	197.9	-7.8	-3.9
Total Non-Current Assets	2,029.6	2,116.6	-87.0	-4.1
Total Assets	4,848.1	4,769.2	78.9	1.7



CONSOLIDATED FINANCIAL STATEMENT (IN MILLIONS OF PERUVIAN SOLES) CONTINUED

			VARIATION	
	31-12-17	31-12-16	AMOUNT	%
Liabilities and Equity				
Current Liabilities				
Financial Obligations	816.8	735.5	81.3	11.1
Trade Payables	601.9	507.3	94.6	18.6
Other Payables	396.7	422.0	-25.3	-6.0
Income Tax Liabilities	17.5	11.4	6.1	53.5
Total Current Liabilities	1,832.9	1,676.2	156.7	9.3
Other Financial Liabilities	737.8	956.0	-218.2	-22.8
Other Accounts Payable	0.4	0.4	0.0	0.0
Deferred Income Tax Liabilities	196.9	218.2	-21.3	-9.8
Non-Controlling Interests	0.0	3.9		
Total Liabilities	2,768.0	2,854.7	-82.8	-3.0
Equity				
Share Capital	975.7	1,014.3	-38.6	-3.8
Treasury Shares	0.0	-50.2	50.2	
Additional Capital	73.5	50.3	23.2	46.1
Legal Reserve	162.4	139.4	23.0	16.5
Other Equity Reserves	385.6	389.7	-4.1	-1.1
Retained Earnings	482.9	371.0	111.9	30.2
Total Equity	2,080.1	1,914.5	165.6	8.6
Total	4,848.1	4,769.2	82.8	1.7

As of December 31, 2017 total assets reached PEN 4,848.1 million, compared with PEN 4,769.2 million on December 31, 2016, representing an increase of PEN 82.8 million (1.7%). The primary variations of the asset accounts that explain this are the following:

- a) The increase of PEN 160.3 million in inventory due to some operations that have been closed in 2017 but will be delivered and billed in the first quarter of 2018.
- b) The reduction of cash balance due to the use of surpluses on the partial prepayment of the international bond.

As of December 31, 2017, total liabilities reached PEN 2,768.0 million compared with PEN 2,854.7 million on December 31, 2016, which indicates a reduction of PEN 82.8 million (-3.0%).

Financial Ratios

The current ratio as of December 31, 2017 is 1.54, slightly less than the current ratio of 1.58 on December 31, 2016.

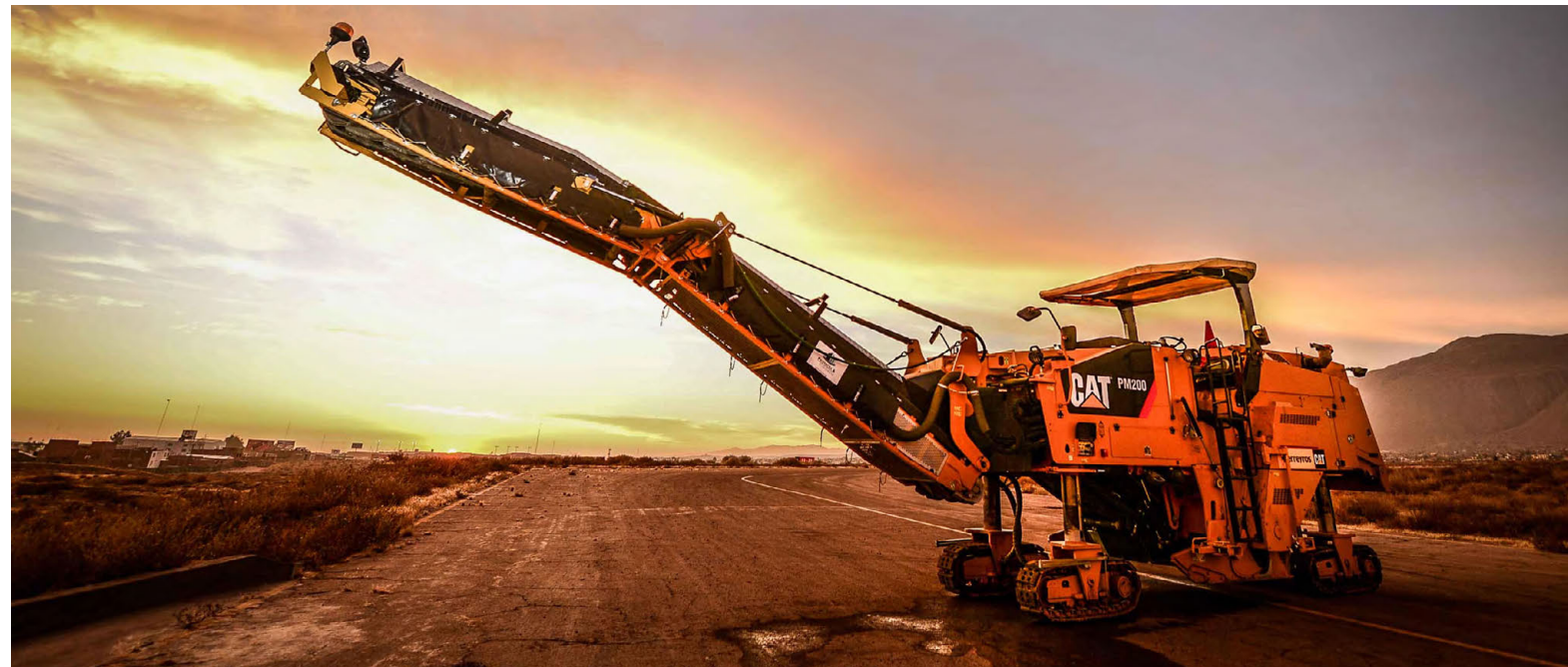
The financial debt ratio as of December 31, 2017 is 0.75, less than the ratio of 0.85 on December 31, 2016. In order to calculate this ratio, cash and cash equivalents

balances and liabilities with suppliers that do not generate financial expenditure have been excluded.

The debt ratio as of December 31, 2017 is 1.33, less than the 1.49 obtained as of December 31, 2016.

The net financial debt ratio (excluding cash) / EBITDA as of December 31, 2017 was 2.73, lower than the 2.78

reached on December 31, 2016, and the adjusted ratio of 2.35, if inventory financing is subtracted. Regarding this matter, the corporation continues to demonstrate its capacity to generate the cash necessary to fulfill its obligations without inconveniences and is in compliance with the covenants established in the contract of international corporate bond emission.





FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Overview of the Consolidated Statement of Operations of Ferreycorp S.A.A. and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME (IN MILLIONS OF PERUVIAN SOLES)

	2016		2017		VARIATION
	AMOUNT	%	AMOUNT		%
Net Sales	4,843.4	100.0	4,856.3	100.0	-0.3
Cost of Sales	-3,676.4	-75.9	-3,675.4	-75.7	0.0
Gross Profit	1,167.0	24.1	1,180.9	24.3	-1.2
Sales and Administrative Expenses	-808.0	-16.7	-796.7	-16.4	1.4
Other Income (Expenses), net	62.4	1.3	41.0	0.8	52.2
Operating Profit	421.4	8.7	425.2	8.8	-0.9
Other Income (Expenses)					
Financial Income	18.1	0.4	26.1	0.5	-30.7
Financial Expenses	-85.1	-1.8	-124.7	-2.6	-31.8
Exchange difference, net	25.1	0.5	0.4	0.0	6,175.0
Share of the Profit of Associated and Joint Businesses	7.7	0.2	7.3	0.2	5.5
	-34.2	-0.7	-90.9	-1.9	-62.4
Profit before Income Tax	387.2	8.0	334.3	6.9	15.8
Income Tax	-120.2	-2.5	-103.9	-2.1	15.7
Net Profit	267.0	5.5	230.4	4.7	15.9



FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Net sales

IN MILLIONS OF PERUVIAN SOLES

	2017		2016		VARIATION
	AMOUNT	%	AMOUNT	%	%
	Domestic Sales	4,213.5	87.0%	4,290.2	88.3
International Sales	629.9	13.0%	566.1	11.7	11.3%
Total	4,843.4	100.0%	4,856.3	100.0%	-0.3%



Net Sales

IN MILLIONS OF PERUVIAN SOLES

			VARIATION
	2017	2016	%
Machinery and Equipment:			
Caterpillar Mining Trucks and Machines (Large Mining)	353.1	538.9	-34.5
Caterpillar Machines and Engines to other Sectors (non Large Mining)	641.5	703.6	-8.8
Rental and Used Equipment	438.0	359.4	21.9
Allied Equipment	614.0	563.7	8.9
	2,046.6	2,165.6	-5.5
Spare Parts and Services	2,371.8	2,247.1	5.5
Other Lines	425.0	443.6	-4.2
Total	4,843.4	4,856.3	-0.3



FINANCIAL MANAGEMENT AND MANAGEMENT ANALYSIS AND DISCUSSION OF AUDITED FINANCIAL STATEMENTS



Net sales in 2017 were PEN 4,843.4 million, in comparison with PEN 4,856.3 million in the previous year, which represents a reduction of -0.3%.

The sale of Caterpillar and allied brands equipment reached PEN 2,046.6 million, showing a reduction of -5.5%, as a result of less economic growth, a reduction in the levels of investment and, especially, a contraction in the construction and infrastructure industry.

The sale of spare parts and services increased by 5.5%, in line with the growth and renovation of the machine park, which is a result of the sale of equipment over the past years.

Other business lines show a reduction of -4.2% as a result of the decrease in sales of the metal mechanics line.

Upon analyzing the results of each company group, as of December 31, 2017, sales of Caterpillar distributors in Peru declined slightly by -1.5%. Caterpillar distributors and other businesses abroad present a small increase of 1.3%. The third group of companies that supplements the offer of goods and services with the commercialization of vehicles and equipment, consumables and logistic solutions, among other lines, demonstrated a sales

increase of 5.1%, explained fundamentally by the higher gains reached by the growth of consumables and the subsidiaries that offer logistic services.

Gross Profit

Gross profit in 2017 showed a reduction of -1.2% compared to 2016. As a percentage, the gross margin was 24.1%, similar to the 24.3% obtained in 2016.

Sales and Administration Expenses

Sales and administration expenses in 2016 reached PEN 808.0 million, in comparison with PEN 796.7 million in the previous year, which represents an increase of 1.4%.

Other Income (Expenses), net

In 2017, a net gain of PEN 62.4 million was recorded in this sector, higher in PEN 21.4 million than 2016, as a result of the recovery of some account receivables that had been provisioned in 2016.

Financial Income

Financial income in 2017 reached PEN 18.1 million, lower than the PEN 26.1 million of the previous year.

Financial Expenses

Financial expenses reached PEN 85.1 million in 2017, having totaled PEN 124.7 million the previous year, which reflects a reduction of -31.8%. This decrease in financial expenses can be explained basically by the smaller financial debt as well as the lower interest rates obtained.

Gain (Lost) in Exchange Rates

In 2016 and 2017, net liabilities in foreign currency yielded a profit of PEN 25.1 million and PEN 0.4 million, respectively. This was a consequence of the appreciation of the Peruvian sol against the US dollar of 3.42% in 2017 and 1.55% in 2016. (The exchange rate was PEN 3.360 on December 31, 2016, and it declined to PEN 3.245 by December 31, 2017; while the exchange rate was PEN 3.413 on December 31, 2015 and fell to PEN 3.360 by December 31, 2016.)

Income Tax

The Income Tax in 2017 and 2016 has been calculated in accordance with current tax and accounting standards.

Net Profit

Annual net profit reached PEN 267.0 million, an increase of 15.9% in comparison with PEN 230.4 million in the previous year. This is consequence of the smaller financial expenditure and a greater profit on currency exchange.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA in 2017 totaled PEN 567.2 million, which represents a reduction of -2.7% compared with the PEN 583.1 million in the previous year, which is a direct result of the decline in the gross profit and the increase in expenses.



6 APPENDICES



—Appendix 1

Business

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—Appendix 2

Information on the stock market registered in the public registry of the stock market

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—Appendix 3

Share structure by type of investor

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General Facts

NAME, ADDRESS, TELEPHONE, FAX AND CONTACT INFORMATION

Company Name	Ferreycorp S.A.A.
Company Type	Sociedad Anónima Abierta (Publicly Traded Company)
RUC	20100027292
Address	Jr. Cristobal de Peralta Norte 820 Monterrico, Santiago de Surco, Lima, Peru
Telephone	511-626-4000
Fax	511-626-4504
Website	www.ferreycorp.com.pe
Dedicated Customer Line	511-626-5000
Dedicated Shareholder Line	0800-13372

Establishment and Enrollment in the Public Registry

Ferreycorp S.A.A. (previously Ferreyros S.A.A.) was established under the original name of Enrique Ferreyros y Compañía Sociedad en Comandita, by means of public register on, September 14, 1922, before the Public Notary of Lima, Dr. Agustin Rivero y Hurtado. It was recorded in entry 1, page 299, book 15 of Commercial Registry of Lima.

Enrique Ferreyros y Compañía S.A. absorbed the assets and liabilities of the previous company by means of public register on September 21, 1931, before the Notary Public of Lima, Dr. Agustin Rivero y Hurtado, as recorded in entry 1 of page 457 of book 31 of the Commercial Registry of Lima. The change in name to Enrique Ferreyros S.A. was made effective by means of public register on November 23, 1981 before the Notary Public of Lima, Dr. Jorge Orihuela Iberico.

The change in name to Ferreyros S.A. was made effective by means of public register on May 6, 1996 before the Notary Public of Lima, Dr. Jorge Orihuela Iberico, recorded in the file 117502 of the book of Businesses of the Registry of Companies. On March 24, 1998, the General Meeting of Shareholders agreed to modify the company name to Ferreyros S.A.A., as

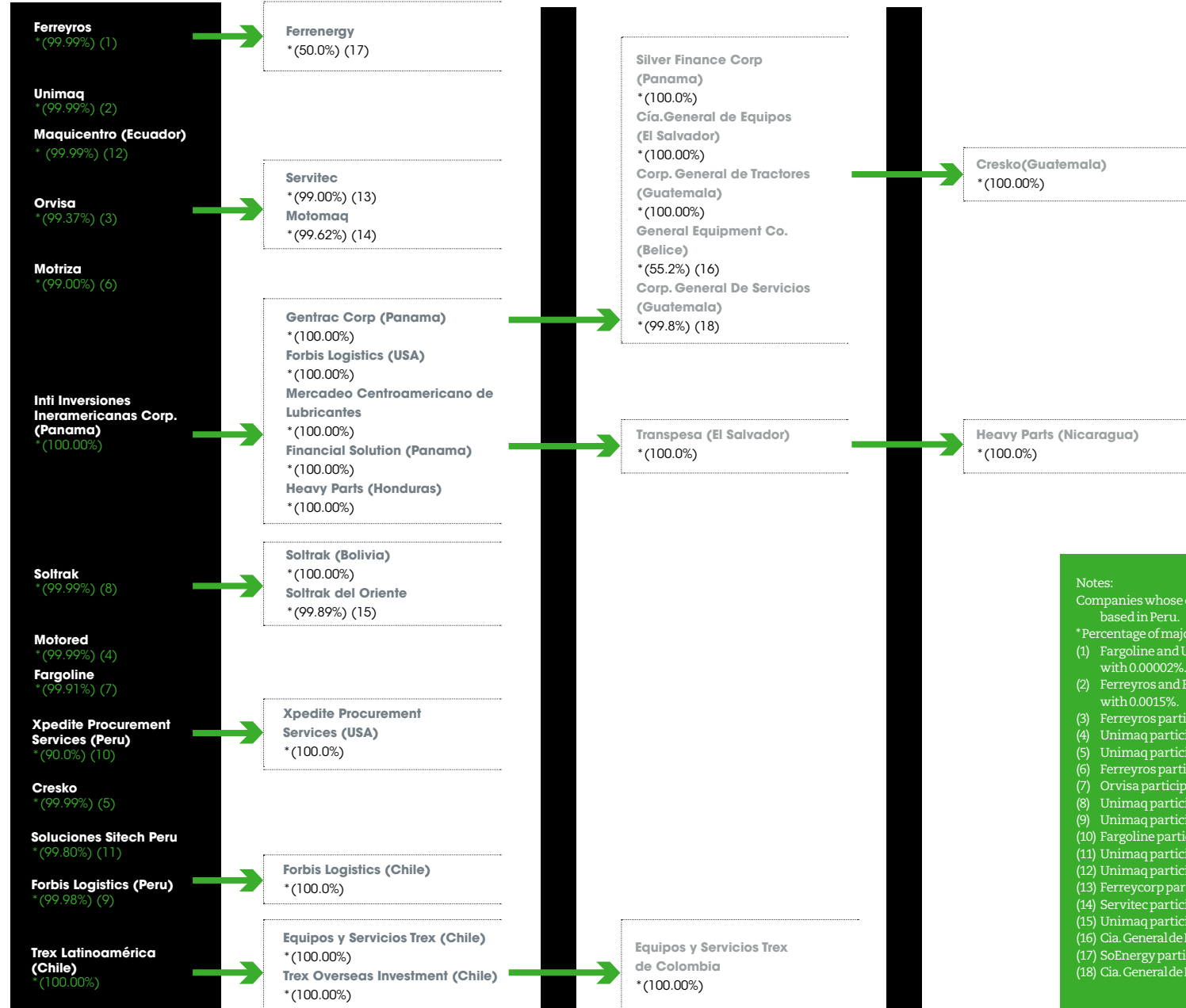
recorded in the electronic certificate N° 11007355 in the Registry of Companies.

According to the agreement in the board meeting in March 2012, the company underwent a process of Simple Reorganization, by means of which two equity blocks were allocated to two subsidiary companies. The first equity block, derived from business in the automotive division, was transferred to the subsidiary Motored S.A.; and the other block, derived from the business of the sales of machinery, equipment and post-sales service of the Caterpillar line and its allied brands, was transferred to the new subsidiary Ferreyros S.A.

After the allocation of these two equity blocks, the company changed its name from Ferreyros S.A.A. to Ferreycorp S.A.A. This reorganization process was recorded in entry B00020 of the electronic certificate N° 11007355 in the Registry of Companies.

The new matrix organizational structure has enabled the company to concentrate on its role of investor, orienting each of its operating subsidiaries towards improving the service it provides to customers, expanding its coverage, attending its own business opportunities and improving its operational capacities.





Notes:
 Companies whose country is not specified are based in Peru.
 * Percentage of majority shareholder participation.

- (1) Fargoline and Unimaq each participate with 0.00002%.
- (2) Ferreyros and Fargoline each participate with 0.0015%.
- (3) Ferreyros participates with 0.6310%.
- (4) Unimaq participates with 0.0002%.
- (5) Unimaq participates with 0.0016%.
- (6) Ferreyros participates with 1.0000%.
- (7) Orvisa participates with 0.0867%.
- (8) Unimaq participates with 0.0002%.
- (9) Unimaq participates with 0.0200%.
- (10) Fargoline participates with 10.00%.
- (11) Unimaq participates with 0.2000%.
- (12) Unimaq participates with 0.0010%.
- (13) Ferreycorp participates with 1.0000%.
- (14) Servitec participates with 0.3800%.
- (15) Unimaq participates with 0.1100%.
- (16) Cia. General de Equipos participates with 44.8%.
- (17) SoEnergy participates with 50.0%.
- (18) Cia. General de Equipos participates with 0.25%.

Social Capital and the Stock Price Performance

As of December 31, 2017, Ferreycorp's social capital is represented by 975,683,029 common shares of a nominal value of PEN 1.00 per share, integrally underwritten and paid, of which 64.61% belong to Peruvian investors and 35.39% to foreign investors. Shares in circulation as of December 31, 2017 are 975,683,029.

The value at the beginning of the year was PEN 1.69, and at year end, PEN 2.55, which reflects a 51% yield. The maximum value reached was PEN 2.70 on November 2

and the minimum PEN 1.65 on January 4 and 5, 2017. The average share price in 2017 was PEN 2.05, when taken into consideration the closing prices of the Lima Stock Exchange.

Repurchasing of Shares

Between September 2015 and October 2017, Ferreycorp repurchased 50.6 million shares and sold 11.9 million, leaving a balance of 38.6 million shares, in accordance with the approval of the Board of Directors in August 2015.

On November 24 2017 there was a Shareholder General Meeting that unanimously approved the amortization of 38,643,295 treasury stocks, reducing the social capital from PEN 1,014,326,324.00 to PEN 975,683,029.00.

Shareholder Compositiona

Shareholders with 4% participation or greater in the company's capital as of December 31, 2017 are:

NAME	NUMBER OF SHARES	PARTICIPATION (%)	ORIGIN
Onyx Latin America Equity Fund LP	73,994,431	7.5839%	United States of America
Ri-Fondo 2	68,253,171	6.9954%	Peru
In-Fondo 2	55,590,450	5.6976%	Peru
In-Fondo 3	44,011,370	4.5108%	Peru
Ri-Fondo 3	39,610,537	4.0598%	Peru



The distribution of shares with voting rights is as follows:

HOLDING	N° OF SHAREHOLDERS	N° OF SHARES	% OF PARTICIPATION
More than 10% of Capital	0	0	0.00%
Between 5% and 10 % of Capital	3	197,838,052	20.28%
Between 1% and 5% of Capital	17	429,769,484	44.05%
Less than 1 % of Capital	2,401	348,075,493	35.68%
Total	2,421	975,683,029	100.00%

Description of Operations and Development

Corporate Purpose

In accordance with the second article of its bylaws, Ferreycorp S.A.A. has the principal objective of executing investment, financing and business services activities, among which are included: I) the establishment of companies, acquisition, holding and administration of stock shares, investment in movable assets, participation in companies, and the increase of capital, in national and international markets; ii) the execution of financial operations of any kind or nature, the issuing of stocks, bonds, titles or any other representative type of credit or debt in the capital and financial markets of Peru and abroad; and iii) the provision of business services in general, including those related to management, trading, leasing, cessation of use and the utilization of fixed and movable assets, including merchandise, the import and export of foreign and domestic products and the transfer of articles in general. Without compromising the aforementioned principal objectives, the company is able to underwrite any type of direct or third-party contract related with the acquisition or transfer of any kind of movable or fixed assets that leads to the achievement of the company's goals, or that in some form serves to

improve the achievement of the company's goals, or that favors its corporate interests.

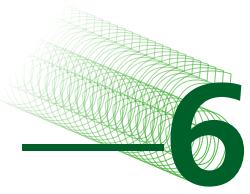
The modification of the company's articles of incorporation was agreed upon in the session of the Obligatory General Shareholders' Meeting on 30 March 2016. This agreement was formalized through

the Public Registry on 27 May 2016. Registered in the entries B00025 and D 0079 of the electronic certificate N° 11007355 of Lima's Registry of Companies.

Duration

The duration of the company is set for an undefined period.





Evolution of Operations

Historical Overview

Ferreycorp S.A.A. was founded in 1922 by Enrique Ferreyros Ayulo and three partners with the intention of commercializing consumer goods. As years went by, the company adopted different names, the first one being Enrique Ferreyros y Cia. Sociedad en Comandita (with limited partnership). In 1942, it began to deal with capital goods activities, by undertaking the representation of Caterpillar Tractor, which implied a complete entrepreneurial change. From then on, the company consolidated its operations in two primary business divisions, that of consumer products and that of capital goods. In the same decade, with the goal of achieving greater coverage to sell its products, the company began to decentralize and establish offices in provinces, as well as diverse affiliate companies.

In 1962, with the goal of sustaining its growth, the shareholders decided to go public on the Lima Stock Exchange, setting the foundation to create the publicly held share partnership that it is today, with over 2,400 shareholders and the highest standards of Corporate Governance in Peru.

Towards the end of the 1980s, the company dissociated itself from the business of consumer goods and decided to concentrate its efforts towards

what is today its primary field of business: capital goods, for which the company undertook new representations to supplement the Caterpillar line. In this way, it was able to better serve its customers who operate in diverse industries.

In the 1990s, the company decided to expand its offer to its customers beyond the sale of new units. It incorporated the provision of equipment for rental and the sale of used equipment. In this same decade, the company began to cater to the needs of newly granted or privatized open-pit mining projects, introducing the first off-highway mining trucks of the Caterpillar line in Peru.

In 1994, the company expanded its participation in the capital market by means of issuing corporate bonds and commercial papers. It became an important participant in the capital market, where it has performed with much success and is increasingly demanded by investors.

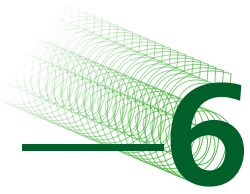
From 1995 onwards the company carried out important investments in order to improve the infrastructure of its offices and workshops, as well as to prepare its service personnel, creating training programs to fulfill maintenance and reparation contracts for the large fleets of mining trucks that it began to import for operation in open-pit mega mining, something

made possible thanks to the concessions granted after the privatization of the mining sector in the 1990s. Likewise, after several years, the company decided to venture into the sale of underground mining equipment, a line of business which allowed to expand the product portfolio of Caterpillar.

With the goal of expanding sources of capital to maintain the sustained growth experienced in those years, in 1997 the company executed a successful stock offering in national and international markets, increasing its capital to USD 22 million.

In the period of 1998 to 2001, the company faced a sudden deceleration in the Peruvian economy, which was reflected negatively in its sales. In this period of national crisis, the company had to adapt its organization and at the same time accompany its customers with the provision of financial resources and facilities. The company was able to overcome such difficult moments and to return to a growth cycle in the years that followed.

In the next years, the corporation adopted an organic growth strategy in order to increase its sales in the Peruvian market where it already operated, and an inorganic growth, through the acquisition of other companies, among them Mega Caucho (today Soltrak) in 2007, in the consumable industry. It is important



to highlight that in 2010, as part of this strategy and in response to an invitation from Caterpillar, the corporation began its internationalization process with the acquisition of Gentrac Corporation of Panama, owner of Caterpillar distributors in Guatemala, El Salvador and Belize.

Additionally, since 2011, Ferreycorp has become one of 9 companies in Latin America and one of three in Peru that are members part of the Companies Circle of the Latin American Round Table, which recognizes companies for its highest standards of Corporate Governance, sponsored by the International Finance Corporation (IFC), the Organization for Economic Cooperation and Development (OECD) and the Global Corporate Governance Forum.

With the goal of clearly differentiating the roles, on one hand, of a parent company and investor, and on the other, of an operational company engaged in the distribution of capital goods (Caterpillar equipment, Kenworth and Iveco vehicles, among others), in 2012 the company underwent a “simple reorganization” that gave birth to the Ferreycorp corporation. This operation was aimed at sustaining a higher future growth in the business activities of all of its subsidiaries, and, at the same time, maintaining the specialization of certain activities. Additionally, the subsidiaries Ferreyros and Motored were created;

while the first undertook the Caterpillar business, the second assimilated the automotive division, which had previously been a business line of Ferreyros. From this moment onward, Ferreyros S.A.A., the subsidiary of primary operational volumes, incorporated new product lines and services and increased customer coverage, focusing on large investment projects within the country, including mining, energy, petroleum and the creation of new infrastructure, and it expanded its customer base, all while supported by important investments in infrastructure, systems and personnel training.

Furthermore, the other subsidiaries of Ferreycorp experienced a slow growth that enabled them to reach, by the end of 2016, a 39% share of the corporation business, thus supplementing the offer Ferreyros S.A. makes available to its customers. At the same time, new businesses emerged in this period, either thanks to the acquisition of companies or to the creation of new subsidiaries.

To assure the healthy growth of the corporation and to continue with new investments based on a sound capital structure, in 2012 a capital increase of USD 62 million took place. The newly issued shares were largely underwritten by the shareholders of Ferreycorp, making evident that they trusted the business model and were committed with the growth strategy defined by the corporation.

In the same year, Ferreyros S.A., the main subsidiary, incorporated a new line of machinery for the mining industry (the Bucyrus business line acquired by Caterpillar), of electric and hydraulic shovels and drills. In this way, the company completed its portfolio of Caterpillar products both in the areas of open-pit mining and underground mining, making Ferreyros S.A. the most complete machinery and equipment provider for this industry, and thus enhancing its value proposal for customers.

In 2013, subsidiaries different from Ferreyros continued their expansion by means of acquisitions, like that of the distribution of Mobil lubricants businesses in Guatemala and Mercalsa in Nicaragua, as well as the business of personal protective equipment with significant distribution figures in Peru. In the same year was constituted Soluciones Sitech Peru, a technological solutions company.

The expansion of the organization and the opportunities offered by international capital markets inspired the corporation to reclassify its debt and maintain financial resources available for investment under the best possible conditions. Thus, in 2013, it performed a successful offering of corporate bonds worth USD 300 million, with favorable interest rate conditions and a seven-year term.

In 2014, Ferreycorp ventured into Chile with the acquisition of Trex, representative of the Terex brand in the area of cranes and hoisting platforms as well as a complete set of port equipment in Chile, and with crane rental services of smaller scope in Ecuador and Colombia.

In 2015 the corporation acquired Transportes Pesados S.A. (today Motored, equivalent to the Peruvian subsidiary of transport solutions), leader in the commercialization of spare parts for heavy-duty transport equipment in El Salvador; it has 35 years in the market and eight branches in the country. In this way, Ferreycorp supplemented its activity in El Salvador, where it has operated since 2010 with the subsidiary representative of Caterpillar, Mobil and allied brands.

In 2016, a lower dynamism in the economy of the countries where Ferreycorp operates diminished the demand for working capital. In this context, the corporation decided to repurchase bonds, by means of a tender offer that enabled the repurchasing of USD 120 million. The repurchased bonds were part of the offering of USD 300 million issued in 2013, with expiration in 2020.

In 2017, aiming to continue improving the financial results of the corporation and giving a greater flexibility to the debt structure, a partial prepayment

of the international bond of USD 62,333,000 took place. Moreover, in November of the same year 38,643,295 treasury stocks were canceled. As a result, the social capital went down from PEN 1,014,326,324 to PEN 975,683,029.

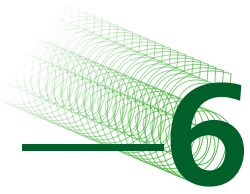
Product Lines

Since 1942, the Ferreycorp corporation has been the only distributor of Caterpillar in Peru and today is also the exclusive distributor in Guatemala, El Salvador and Belize. It includes a vast portfolio of machinery and equipment: mining trucks, wheel loaders, tractors, motor graders, excavators, electric and hydraulic shovels, drilling equipment, underground LHD loaders, marine engines and gensets, among others.

In addition to Caterpillar engines and machines, Ferreyros, the highest-volume subsidiary of the corporation, markets a wide range of products of other quality brands, including Metso equipment for the production of construction aggregate, Astec asphalt plants (incorporated in 2014) as well as utility equipment, trucks and low-profile loaders of the Paus brand. Additionally, for agriculture, Massey Ferguson tractors, Zaccaria rice and grain processing equipment, Kepler Weber drying and storing projects, grain selectors from Ideal Global Standard Provider,

as well as agriculture tools, among other products. Other subsidiaries of Ferreycorp provide other top level equipment in their respective sectors, such as Kenworth and DAF trucks, Iveco vehicles, Terex cranes, Sullair compressors, Mitsubishi-CAT forklifts, Wacker compaction equipment, Lincoln Electric welding equipment, Olympian-CAT gensets, Amida illumination towers, Enerpac hydraulic tools, Carmix cement mixers, Compair stationary compressors, as well as Asian machinery lines such as SEM loaders, caterpillar tractors, graters and steamrollers, Shacman trucks, Lovol (previously Foton) farming tractors, among others. Moreover, they distribute Goodyear and Superhawk pneumatics, Mobil lubricants, industrial security items from 3M, Kimberly Clark, MSA, Capital Safety, Microgard, Ansell, Tecseg and Westland, and Bosch, Sata and Dewalt tools, among others. Meanwhile Soluciones Sitech Peru, a company specialized on providing technological solutions is a representative of brands like Trimble, Loadrite, AMT, MST and DSS, among others.

Abroad, in Central America, the subsidiaries Gentrac (Guatemala and Belize) and General de Equipos (El Salvador) represent the Caterpillar brand and have a complete portfolio of allied brands. Moreover, the companies of Ferreycorp are dealers of Mobil lubricants in Guatemala and El Salvador,



as well as in Nicaragua, by means of the company Mercalsa. In addition, in El Salvador and Honduras, the subsidiary Motored provides spare parts of various brands, both for bus and truck engines and chassis. Jointly, in Chile Trex represents the Terex brand in cranes and hoisting platforms, as well as a complete series of port equipment. In Ecuador, the light-duty equipment portfolio of Maquicentro includes farming tractors, construction equipment, cement trucks, loaders and welding equipment, among others of brands such as Valtra, Wacker Neuson, Carmix and Lincoln Electric.

With the goal of serving those customers who require the leasing of equipment instead of purchasing it, Ferreyros, Unimaq—The Cat Rental Store and the subsidiaries of Ferreycorp in Central America have an important fleet of Caterpillar machines available to fulfill these demands, especially for infrastructure and general construction projects. In Chile, the rental fleet includes Terex cranes of less-than-100 ton capacity and the complete line of the Genie brand lifting equipment (Terex).

Competition

The array of product lines distributed by Ferreycorp companies is so broad that they compete in a segmented way with a large number of suppliers that

import and distribute different brands. However, due to the preference of its customers, the corporation's main representative, Caterpillar, has a leading market share; while the range of allied brands is prominently positioned in its business sector.

Regarding the competition of the leading brands represented by Ferreycorp, Caterpillar brand has Komatsu as main competition in ancillary equipment and off-highway trucks for large mining projects. As for LHD loaders for underground mining, Caterpillar competes with Atlas Copco, Sandvik and Joy. In electric and hydraulic mining shovels, its competitors are P&H and Hitachi.

In earthworks machinery, Caterpillar construction equipment competes with Komatsu, John Deere, Volvo, Doosan, among other competing brands. In addition, as of 2008, some Chinese earthworks machines have entered the country to be used by the heavy-duty construction industry.

At the same time, Ferreyros markets Astec asphalt plants, whose main competitors are Amman, Bomag Marini and Ciber brands.

Meanwhile, Cresko's business distributes machinery of Asian origin to compete in the same

segment. It supplies Shacman heavy and light-duty commercial trucks that compete with FAW, DongFeng, Foton and Sinotruck, among others; in the line of loaders, motor-graders, rollers and tractors, SEM's rivals are brands such as Liugong, XCMG, Chenggong and others.

In the engines and gensets line, Ferreyros distributes Caterpillar, and competes in the diesel segment with Cummins, Modasa, Baifa and Volvo Penta brands; in the heavy fuel oil segment; with Wartsila and Man brands; and in the gas combustion segment with Guascor and Waukosha.

In surface mining blast-hole drills, it distributes Caterpillar (this line was previously known as Bucyrus) and competes with Sandvik, Atlas Copco and P&H. In the area of cranes with various characteristics and capacities, Ferreyros represents Trex and competes with Grove and Sany. In the farming line, it distributes Massey Ferguson and competes with John Deere and Kubota, among others.

In trucks, both in the dump truck and tractor market, the subsidiary Motored participates with its brands Kenworth, Iveco, and DAF, and competes with Volvo, Mack International, Scania, Mercedes Benz, Freightliner, Hino, Isuzu and Volkswagen.



In Central America, the main competitors in the machinery field are Hyundai, Case, John Deere, New Holland and Komatsu; in engines, Cummins, FG Wilson and Perkins, among others; and in lubricants, Castrol, Chevron and Shell. In Chile, Manitowoc (Grove) and Liebherr cranes, Kalmar port equipment, JLG lifting equipment and Manitou manipulators are among the competitors of Trex, a subsidiary incorporated to Ferreycorp in 2014.

In the spare parts lines of the various commercialized brands, the corporation faces competition from companies that market non-genuine spare parts in small market segments.

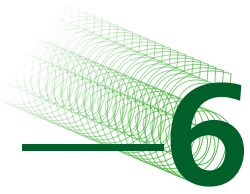
In the case of Soltrak, the tires marketed by Goodyear compete with brands such as Bridgestone, Michelin and Chinese brands. In lubricants, in which this subsidiary is one of Mobil's representatives, it competes with Shell and Castrol, among others. For personal protective equipment, the competition lies with Miller, North, Honeywell and MSA brands, among others.

Fargoline develops its operations competing with other brands of national and foreign business groups that develop as customs warehouses and extra port terminals, such as Tramarsa and Ransa (Romero group), Neptunia (Andino group), Imupesa (Agunsa group of Chile), APM Terminals (Danish group A.P. Moller Maersk) and Dubai Ports World (holding company of the State of Dubai in the United Arab Emirates), Contrans (Transmeridian group), among others.

In services supply as freight forwarder, Forbis Logistics Corp. competes with Alexim, La Hanseatica, Gamma Cargo, New Transport, DHL, MIQ and Flota.

Soluciones Sitech Peru, Trimble's representative for positioning solutions and machinery guidance systems market, has among its main competitors Topcon companies, owned by Komatsu, and Leica, originating in Central Europe.





Investments, Plans and Policies

Investments in New Business

The corporation's strategy is to invest in new businesses to continue increasing sales figures by means of profitable and sustained growth in order to complete its value offer to customers, supplying them high quality products and world-class services focused in the capital goods segment.

Investments in new businesses, whether through acquisitions, creation of new companies or incorporation of product lines to complete the value offer to customers, is one of the basic pillars for the corporation's growth. Investment decisions are developed in accordance to established corporate principles, and Ferreycorp is responsible for evaluating, approving and allocating resources in an efficient way, according to the strategic objectives that strike a balance between profitability and risk of each project. Part of its corporate role is to give guidelines and set up the criteria for investment or divestment decisions. Likewise, the corporation must guarantee that a new project has the human and managerial capital resources needed to operate.

Investments in Assets

1. Investment in Fixed Asset

As distributors of capital goods and related services, Ferreycorp's subsidiaries must receive investments in infrastructure such as workshops, equipment and warehouses, in order to meet the value proposal for their customers and uphold the competitive advantage that has allowed them to maintain leadership in the operating markets. In recent years, in order to increase its capacity to operate efficiently, the corporation has invested significant resources in systems, technology and innovation.

For further information, please refer to the Financial Management chapter.

Among the fixed operational assets, the rental fleet stands out, consisting of about 250 units in Ferreyros; 659 units in Unimaq (228 of them of Caterpillar, and 431 of allied brands); 392 units in Gentrac Guatemala; and a set of equipment in Trex Chile that includes 5 large cranes.

2. Investment in Inventories

During 2017, the consolidated inventory levels showed an increase of 13% with regard to 2016, mainly due to

equipment of Ferreyros and Unimaq that will be billed in the first quarter of 2018 and to an increase of spare parts in stock to complete ongoing services.

For further information, please refer to the Financial Management section.

3. Investment in Accounts Payable

The financial solutions Ferreycorp provides its customers include programs in partnership with banks and the active participation of Caterpillar Financial Services, the financial arm of Caterpillar that grants mid-term credits to its Caterpillar line customers with very good conditions to ensure loyalty.

It must be noted that Ferreycorp stands by its policy of not offering customers mid-term funding. Its Accounts Payable portfolio focuses on short-term and commercial cash between 30 and 90 days with good results regarding late payments.

For further information, please refer to the Financial Management section.

Guarantees, Guarantors, Back-to-Back Guarantees, Contingencies and Commitments

As of December 31 2017, the corporation has the following commitments:

Ferreycorp S.A.A.

In regard to the Board of Directors' agreement of October 2017 to endorse financing transactions and back-to-back guarantees related to the business of the subsidiaries, with an overall amount of USD 218,150,000, we present the amounts used by December 31 2017:

SUBSIDIARY	INDIVIDUAL GUARANTEE APPROVED	USED AS OF JANUARY 15	BALANCE AVAILABLE AS OF JANUARY 15
Unimaq	35,700,000	20,000,000	15,700,000
Orvisa	7,700,000	0	7,700,000
Soltrak	45,000,000	20,420,832	24,579,168
Fiansa	0	0	0
Fargoline	5,250,000	2,219,157	3,030,843
Inti y subsidiarias	40,000,000	26,290,117	13,709,883
Forbis Logistics Corp	0	35.000	-35.000
Motored	40,000,000	37,773,467	2,226,533
Trex Chile, Ecuador and Colombia	43,000,000	37,813,859	5,186,141
Sitech	1,500,000	110.000	1,390,000
Total	218,150,000	144,662,432	73,487,568

SUBSIDIARY	FINANCIAL INSTITUTION	PURPOSE	PROMISSORY NOTE	USED AS OF DECEMBER 31
Genprac (Guatemala y Belice), Cogesa, Mercalsa or Inti		Guarantee line for Mobil	10,000,000	10,000,000
Total			10,000,000	10,000,000

- These guarantees ensure the credit transactions of subsidiaries and affiliates and third-party purchase operations, respectively, with various maturity dates. As of December 31 2017, the company has guarantors for USD 144,662,432 (USD 94,152,000 in 2016) that guarantee credit operations of subsidiaries and associates and USD 170,564 (USD 650,641 in 2016), that guarantee third-party purchase transactions with different maturity dates..

Subsidiaries

Ferreyros S.A.:

- Guarantors for USD 14,843,309 (USD 39,490,860 in 2016) that guarantee third-party purchase transactions.
- Guarantors for USD 14,843,309 (USD 39,490,860 in 2016) that guarantee third-party purchase transactions.

Fargoline S.A.:

- The subsidiary has contracted a surety bond in favor of National Customs Superintendency (Superintendencia Nacional de Aduanas) for goods under customs procedures for USD 2,600,000 (USD 2,600,000 in 2016).

Cresko S.A.:

- As of December 31 2017, the subsidiary has no existing bond guarantees. As of December 31 2016, the subsidiary had bond guarantees in favor of the Ministry of Housing, Construction and Sanitation for PEN 34,920,000 and E.P.S. Juliaca Headquarters for PEN 35,980,000 that mainly guaranteed the reliability of the offer of Cresko S.A. and reliable fulfillment of delivery of products sold through public tenders and a compensation for damages by the Juzgado de Paz Letrado de Pacasmayo of PEN 16,670,000.

Soltrak S.A.:

- Guarantees of USD 7,562,244 and PEN 34,641,000 (USD 7,291,574 and PEN 58,491,409 in 2016) for third-party purchase and financial lease transactions, respectively, with different maturity terms.
- Bank guarantees in favor of financial institutions for USD 4,279,244 and PEN 2,358,301 (USD 3,851,170 and PEN 2,233,519 in 2016) that mainly guarantee the reliability of the company's offer and the faithful fulfillment of the delivery of the products sold through public tenders, as well as the payment of customs duties related to the import of merchandise, respectively.

Motored S.A.:

- Guarantors for USD 2,851,000 (USD 13,070,185 in 2016), that guarantee credit operations for third-party purchases.
- Bank guarantees in favor of third parties for USD 4,484,000 and PEN 16,000 (USD 83,700 and PEN 16,142 in 2016) that mainly guarantee the reliability of the offer and the reliable fulfillment of the delivery of the products sold through public tenders.

Orvisa S.A.:

- Guarantors of USD 6,237,170 and PEN 1,216,574 (USD 5,500,000 in 2016) guaranteeing credit operations of subsidiaries and third-party purchase transactions.

Tax Positio

- (a) The corporation is subject to the tax system of the country where it operates and pays taxes separately based on its non-consolidated results. As of December 31, 2017 and December 31, 2016, the income tax rates on taxable income in the main countries in which the group does business are:

TAX RATES

	2017	2016
	%	%
Peru (*)	29.50	28
Ecuador	22	22
Colombia	24	24
Chile (**)	24	24
Guatemala	25	25
El Salvador	30	30
Belice	25	25
Nicaragua	30	30
United States	15 and 28	15 and 28

- (*) In compliance with the Legislative Decree No. 1261 published on December 10, 2016, the modifications to the Income Tax Law to be applied as of the fiscal year 2017 onwards have been established. It must be mentioned that among the modifications there has been a rise in the income tax rate of the third category from 27 percent (established for the year 2017 in the law No. 30296) to 29.5 percent.



(**) In accordance to the tax reforms in force in Chile the income tax rate for the following fiscal years will be:

YEAR: ENTRY B	REGIME	
	ART. 14 ENTRY A	
	TAX RATE	ART. 14
2016	24.0%	24.0%
2017	25.0%	25.5%
2018 and following	25.0%	27.0%

As long as the companies do not state their intention of paying tax under the regime of the Art. 14 Entry “A” through an extraordinary shareholders meeting, the law establishes that they will be considered under regime Art. 14 Entry “B” by default.



In accordance with the legal provisions in force in some countries as of December 31, 2017 and December 31, 2016, cash dividends in favor of non-resident shareholders are taxed with income tax at the following rates:

TAX RATES

	2017	2016
	%	%
Peru (*)	6.8	6.8
Colombia	10	10
Chile	35	30
El Salvador	5	5

- (*) In Peru the tax on dividends and other means of income distribution agreed by legal persons in favor of natural persons and legal persons with no address dropped from 8.8 to 5% from tax year 2017 onwards. The distribution of profit in 2016 will be subject to a 6.8 rate even in the case its distribution takes place in the following years.
- b) There are prices and transfer rules in force in Peru, Nicaragua, Guatemala, El Salvador, Belize, Chile, Colombia, Ecuador and the United States establishing that transactions with local or foreign related companies and with companies located in low or no tax territories must be carried out at market values and backed with documents and information on the valuation methods employed and the criteria used to determine them.



The tax authorities have the right to request such information. Based on the analysis of the corporation's operations, Management and its legal advisers consider that, as a result of the application of the above mentioned rules, there will be no major contingencies for Ferreycorp or its subsidiaries from 31 December 2015 to 31 December 2016.

- c) The Tax Authority of Peru has the power to inspect and, if applicable, correct the tax on the corresponding profits calculated for each company of the group in the four years following the year of the submission of the tax revenue (years applicable to be audited). The income tax revenue and the general value added tax of the fiscal years between 2013 and 2017 are pending to be audited by Peru's Tax Administration. The revenues corresponding to the years between 2000 and 2010 have been audited and the ones of the years 2011 and 2012 are being audited.

SUBSIDIARIES ABROAD (COUNTRY):	PERIOD TO BE AUDITED
Guatemala	2013 a 2017
El Salvador	2006 a 2017
Belize	2009 a 2017
Nicaragua	2010 a 2017
United States of America, Chile, Colombia y Ecuador	2011 a 2017

LOCAL SUBSIDIARIES:	PERIOD TO BE AUDITED
Ferreyros S.A.	2013 a 2017
Unimaq S.A.	2012 a 2017
Cresko S.A.	2012 a 2017
Fiansa S.A.	2012 a 2017
Soltrak S.A.	2013 a 2017
Fargoline S.A.	2012 a 2017
Orvisa S.A. y subsidiarias	2012 a 2017
Motored S.A.	2012 a 2017
Inmobiliaria CDR S.A.	2013 a 2017
Forbis Logistics S.A.	2012 a 2017
Soluciones Sitech Perú S.A.	2013 a 2017

Likewise the income tax revenues and the general value added tax of the main subsidiaries are subject to inspection by the Tax Administration of each country for the periods detailed below:

Since the tax authority could give different interpretations to the current law, at present it is not possible to define whether or not the group will end up having liabilities, since any tax coming out from eventual tax reviews would be applied to the results of operations of the fiscal year when those taxes are to be applied. Nevertheless, it is the opinion of Management that any eventual additional tax settlement according to the respective Tax Administration of each country would not be significant for the consolidated financial statements for December 31, 2017 and December 31, 2016.

- d) In Peru, the temporary tax on net assets taxes generators who earn third category income subject to the general income tax regime. The tax rate is 0.4% applicable to the amount of net assets above PEN 1 million.

The amount effectively paid could be used as credit against payments due to the General Regime of income tax or towards the regularization of the income tax of the fiscal year to be taxed.

Contingencies

As of December 31 2017, the Group maintains tax appeals or administrative litigation lawsuits for a total amount of approximately PEN 118,809,000 (PEN 111,227,000 on December 31 2016), including fines and interests of PEN 15,610,000 and PEN 68,506,000, respectively, on December 31 2016). The administrative or judicial resolution of these processes is still pending and is related to observations made by the Tax Administration to sworn statements of: (i) income tax (including payments in advance) of taxable years 2001 to 2008 for PEN 109,971,000; (ii) general sales tax of taxable years 2001 to 2006 for PEN 3,088,000; and (iii) non-resident income tax for taxable years 2002, 2003, 2005, 2006 and 2015 for PEN 5,749,000 (PEN 5,708,000 on December 31 2016).

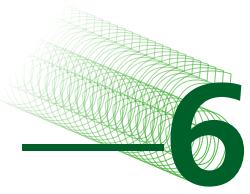
In all cases, as of December 31 2017, the Group has requested the advice of tax specialists who, together with the Management, have determined that there are some remarks related to approximately PEN 8,206,000 (PEN 18,747,000 as of December 31 2016), with a probable degree of loss.

Management together with its legal and tax advisers believe that the Group has technical and legal grounds to foresee that the decision of the Tax Court in Peru would be favorable; in this sense, they estimate that future resolutions of said processes will not be important liabilities, and, consequently, it is not necessary to register additional liabilities for them by December 31, 2017 and of 2016.

Judicial, Administrative or Arbitration Proceedings

Ferreycorp S.A.A. and its subsidiaries are part of certain legal proceedings that arose in the normal course of their activities, most of which, neither individually nor collectively, can be considered significant. It should be noted, however, that at the end of the year, the companies of the corporation together held by a claim process 11 trials of compensation for damages and others, for approximately USD 1.4 million. The General Management, based on the opinion of its legal advisers, considers that these are unfounded claims and that the result will be favorable to the companies of the group





Management of the corporation

The Board

The Board’s policies, as well as its makeup and its committees, are explained on page 39. The following is a list of the professional profiles of Ferreycorp’s directors

ÓSCAR ESPINOSA BEDOYA

(EXECUTIVE PRESIDENT)

Executive President of Ferreycorp S.A.A. since 2008 and President of the Board of Ferreyros S.A. and of the other subsidiaries of the corporation. Having joined the company in 1981, he became Managing Director in 1983. Previously, he held senior management and management positions at Corporación Financiera de Desarrollo (Cofide), World Bank, Banco Internacional del Peru and other financial entities. He is also Member of the Boards of Directors of Sociedad de Comercio Exterior del Peru (Comex Peru), Instituto Peruano de Economía (IPE), Comisión Fulbright del Peru and ONG CARE Peru. He is Member of the Board of Directors of UTEC University, Asociación Pro Universidad del Pacífico and Patronato de la Universidad Antonio Ruiz de Montoya. He received the IPAE Award in 1999. A Civil Engineer from Universidad Nacional de Ingeniería, he completed engineering, economics

and business administration graduate studies with different degrees and diplomas from Harvard University, North Carolina State College, ISVE Italy, Kellogg School of the Northwestern University, the School of Economics of the University of Colorado and PAD of Universidad de Piura.

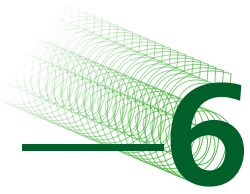
CARLOS FERREYROS ASPÍLLAGA

(VICE PRESIDENT)

Member of the Board of Directors of Ferreycorp S.A.A. since 1971 and Vice President since 2008. He was President of the Board from 1993 until 2008. In Ferreyros S.A., he has held the same position in the Board of Directors of Ferreycorp S.A.A. since 2012. He is Director of La Positiva Seguros y Reaseguros, as well as Member of the Group of 50 (Carnegie Endowment for International Peace and Inter-American Dialogue). A business administrator, graduated from Princeton University.

MANUEL BUSTAMANTE OLIVARES

Member of the Board of Directors of Ferreycorp S.A.A. since 2011 and the Board of Directors of Ferreyros S.A. since 2012. He has served as Chairman of the Board of Directors of Buslett S.A. (since 2013); Director of La Positiva Sanitas (2012-2015); President of the board of Fundación Chilca S.A. (since 2010); Director of Mastercol S.A. (since 2008); Vice President of the Board of La Positiva Vida Seguros y Reaseguros (since 2005); Director of Corporación Financiera de Inversiones S.A. (since 2005); Director of Transacciones Financieras S.A. (since 2000); Director of Dispercol S.A. (since 1998); Director of Sociedad Andina de Inversiones en Electricidad S.A. (1996); Vice President of La Positiva Seguros y Reaseguros (since 1975); Founding Member and Partner of Estudio Llona & Bustamante Abogados (since 1963); and President of Fundación Manuel J. Bustamante de la Fuente (since 1960). He has been



The Board

benefactor of the Instituto Riva-Agüero (since October 2017). He has been Director of Futuro Invest S.A. and Futuro Inmobiliario Camacho S.A. (since 1994); President of Profuturo AFP (1993-1999) and a Member of its Executive Committee (1993- 2010); First Vice President of Banco Interandino (1991-1995); President of Banco de la Nación and Member of the Committee for the Peruvian foreign debt (1980-1983); and Member of the Board of Directors of Corporación Financiera de Desarrollo (Development Finance Corporation) – COFIDE (1980-1983); Foreign Trainer Member of Shearman & Sterling in New York (1962-1963). An attorney graduated from the School of Law at Pontificia Universidad Católica del Peru.

JORGE GANOZA DURANT

Independent Member of the Board of Directors of Ferreycorp S.A.A. and the Board of Directors of Ferreyros S.A. since March 2017. Chairman and Director of Fortuna Silver Mines Inc. He is Member of the Board of Directors of the Sociedad Nacional de Minería, Petróleo y Energía for the period between 2017 and 2019. He has been co-founder and President of the Board of Directors of Atico Mining Corporation

between 2010 and 2016. He has been a Member of the Investment Committee of Faro Capital Fondo de Inversion de Capital Privado since 2013. He has over 20 years of experience in the development of businesses and capital markets in the mining sector in Latin America, North America, Africa and Europe. A geological engineer graduated from the New Mexico Institute of Mining and Technology.

HUMBERTO NADAL DEL CARPIO

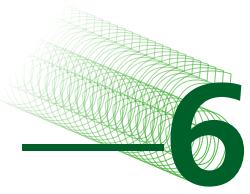
Independent Member of the Board of Directors of Ferreycorp since March 2017. Chairman and Director of Cementos Pacasmayo, as well as Chairman and Vice President of Inversiones ASPI, holding company in control of Cementos Pacasmayo. He is Chairman and Director of Fosfatos del Pacífico, FOSSAL and Salmueras Sudamericanas; Director of the Asociación de Productores de Cemento Asocem); and President of the Patronato de la Universidad del Pacífico. Previously he was President of the Board of the Fondo Mi Vivienda. Member of the G-50 group. An economist graduated from the Universidad del Pacífico, he has a Master in Business Management from the Georgetown University.

GUSTAVO NORIEGA BENTÍN

Independent Member of the Board of Directors of Ferreycorp S.A.A. and the Board of Directors of Ferreyros S.A. since 2017. Central Manager of Administration and Finances of Grupo El Comercio. He is also an Independent Member of the Board of Directors of Club Sporting Cristal S.A. Previously he was Vice President of Cadena de Suministro de Unión de Cervecerías Peruanas Backus y Johnston S.A.A. (2011-2016) and Vice President of Finances at Cervecería Hondureña S.A., a subsidiary of SABMiller in Honduras (2010-2011). He led the functioning of Systems and Information Technologies (2006-2010) as well as the Financial Planning (2004-2006) of Unión de Cervecerías Peruanas Backus y Johnston S.A.A. A Business Manager from Universidad del Pacífico he has an MBA from the IESE Business School of the Universidad de Navarra, Spain.

JAVIER OTERO NOSIGLIA

Independent Member of the Board of Directors of Ferreycorp S.A.A. since March 2017. Partner of the Consultora Málaga Webb & Asociados; Member of the Board of Directors of Milpo Mining Company and



The Board

Atacocha Mining Company. He has been Member of the Board of AFP Prima and Visanet, as well as President of the Board of Directors of Expressnet. He has developed his professional career in various bank entities since 1978. During 1993 and 1994 he was the General Manager of AFP Unión and for the following 17 years he has held different managerial positions at Banco de Crédito de Peru. A BA graduate in economics and management from the Universidad de Málaga in Spain.

JUAN MANUEL PEÑA ROCA

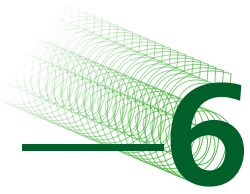
Member of the Board of Directors of Ferreycorp S.A.A. since 1984 and the Board of Directors of Ferreyros S.A. since 2012. He has been President of La Positiva Seguros y Reaseguros and La Positiva Vida, Seguros y Reaseguros until October 2017, where he currently serves as Director; President of the Board of Alianza Compañía de Seguros y Reaseguros (Bolivia) and Director of Alianza Vida Compañía de Seguros (Bolivia); Director of La Positiva Sanitas between 2012 and 2015. Director of La Positiva EPS in 2017. President of the Board of Martinizing del Peru and Director of G Money. Previously he worked as General Manager of Bland Welch (Brazil), where he was in charge of the Latin American and Caribbean regions. He was

also President of Federación Interamericana de Empresas de Seguros (Fides) between 2003 and 2005. President of Asociación Peruana de Empresas de Seguros (Apeseg) from 2002-2004 and Vice President from 2012-2014. He held the position of Director and Member of the Executive Committee of Profuturo AFP between 1993 and 2008. He held the position of alternate Director of Confiep for the 2012-2014 period. He holds a degree in civil engineering from Universidad Nacional de Ingeniería.

ANDREAS VON WEDEMEYER KNIGGE

Member of the Board of Directors of Ferreycorp S.A.A. since 2003 and the Board of Directors of Ferreyros S.A. since 2012. Currently, he is CEO and General Manager of Corporación Cervesur, as well as Chairman of the Board of Directors of the various companies that make up that group (Creditex, Alprosa, Transaltisa and Proagro, among others). Chairman of the Board of Euromotors; Altos Andes; Euro Camiones; Euroinmuebles and Renting. He is also President of the Board of Directors of La Positiva, Seguros y Reaseguros; La Positiva Vida, Seguros y Reaseguros and de La Positiva Entidad Prestadora de Salud- EPS. Director of

Corporación Aceros Arequipa; Corporación Financiera de Inversiones and Transportes Barcino, among others; President of Sociedad Nacional de Industrias and Director of Comex Peru, where he is also Member of the Executive Committee. He has been Director and General Manager of Cia. Cervecera del Sur del Peru, as well as Chairman of the Board of Profuturo AFP, President of Asociación de AFP and Member of the Board of Directors of Tecsup. Business administrator, graduated in Hamburg, Germany, with studies in the Program for Management Development, Harvard Business School and Universidad de Piura.



Management Team

While page 38 contains the managerial plan of the corporation and its subsidiary companies, this section includes the professional profiles of the top executives of Ferreycorp S.A.A.

MARIELA GARCÍA FIGARI DE FABBRI

GENERAL MANAGER

General Manager of Ferreycorp S.A.A. corporation (the latter formerly integrated to Ferreyros general management) since 2008. In January 2016, she left the general management of Ferreyros, retaining the general management of the corporation in Peru and abroad. She has 29 years of experience in the corporation, having joined Ferreyros in 1988 and held various positions in the Finance Division, including Finance Manager, from 2001 to 2005. Thereafter, she worked as Deputy General Manager of the company between January 2005 and March 2008. Director of all the companies of the corporation in Peru and abroad, she is a Member of a number of Caterpillar advisory councils that involve some dealers.

She has been President of the Cámara de Comercio Americana (Amcham Peru) since 2017, as well as

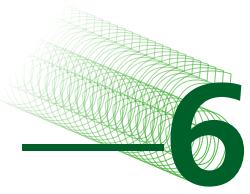
a Member of its Board of Directors since 2007. She also has been a Member of the Board of Directors of Peru 2021 since 2011. President of the Companies Circle of the Latin American Corporate Governance Roundtable, which brings together nine Latin American companies that stand out for their Good Corporate Governance practices, for the period 2010-2013. Member of the advisory councils of some faculties of Universidad del Pacífico and Universidad de Ingeniería y Tecnología (UPEC), she is also Director of Shift and Member of the angel investor network of UPEC. She was Member of the Board of Procapitales and President of its Corporate Governance Committee until the end of 2006, as well as Director of IPAE, between 2002 and 2004; Cosapi, between 2007 and 2009; and the National Mining, Oil and Energy Society (Sociedad Nacional de Minería, Petróleo y Energía), between 2011 and 2013. Previously, she worked as a

researcher and Member of the editorial committee of Consorcio La Moneda's publications. She holds a degree in Economics from Universidad del Pacífico and has an MBA from Universidad Adolfo Ibañez de Chile and from Incae of Costa Rica, where she was recognized as a Distinguished Graduate in 2016

LUIS BRACAMONTE LOAYZA

CORPORATE BUSINESS MANAGER

Corporate Business Manager since 2016. Between 2014 and 2015, he worked as Investment Manager at Ferreycorp. He joined the company in 1979 and has assumed various important positions, such as the Credits and Collections Deputy Manager. In 1996, he assumed the Branch Division Management, and afterwards, the Agricultural Management and Automotive Division, as well as the Management



Management Team

and General Management of Orvisa, among other positions. From 2012 to 2013, he worked as Central Manager of Subsidiaries. Director and Vice President of Cámara de Comercio de Lima in different periods and he is currently Director of Asociación Automotriz del Peru. Responsible Director of the subsidiaries Soltrak, Fargoline, Forbis Logistics, and Soluciones Sitech Peru. He studied at Universidad de Lima and obtained specialization diplomas at ESAN and the Incae High Management Program (PAG) in Costa Rica. He holds a Master's degree in Marketing and Commercial Management from EOI business school of Spain.

OSCAR RUBIO RODRÍGUEZ

CORPORATE BUSINESS MANAGER

Corporate Business Manager of Ferreycorp since 2016. He worked as General Manager of Unimaq S.A. between 2007 and 2015. He joined the company in 1975 and has held managerial positions since 1983, including that of General Deputy Manager of Orvisa from 1989 to 1991. Responsible Director of Motored in Peru, Motriza, Trex SpA and Maquicentro, as well as Member of the Board of Unimaq and Orvisa. An

economist graduated from the Faculty of Economics of the Universidad Nacional Mayor de San Marcos, he has held courses in Peru and abroad. He has participated in the Senior Management program of Universidad de Piura and has obtained specialization diplomas in ESAN, IPAE and Universidad La Salle of Argentina.

MARIA TERESA MERINO CABALLERO

HUMAN RESOURCES MANAGERS

Human Resources Manager at Ferreycorp since 2014. She has more than 30 years of professional experience in human resources management and organizational development, mainly in the banking, AFP (Private Pension Funds), finance and insurance sectors. She has worked in Credicorp, Banco de Crédito del Peru, AFP Unión and Financiera Solución, of the Grupo Sura, in Seguros en Inmobiliaria Sura. A Human Resources Manager graduated from Universidad San Martín de Porres, she has a Master's degree in business administration (MBA) at Centrum Católica. She has followed specialization courses both in Peru and abroad on talent management programs, organizational culture and compensations.

ALBERTO GARCÍA ORAMS

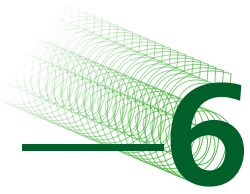
CORPORATE MANAGER OF TECHNOLOGY, PROCESSES AND INNOVATION

Technology, Processes and Innovation Corporate Manager of Ferreycorp since 2015. He has been partner of 360 Consulting, a consultancy company in business management and information technology. He has worked as associate partner at IBM; Corporate Systems Manager of Grupo Gloria; Managing Director of Metrica; and Information Manager at Mauricio Hochschild & Cia. He holds a Bachelor's degree in science and industrial engineering from Pontificia Universidad Católica del Peru and a Master's degree in business management from Universidad de Piura (Senior Management Program).

PATRICIA GASTELUMENDI LUKIS

CORPORATE FINANCE MANAGER

Corporate Finance Manager of Ferreycorp since 2012. She joined the corporation in 1987. Subsequently, she assumed different roles in the company, serving as Finance and Administration Manager and Credit and Collection Manager in Ferreyros, among others.



Management Team

Currently, she is a Member of the Board of Directors of all subsidiaries of Ferreycorp, except Ferreyros. She has been a Member of IPAE Board of Directors for the periods 2007-2009 and 2012-2015, and currently she is a Member of its Institutional and Integrity Committee. She has been a Member of the Board of Procapitales since 2006 and presently she is a Member of its Corporate Governance Committee. She is Member of the advisory council of the Asociación de Secretarios Corporativos (ASCLA). She was President of the Organizing Committee of CADE Universitaria in 2010. She has been a representative of Ferreycorp since 2006 and Member of Steering Committee of Companies Circle of the Latin American Corporate Governance Round Table, composed of Latin American companies leading the implementation of Good Corporate Governance practices. She holds a degree in Business Administration from Universidad de Lima and an MBA from Universidad Adolfo Ibañez and Incae. In 2007, she participated in the Caterpillar Leading for Growth and Profitability program, at the Kenan-Flagler Business School of the University of North Carolina. In 2009, she participated in the Global Economics Administration program taught at the

Harvard Extension School Faculty and, in 2012, in the Yale School of Management's Corporate Governance program. In 2017 she participated of the Merger Week: Creating Value Through Strategic Acquisitions and Alliances at the Kellogg School of Management.

RODOLFO PAREDES LEÓN

CORPORATE STRATEGY AND BUSINESS DEVELOPMENT MANAGER

Corporate Strategy and Business Development Manager of Ferreycorp since 2017. Previously he held the position of Corporate Development Manager of Ferreycorp as of 2014, and Development and Investment Manager of Ferreyros as of September 2007. He has more than 20 years of professional experience, including project management in multiple industries, including aerospace, technology, logistics, pharmaceutical, industrial, construction machinery and mining sectors, among others. He has worked in several companies such as Oficina de Normalización Previsional (Pension Administration Office) ONP, Farminustria and IBM in Peru, and Honeywell International Inc. in the United States. Currently, he is

Director of some of the corporation's subsidiaries. He graduated as industrial engineer from Universidad de Lima and holds a Master's degree in business (MBA) from the University of Notre Dame (United States). He has participated in multiple courses of specialization in Peru and abroad, such as the program for value creation through strategic alliances and acquisitions of Kellogg School of Management of Northwestern University (United States).

EDUARDO RAMÍREZ DEL VILLAR LÓPEZ DE ROMAÑA

CORPORATE MANAGER OF CORPORATE AFFAIRS

Corporate Manager of Corporate Affairs of Ferreycorp since 2014, in charge of legal and compliance issues. Previously, he was Manager of Corporate Affairs Division of Ferreyros since 2010. He joined the company in 1999, working as Legal Manager. He was in charge of the legal area of the Vice Presidency of Finance of Corporación Andina de Fomento (CAF) at its headquarters in Caracas, Venezuela, acting as legal consul for liability transactions of this international organization, and beforehand he served as an attorney

Management Team

of the Legal Consultancy, supporting financing operations for the public and private sector of Peru and the structuring of large-scale projects at the regional level. Previously, he worked as Legal Manager of Cosapi Organizacion Empresarial, linked to legal advice on issues related to the construction business. Member of the Legal Affairs Committee of Cámara de Comercio Americana del Peru (Amcham Peru). He has completed several courses of specialization both in Peru and abroad. In 2007, carried out the Caterpillar Leading for Growth and Profitability program, conducted at the Kenan-Flagler Business School of University of North Carolina. He is a lawyer from Pontificia Universidad Católica del Peru, with a Master's degree (Master in Law) at George Washington University (Fulbright Fellow).

JOSÉ MIGUEL SALAZAR ROMERO

CORPORATE MANAGER OF COMMUNICATIONS AND IMAG

Image and Communication Corporate Manager of Ferreycorp since 2015. Previously, he had worked as Central Marketing Manager of Ferreyros since 2007; as Central Manager of Customer Relations and Commercial Development, since 2004; and as

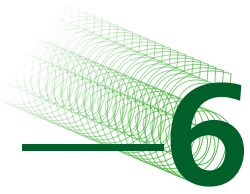
Mining Division Manager since 2001. Between 1996 and 2000, he worked as General Manager of Matreq Ferreyros, Caterpillar's exclusive distributor in Bolivia and a subsidiary of Ferreyros S.A.A. Between 1990 and 1995, he held various corporate positions outside the corporation. Until 1990, he held various positions in the Human Resources, Sales and Administration areas, including Finance Division Management in 1988, having joined Ferreyros in 1969. He has participated in courses in the country and seminars organized by Caterpillar, including Caterpillar Leading for Growth and Profitability program, taught at the Kenan-Flagler Business School of the University of North Carolina. He holds a diploma in Strategic Management for Tourism Companies issued by Universidad del Pacífico.

TITO OTERO LINARES

CORPORATE MANAGER OF INTERNAL AUDITING

Corporate Audit Manager of Ferreycorp since January 2016. He had been Computer and Processes Manager of Ferreyros, since joining the company in February 2000, until 2015. From 2003 to 2010, he was also in charge of Six Sigma program, which oversaw the development

and implementation of more than one hundred processes improvement projects in various areas of the company. He has almost 40 years of experience in systems, operations and internal control management. He served as Operations Manager at two AFPs and a bank, in addition to occupying various positions at IBM del Peru related to controls and audit systems. He was an auditor at PricewaterhouseCoopers and he is a certified public accountant graduated from Universidad de Lima. He has participated in various specialization courses in Peru and abroad and has been a part-time professor at ESAN.



Management Team / Professional Profiles of Ferreyros Executives

GONZALO DÍAZ PRÓ

GENERAL MANAGER

General Manager of Ferreyros since January 2016. Previously, he was in charge of the Deputy General Management; before that, of the Central Business Management, for seven years, and of the management of the Great Mining Division. He joined the company in August 2004. He has more than 25 years of experience in management and development of construction projects, open-pit mining and energy in both Peru and Chile. He has held various positions in Cosapi group, including the Commercial Management of the subsidiary in Chile and the Project Management of the joint venture with Bechtel Corporation for the execution of the then Antamina greenfield. He has been elected Member of the Board of Directors of Sociedad Nacional de Minería, Petróleo y Energía for the period 2017-2019, an institution in which he has chaired the Suppliers Committee since 2012. Member of the Board of Directors of Cámara de Comercio Canada-Peru. He was also Member of the Board of Directors of the Suppliers Committee of Cámara Peruana de la Construcción (Capeco) and the Infrastructure, Energy and Mining

Committee of Cámara de Comercio Americana del Peru (Amcham Peru). Currently, he is Director of several companies of the corporation. A civil engineer graduated from Pontificia Universidad Católica del Peru, he holds an MBA from Universidad Adolfo Ibañez of Chile and Incae Business School of Costa Rica. He is also a graduate of the CEO Management Program of Kellogg School of Management (Northwestern University) and has participated in various specialization courses in Peru and abroad, including the Business Directors Training Program, provided by the Pacífico and Piura universities, as well as consultancy EY, and the Caterpillar Senior Management Program at the Kenan-Flagler Business School of the University of North Carolina (United States).

JOSÉ LÓPEZ REY SÁNCHEZ

CENTRAL HUMAN RESOURCES MANAGER

Human Resources Central Manager at Ferreyros since 2016, he had worked as Product Support Central Manager as of 2012. He joined the company in 1981. He was Services Manager from 1994 to 1998, and Parts and

Services Manager from 1999 to 2001, the year in which he was promoted to Product Support Division Manager. Mechanical engineer from Universidad Nacional de Ingeniería, he has completed courses in Management and Management Accounting at ESAN, as well as the Senior Management Program at Universidad de Piura. In 2007, he participated in the Caterpillar Leading for Growth and Profitability program at the Kenan-Flagler Business School of University of North Carolina. In 2016, he attended the Managing Talent for Strategic Advantage Program at Stanford Graduate School of Business.

HUGO SOMMERKAMP MOLINARI

CENTRAL FINANCE MANAGER

Central Finance Manager since 2016. He is in charge of the supervision of the management/ areas of Treasury, Financial Services to Customer, Accounting, Taxes, Budgets and Management control of Ferreyros. These responsibilities included Logistics up until December 2016. Previously, he held the position of Central Systems and Management Control Manager, from 2001-2015; he was responsible

Management Team / Professional Profiles of Ferreyros Executives

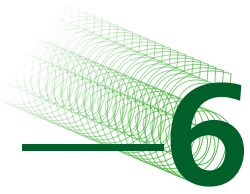
for the Risks Area at a corporate level, and oversaw the Computing Management until 2014. He joined the company in 1985 and held the position of Controller of Subsidiaries until 1990. He is Director of several subsidiaries of the corporation in Peru and abroad. Between 1990 and 1996, he worked in Paraguay as financial Director of the different subsidiaries of the ECOM group (Lausanne, Switzerland). He rejoined the corporation in 1996 to hold the position of Finance and Administration Division Manager until 2001. Previously he was an Associate at the auditing firm Peat Marwick (now KMPG) in Lima. He was Auditing Manager of the company at its New York, and previously at the auditing firm Hansen-Holm, Alonso & Co, representative of Cooper & Lybrand (now part of PwC). A public accountant appointed by Pontificia Universidad Católica del Peru, with specialized courses in Peru and abroad, including the Caterpillar Leading for Growth and Profitability program, held at the Kenan-Flagler Business School of University of North Carolina. He has been a stock exchange representative of Ferreycorp S.A.A. and Ferreyros S.A. since 31 March 2012.

LUIS FERNANDO ARMAS TAMAYO**LARGE SCALE MINING DIVISION MANAGER**

Large Scale Mining Division Manager since 2012, with 30 years of experience in management, implementation, marketing and heavy-duty equipment market development for open-pit mining operations. He worked as Caterpillar's Regional Manager for North Latin America, based in Miami (United States), during 2011; as General Manager of Bucyrus South Africa, based in Johannesburg, from 2009 to 2011; and as General Manager of Bucyrus Peru, from 2000 to 2009, participating in the implementation and creation of the company in the national mining market. Previously, he held the position of Senior for Mine Maintenance at Alumbreira mining (Argentina) from 1997 to 2000. He also held engineering, planning and maintenance positions in southern Peru at its Cuajone operations from 1986 to 1997. A mechanical and electrical engineer graduated from Universidad Nacional de Ingeniería, with graduate studies in the Senior Management Program from Universidad de Piura and many specialization courses in mining equipment in Peru, Chile and the United States.

JORGE DURÁN CHENEUX**PRODUCT SUPPORT DIVISION MANAGER**

Product Support Division Manager since 2016. He was in charge of the Branch and Agriculture division between 2012 and 2015. He entered the Corporation in 1994 as a Field Engineer in charge of the Cerro Verde mining operation. Subsequently, he became Chief of Service – Southern Region at the Arequipa branch. In 1999 took over the Service Management at a national level; in 2001 the Management of the Component Reparation Center (CRC) and Talleres Lima; in 2005 the Large Scale Mining Operations Management; and in 2007 the Large Scale Mining Division Management. A science graduate with special mention in mechanical engineering from the Pontificia Universidad Católica del Peru (PUCP), in 2009 he received an MBA from the Universidad Adolfo Ibáñez from Chile and the Incae from Costa Rica. He has participated in several Caterpillar specialization courses and forums, he holds a Black Belt Certificate from the Six Sigma Continuous Improvement Program and in 2007 he graduated



Management Team / Professional Profiles of Ferreyros Executives

from Caterpillar's Leading for Growth and Profitability Program, at the Kenan-Flager Business School at North Carolina University.

RONALD ORREGO CARRILLO

REGIONAL ACCOUNTS DIVISION MANAGER

Manager of the Regional Accounts Division, which includes the network of branches and the Government and Agriculture areas, since 2016. He entered Ferreyros in 1994 as an assistant of the Service Management at a national level. Later on, he led the beginning of operations of Proyectos de Motores de Medio Velocidad for the mining sector and energy generation, as well as product support plans. In 2002, he became Chief of the Department of Energy in the commercial area and was appointed to other positions in the energy area, including becoming Manager of Energía, Hidrocarburos y Marino between 2010 and 2015. He has more than 23 years of experience in commercial management, as well as the development of energy and sea projects, both in the development of turnkey projects and the

sale of energy. He has been Director of Ferrenergy, a subsidiary of Ferreyros dedicated to the sale of energy. A mechanical Engineer graduated from the Pontificia Universidad Católica del Peru, he has an MBA with high honors from the Universidad del Pacífico, as well as an EMBA from the Universidad Adolfo Ibáñez from Chile and the Incae Business School from Costa Rica. He has participated in several of Caterpillar's specialization courses and forums both commercial and on products support, as well as risk management.

PAUL RUIZ LECAROS

ENERGY AND RETAIL MANAGER

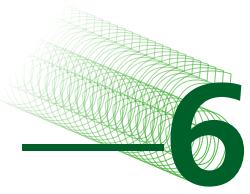
Manager of the Energy and Retail Business Unit, he has more than 20 years of experience in Ferreyros. As part of his experience in the company, he has been the head of the Spare parts and Services Management, as well as of the Commercial Management of Mining. He has also been Chief of Quality Control in Warehouses, Spare Parts

Inventory and Spare Parts Marketing. He has worked in the Customer Relation Management area. He has been awarded a Black Belt certificate from the Six Sigma continuous improvement program. He is an industrial engineer graduated from the Universidad de Lima; he has received an EMBA from the Adolfo Ibáñez University in Chile and the Incae Business School in Costa Rica, as well as a graduate degree in marketing from the Pontificia Universidad Católica del Peru.

ALAN SABLICH NAIRN

MARKETING AND DIGITAL BUSINESS DIVISION MANAGER

Marketing Manager since 2015. Previously he was the Commercial Support Manager as of 2013, providing support to the CRM and Commercial Intelligence business areas. Before entering Ferreyros, he held leadership positions in different national and international companies, having led the Digital Strategy area in Belcorp, Relationship and Digital



Management Team / Professional Profiles of Ferreyros Executives

Marketing in Ripley, CRM in General Electric Australia and Business Intelligence in Soluziona Peru and Spain, where he led various consulting projects in several countries. He is an Industrial Engineer graduated from the Universidad de Lima, with an MBA from the Melbourne Business School in Australia, and has completed several leadership, marketing and digital strategy courses.

ENRIQUE SALAS RIZO-PATRÓN

NATIONAL ACCOUNTS DIVISION MANAGER
National Accounts Division Manager since 2016. Previously, he led the Mining and Construction Division Management between 2010 and 2015. He had also worked as General Manager of Mega Representaciones (now Soltrak) subsidiary between 2007 and 2010. Currently, he is the Director several

companies of the corporation. He was founder and General Manager of Mega Caucho between 1999 and 2006, the leading company in the commercialization of off-road tires and industrial lubricants in the country. He worked as Sales Director at Andean Trading, exclusive representative of Goodyear International for Peru, company in which he had worked since 1986. He has more than 31 years of experience in sales and value-added service of industrial products for mining, construction, transport and industry markets. He studied at Universidad de Lima and pursued a specialization in Sales, Marketing and Services at ESAN, as well as other studies dedicated to commercial, administrative and financial management for executives. He took part in courses and forums of Caterpillar and institutions related to the aforementioned markets.

Management Team / Professional Profiles of the Main Executives of the Other Subsidiaries and Businesses**ALBERTO PARODI DE LA CUADRA****GENERAL MANAGER OF UNIMAQ**

General Manager of Unimaq since January 2016. Previously, he was in charge of Deputy General Management and was Central Manager of Business and Operations of the Corporación General de Tractores, S.A. (Gentrac) in Guatemala from 2010 to July 2015. He joined Ferreyros in 1995, where he worked as Construction, Medium Mining and Energy Division Manager between 2007 and 2010; as Commercial Manager of Construction and Medium Mining, between January 2006 and January 2007; and as after-sales Commercial Manager from July 2002 to December 2005, among other positions. He is Director of Ferreyrcorp's subsidiaries in Central America. Industrial engineer from Ricardo Palma University and holds a Master's degree in strategic business administration from Centrum Católica, business school of Pontificia Universidad Católica del Perú. He also completed the FSE (Finance for Senior Executives) course at Harvard University in Boston and of Leadership at Incae in Costa Rica. He took part

of Caterpillar Leading for Growth and Profitability program at Kenan-Flager business school at the University of North Carolina, and has attended various specialization programs in Peru and abroad.

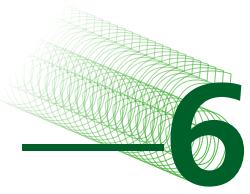
CÉSAR VÁSQUEZ VELÁSQUEZ**GENERAL MANAGER OF ORVISA**

General Manager of Orvisa S.A. since February 2006. With 18 years of experience in the field of capital goods, he has held the positions of General Manager, Chief Administrative Officer and General Accountant in the same company, which he entered in the year 2000. He worked in the Interbank store network and was general accountant for Compañía Embotelladora Lusitania. He was Member of the Board of Caja Municipal de Ahorro y Crédito de Maynas (CMAC Maynas) from 2005 to 2007 and Member of Senati Loreto Zonal Council between 2009 and 2011. He holds a Master's degree in financial management from the Escuela de Organización Industrial (EOI) of Spain, a Master's degree in higher education from Universidad

Nacional Mayor de San Marcos (completed studies), as well as an advanced level certification in sales by Caterpillar University. He graduated as a public accountant from the Universidad Nacional de la Amazonia.

RICARDO RUIZ MUNGUÍA**GENERAL MANAGER OF GENTRAC AND GENERAL DE EQUIPOS**

General Manager of Gentrac Corporation and its subsidiaries in Central America. He joined General de Equipos in 1978. He has held positions in different areas of the company and was appointed as General Manager in 1991. In 1998, when General de Equipos acquired 100% of Gentrac in Guatemala and Gentrac in Belize, he was appointed Vice President of the Board and Executive Director of the three companies. In 2001, he was appointed Chairman of the Board and CEO of Gentrac Corporation, the holding of the above-mentioned companies. In other activities in El Salvador, he has worked as Member of the Board of



Management Team / Professional Profiles of the Main Executives of the Other Subsidiaries and Businesses

Directors of Aseguradora Agricola Comercial; Member of the Board of Directors of Banco de Comercio; Chairman of the Board of Directors of Banco Atlacatl; Member of the Board of Directors of Banco Central de Reserva; Member of the Board of Directors of Asociación Bancaria; Director of Financiera Atlacatl; as well as Director of Asociación de Ahorro y Prestamo Aprisa. He holds a Bachelor's degree in agricultural economics from University of Louisiana and a Master's degree in business administration from Incae.

CARLOS BARRIENTOS GONZALES

GENERAL MANAGER OF SOLTRAK

General Manager of Soltrak S.A. (before Mega Representaciones) since 2010. He has 20 years of experience in the corporation and has carried out jobs in different areas and managerial positions since 2006, having been Commercial Manager of the Large Scale Mining Division at Ferreyros. He holds a degree in business management from the Pontificia Universidad Católica del Peru and has an MBA from

Centrum Católica. He has carried out specialization courses in sales and strategy in Peru and abroad, including the Upper Management program of the Universidad de Piura; the Caterpillar Leading for Growth and Profitability program at the Kenan-Flager business school, of the University of North Carolina, and the CEO Management Program at the Kellogg School of Management (Northwestern University) in Evanston, Illinois.

HENRI BORIT SALINAS

GENERAL MANAGER OF MOTORED

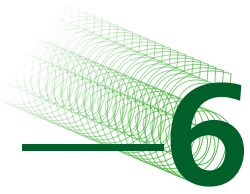
General Manager of Motored S.A. since 2012. He was Manager of Automotive Division of Ferreyros S.A.A. from 2011 to 2012, the year in which it was taken over by Motored. He began his career in the Consultancy Division of Arthur Andersen & Co. in 1992, an organization from which he resigned as Manager in 1998. He has worked as General Manager of Indumotora del Peru between 1999 and 2011. He has 17 years of experience in the automotive sector. He

was Member of the Board Association of Automotive Representatives of Peru (Araper) until 2015. An industrial engineer from Universidad de Lima, he carried out graduate studies at Universidad del Pacífico and the PAD of the Universidad de Piura.

VÍCTOR OTERO PIZARRO

GENERAL MANAGER OF TREX LATINOAMÉRICA

General Manager of Trex Latinoamerica since its establishment in 2014. Previously, he worked as General Manager of Equipos y Servicios Trex S.A., founded together with his partners in 2000. He has 25 years of experience in management and development of capital goods businesses, in the mining and port areas, holding various positions at the company Minepro Chile, today Joy Global, including Material Handling division management, which included P&H cranes, PPM port equipment and Morris crane bridges. An architect from Pontificia Universidad Católica de Chile, he holds an MBA from Universidad Adolfo Ibañez.



Management Team / Professional Profiles of the Main Executives of the Other Subsidiaries and Businesses

CARLOS OJEDA IGLESIAS

MANAGER OF TREX IN PERU AND COLOMBIA
Manager of Trex in Peru and Colombia. Previously, he worked as Manager of the pneumatic division at Soltrak (formerly Mega Representaciones) between 2007 and 2014. He was Operations and Services Manager at Mega Caucho (2004-2006), a company engaged in the supply of consumables for mining, construction and transportation, which was later acquired by the corporation and became Soltrak. He also worked as a Navy officer for 15 years, with experience in operations and leadership (1991-2004). A graduate from Escuela Naval del Peru, he completed a Management MBA at Centrum Católica business school, as well as a graduate program in Operational Analysis at Universidad de Bahía Blanca and at the Argentine Naval Academy.

JAVIER BARRÓN RAMOS PLATA

MANAGER OF CRESKO
Manager of Cresko, he began his career in 1996 in Ferreyros, working in various positions in the

Commercial and Administration areas in several branches of the corporation. He received several awards and honors in courses taught by Caterpillar. He has 20 years of experience in the marketing of capital goods. He has been regional adviser of Senati in La Libertad during 2010-2012, as well as a representative of the organization in various chambers of commerce of the branches with which he interacted. He is presently a Member of the CCL Machinery Committee. An industrial engineer graduated from Universidad de Piura, he graduated with honors in Business Administration Master's Program at ESAN, with graduate studies in Finance at ESAN. He has participated in the High Management Program at Incae and completed several courses of marketing, leadership and sales dictated by Caterpillar. He has received an Advanced level Certification in Sales from Caterpillar University.

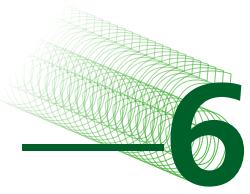
JORGE DEVOTO NÚÑEZ DEL ARCO

GENERAL MANAGER OF FORBIS LOGISTICS
General Manager of Forbis Logistics Corp. and Forbis

Logistics S.A. since 2013. He has been accumulating experience in managing logistics projects since 2001. With more than 11 years of experience in the corporation, he has held positions in three representative areas: Commercial, Projects and Logistics. A notable part of his professional career includes participation in the exchange program with Caterpillar, in the city of Miami, where he worked for a year. He is certified as a Black Belt in the Six Sigma continuous improvement program, as well as in the Caterpillar Production System (CPS), a continuous improvement methodology adapted to the Caterpillar world. He holds a Bachelor's degree in food industries from Universidad Nacional Agraria La Molina and graduated with honors in the strategic business administration (MBA) at Centrum Católica.

RAÚL NEYRA UGARTE

GERNERAL MANAGER OF FARGOLINE
General Manager of Fargoline S.A. since 2009. He began



Management Team / Professional Profiles of the Main Executives of the Other Subsidiaries and Businesses

his professional career in the Navy then moved to the private sector, working in Molinos Takagaki, in the poultry industry and in Nestle, in the area of products of mass consumption. He joined Ferreyros in 1995, where he has held managerial positions since 2005, after working in different areas of the corporation. Member of the Board of Directors of Asociación de Operadores Portuarios del Peru. He holds an MBA from Incae of Costa Rica and Universidad Adolfo Ibañez de Chile, as well as a specialization in Logistics from Pontificia Universidad Católica del Peru. He is certified as Black Belt in the Six Sigma continuous improvement program by Caterpillar University and he is a graduate from the Naval Academy of Peru as a Navy Officer with an Administration Bachelor's degree.

MARCOS WIELAND CONROY

GENERAL MANAGER OF SOLUCIONES SITECH PERU General Manager of Soluciones Sitech Peru S.A. since it started to operate in 2013. He began his career at

IBM as a system support engineer. Later, he worked at Microsoft as Marketing Programs Manager in the education, marketing and sales areas; in the consultancy BCTS, as Business Manager; and in PricewaterhouseCoopers, as Marketing Manager. He joined Ferreyros in 2007 as Commercial Development Manager in the Marketing area, a position he held until he assumed his current position. He holds a Masters degree in business administration from the University of Texas at Austin and holds two Baccalaureate degrees: one in industrial engineering from Pontificia Universidad Católica del Peru and another in computer science from University of Arkansas, in Little Rock. He has been a professor of marketing and technology for over ten years at ESAN.

ERNESTO VELIT SUAREZ

GENERAL MANAGER OF FERRENERGY

General Manager of Ferrenergy since October 2016. He has more than 30 years of experience managing companies related to manufacturing, construction

and consulting in mining, energy, industry, gas, oil and hydrocarbons. He was General Manager of the metalworking company FIMA and the construction company Skanska; Project Manager at Cosapi and Parsons and of consulting firms such as Gesel. He was Vice President of Asociación de Empresas Metalmeccánicas Privadas del Peru and of the Comité de Proveedores de la Sociedad Nacional de Minería, Petróleo y Energía, Member of the Metal Mechanic Committee of Sociedad Nacional de Industria and of the Junta Directiva de la Cámara Peruana de la Construcción. A mechanical and electrical engineer, he holds a degree in energetics from the Instituto Politécnico Bucarest. He holds a Master of Sciences awarded by Instituto Politécnico Bucarest and Instituto Politécnico of Paris.

Common Shares
FERREYCORP S.A.A VARIABLE RENT

ISIN CODE	MNEMONIC	YEAR-MONTH	QUOTATION 2017				AVERAGE PRICE PEN
			OPENING PEN	CLOSE PEN	MAXIMUM PEN	MINIMUM PEN	
PEP73600 1004	FERREYC1	2017-01	1.69	1.80	1.81	1.65	1.74
PEP73600 1004	FERREYC1	2017-02	1.80	1.86	1.93	1.80	1.88
PEP73600 1004	FERREYC1	2017-03	1.86	2.04	2.05	1.83	1.91
PEP73600 1004	FERREYC1	2017-04	2.04	1.87	2.16	1.85	2.04
PEP73600 1004	FERREYC1	2017-05	1.87	1.96	2.03	1.86	1.96
PEP73600 1004	FERREYC1	2017-06	1.96	1.81	1.97	1.78	1.92
PEP73600 1004	FERREYC1	2017-07	1.81	1.80	1.84	1.77	1.79
PEP73600 1004	FERREYC1	2017-08	1.80	1.92	1.92	1.80	1.88
PEP73600 1004	FERREYC1	2017-09	1.93	2.13	2.14	1.93	2.00
PEP73600 1004	FERREYC1	2017-10	2.13	2.54	2.61	2.13	2.45
PEP73600 1004	FERREYC1	2017-11	2.54	2.60	2.70	2.43	2.60
PEP73600 1004	FERREYC1	2017-12	2.60	2.55	2.64	2.20	2.45

Issuance of Current Debt Instruments

International Bond Issuance 144A/ Reg S

In April 2013 Ferreycorp issued USD 300 million of corporate bonds in the international market. The amount raised by this issuing, with an annual rate of 4.875%, was used to reshape the debt on an average term of three years with amortizations to a capital payment in seven years “bullet”. In this way, the company released short-term credit lines and covered its mid-term needs.

The slowdown of the economy led to a reduction in the demand of financial resources, both of working capital and investments, so a repurchase of bonds was carried out in order to achieve better and more flexible conditions. On June 24, 2016, after completing the corresponding process, a total amount of USD 123,600,799.89 was paid in favor of the holders of the aforementioned bonds.

All the aforementioned holders had the opportunity to participate in this repurchase under the same conditions through a Tender Offer, in line with the Good Corporate Governance practices and transparency that are the hallmark of the Corporation.

On November 28, 2017, there was a partial prepayment of the international bond of USD 62,333,000.00 under Indenture terms with the aim to reduce the financial expenditures of the corporation and to give more flexibility to the structure of the debt.

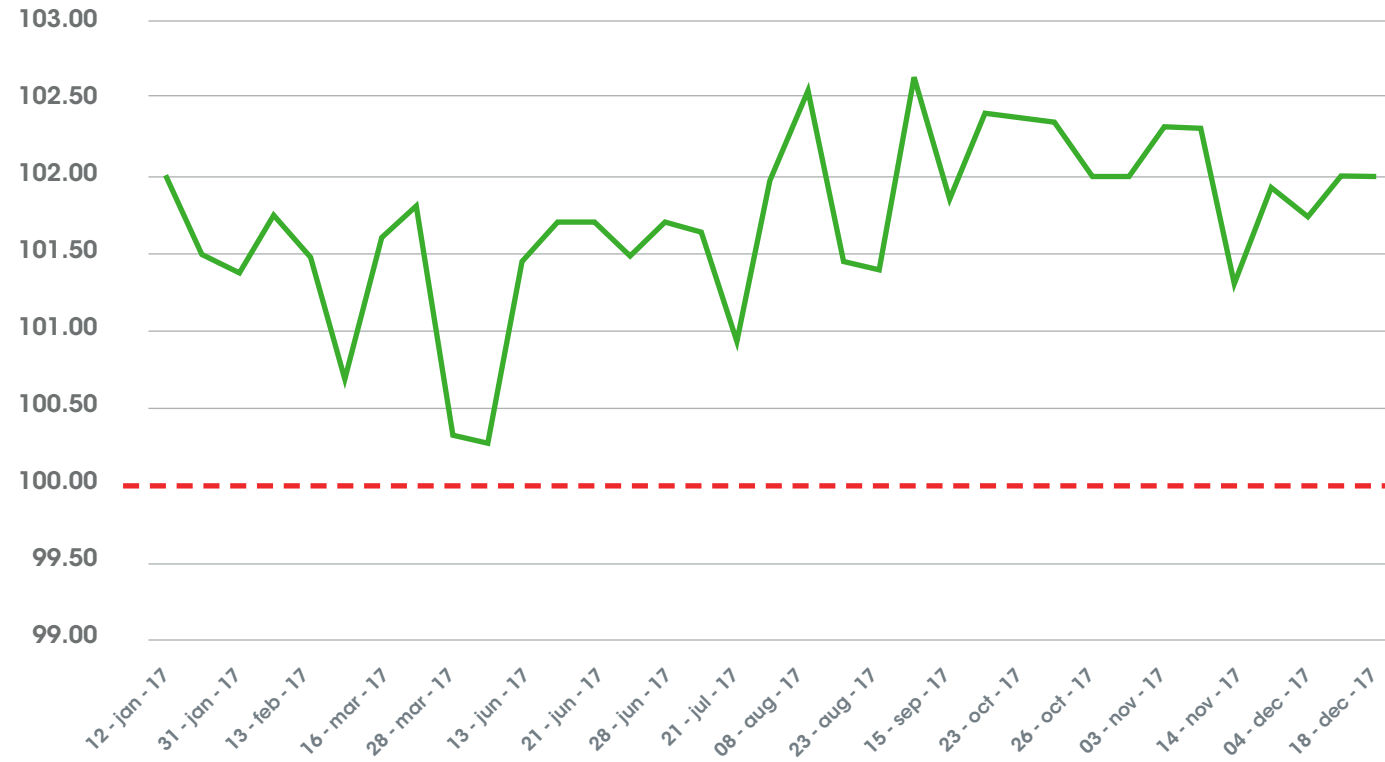
Currently, the balance of the international bond is USD 100 million.



APPENDIX 2 / INFORMATION ON THE STOCK MARKET REGISTERED IN THE PUBLIC REGISTRY OF THE STOCK MARKET

The following is the performance of the bonds during 2017:

INTERNATIONAL BOND PRICE



Share: FERREYC1

OWNERSHIP BY TYPE OF SHAREHOLDER OR REPRESENTATIVE VALUE OF THE PARTICIPATION COMPOSED BY THE S&P PERU SELECT INDEX (AS OF THE END OF THIS FISCAL YEAR)	NUMBER OF HOLDERS	% OF PARTICIPATION (3)
1. Board and top management members, including relatives (1).	23	2.01%
2. Workers of the Corporation not mentioned in point 1.	22	0.01%
3. Natural persons not mentioned in points 1 and 2	2,104	9.10%
4. Pension funds managed by the Administradoras de Fondos de Pensiones (Pension Fund Administrators) under the supervision of the Superintendencia de Banca, Seguros y AFP (Banking, Insurance and Pension Fund Administrators Superintendency).	12	32.15%
5. Pension funds managed by the Oficina de Normalización Previsional-ONP (Pension Administration Office)..	-	
6. Entities of the Peruvian Estate, except for those mentioned in point 5.	1	0.28%
7. Banks, financial societies, cajas municipales, edpymes, cajas rurales and savings and credit cooperatives supervised by the Superintendencia de Banca, Seguros y AFP.	5	0.78%
8. Insurance companies under the supervision of the Superintendencia de Banca, Seguros y AFP.	5	7.09%
9. Brokers being supervised by the Superintendencia del Mercado de Valores-SMV (Stock Market Superintendency).	4	0.37%
10. Investment funds, mutual funds, and trust patrimonies ruled by the Ley de Mercado de Valores (Stock Market Law) and the Ley de Fondos de Inversión y Fideicomisos Bancarios (Investment Fund Law and Bank Trusts) ruled by the Ley General del Sistema Financiero (General Law of the Finance System).	34	3.28%

(1) Term "Relatives" under the regulations of indirect property, linking and economic groups.

(2) Term "Entities" according to the regulations of indirect property, linking and economic groups.

(3) Two decimal numbers.

Continue on next page.

Share: FERREYC1

Continue

OWNERSHIP BY TYPE OF SHAREHOLDER OR REPRESENTATIVE VALUE OF THE PARTICIPATION COMPOSED BY THE S&P PERU SELECT INDEX (AS OF THE END OF THIS FISCAL YEAR)	NUMBER OF HOLDERS	% OF PARTICIPATION (3)
11. Autonomous patrimonies and bank trusts abroad, insofar as it is possible to identify them.	172	32.55%
12. Foreign depositaries that appear as shareholders under ADR or ADS programs..	-	
13. Foreign depositaries and custodians that appear as shareholders not included in point 12.	2	0.29%
14. Foreign custodians that appear as shareholders.		
15. Entities not included in the previous points. (2)	37	12.09%
16. Shares belonging to the S&P/BVL Peru Select Index or representative value of those shares in the corporation's portfolio.	-	
Total	2,421	100.00%
Ownership by shareholders or the representative value of the participation composed by S&P/BVL Peru Select Index according to their residency (as of the end of this fiscal year)	Number of owners	% of participations (3)
Domiciled	2,209	64.61%
Not domiciled	212	35.39%
Total	2,421	100,00%

(1) Term "Relatives" under the regulations of indirect property, linking and economic groups.

(2) Term "Entities" according to the regulations of indirect property, linking and economic groups.

(3) Two decimal numbers.

STRATEGIC CONCEPT,
GRAPHIC CREATION
AND LAYOUT—





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