



antarchile



Annual Report 2018



antarchile

Annual Report
2018



We have undertaken a
commitment to the future of
our companies and country.





**Constant
development is
our permanent
motivation**



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Presentation

01



Company Information

Company name
AntarChile S.A.

Taxpayer ID
N° 96.556.310-5

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Type of company
Publicly traded corporation

Securities registry listing
Securities registry N°342

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Chairman's Statement

Dear shareholders:

On behalf of the board, I am pleased to present the 2018 annual report and financial statements of AntarChile S.A.

It was undoubtedly a year of major challenges in our different business areas. We made important decisions for the future and the sustainability of our companies, immersed in an economic environment that, despite having some difficulties, specially internationally, was favorable for investments and the operating and financial activities of our subsidiaries.

The international context was marked by the difficulties between the United States and China, which spurred global uncertainty but which in the end did not have a great impact on the prices of the commodities produced by our subsidiaries and associates. Despite the political and commercial tension, we continue seamlessly with the progress of our export businesses, with a more balanced supply and demand in the pulp, panels, fishmeal and fish oil markets.

In the regional area, although Latin America had somewhat lower growth than in 2017, the fuels market was more dynamic, with higher volumes observed in all the businesses, mainly due to large growth of the number of vehicles.

Confidence has been recovering in Chile since late 2017 and economic activity has gradually picked up again. Expectations have improved and investments rekindled, even though they have not reached the expected levels.

In this context, our companies continued to make progress with the firm aim of growing by compatibilizing growth, well-being, innovation, community development, environmental care, integration and globalization, among other areas that are part of our commercial and productive approach.

In line with this business objective, as a holding company we have, in the last few years, particularly aimed at development focused on value generation and social well-being. In September 2018, one of the rewards of these efforts came with our listing on the prestigious Dow Jones Sustainability Index Chile (DJSI Chile), comprising those companies with an outstanding standard of sustainable performance in the economic, social and environmental areas. Furthermore, in the DJSI Sustainability Yearbook 2019 AntarChile S.A. was ranked in the 73 percentile of the worldwide industrial conglomerates sector, an achievement that makes us very proud and drives us even more to carry on enhancing our development focused on sustainability.

There were also significant highlights regarding investment. In the fuels business, our main subsidiary Empresas Copec, through Copec, Organización Terpel and MAPCO, has been gaining a more prominent position in global markets and addressing the large current challenges.

The highlight in this area was Terpel's acquisition of ExxonMobil's assets in Colombia, Ecuador and Peru in an operation entailing US\$714.7 million. This enabled the company in 2018 to start consolidating the operations in Peru and Ecuador, incorporating the lubricants business

Our companies continued to make progress with the firm aim of growing, compatibilizing growth, well-being, innovation, community development, environmental care, integration and globalization.





Roberto Angelini R. - Chairman of the AntarChile S.A. Board.

in Colombia by the middle of the year. The fuels and lubricants business of ExxonMobil, with production headquarters in Bucaramanga, continued to be operated independently by an autonomous trust that was sold in November 2018 for US\$232 million.

This operation consolidates Copec as the leading player in both the liquid fuels and lubricants market on the Pacific coast of South America, and this position was recognized with a host of awards and accolades received during the year.

Regarding the forestry business, it was also a period in which large investments were made and committed, which will entail important increases both in the production capacity and employment generation in the communities where the projects are located.

Arauco thereby launched the Arauco mill modernization and expansion project (MAPA, according to the Spanish acronym), a hugely important work for our country and the Biobío region, implemented with cutting-edge environmental equipment. The project entails an investment of US\$2,350 million, the largest ever in the company's history, and will increase the complex's industrial capacity to 2.1 million tons of pulp a year. The new mill is expected to start up in the second quarter of 2021 and it will undoubtedly provide dynamism, employment and resources to the economy of the area. It is important to highlight that we managed to materialize this project after a broad community dialogue and participation process.

On the other hand, during the year we started the voluntary early community participation process for the future Viento Sur wind farm. This initiative will require an investment of around US\$250 million, with an installed capacity of 200 MW, supplying Arauco's operations and injecting renewable and clean power into the national power grid (SEN, according to the Spanish acronym), equivalent to the consumption of 540,000 homes. The compatibility of this project with the environment and respect for the flora and fauna species in the area are aspects that are in line with all the company's efforts to engage with the surroundings respectfully and considering the social, environmental and economic footprint.

Another highlight in the year was the start of construction of the dissolving pulp project in Valdivia. This initiative will position Arauco as the first company in Chile to produce this kind of pulp, which is used as a raw material to make textile fibers, cellophane wrap and filters, among



Arauco's panel mill at Grayling in Michigan, USA, whose inauguration is scheduled for 2019.

other products. The total investment in the mill is US\$185 million and it will increase Arauco's offering and open up new markets, also involving local suppliers that will become part of the value chain.

Although the company launched projects in Chile that make Arauco a pioneer of innovation and care of the surroundings, overseas the focus was on bolstering the operation, making progress with the integration of the Ponta Grossa and Montenegro complexes in Brazil, acquired in 2017 from the Chilean company Masisa. The company executed the operation of purchasing the industrial assets of Masisa in Mexico, also agreed on in 2017 and finally approved in early 2019 by the regulators of such country. At an investment of US\$160 million, this will add the industrial complexes of Durango and Zitácuaro, which jointly possess three particleboard lines, a MDF line, melamine coating and impregnation lines, and resin and formalin chemical plants, which are the raw materials needed for production. All these steps favor the consolidation of our competitive position in the two leading markets in Latin America.

In keeping with the determination to attain international leadership and a major position in the most competitive economies in the world, the company also made progress with the construction of the most cutting-edge panel mill at Grayling in Michigan, United States, which started up in late 2018. This mill will produce 800,000 m³ of wood panels a year and it entailed an investment of US\$450 million.

Abastible focused its investment on developing the infrastructure needed to give its customers an efficient, timely, innovative and safe service throughout the region and in the countries in which it operates. Solgas, for example, made progress with building a third liquefied gas storage sphere at its Ventanilla bottling plant in the Callao region of Peru, increasing its capacity by 50%. This endeavor is in addition to the import terminal at Cartagena in Colombia, which Inversiones del Nordeste, along with other Colombian distributors, inaugurated in 2017; the progress Duragas has made with enhancing its logistics in Ecuador; and the key role the associate Gasmar has always had in Chile in the liquefied gas supply chain, guaranteeing supply safety and continuity at a lower cost.

In the natural gas segment, Metrogas consolidated its gasification plan in the Los Lagos region, after works were completed in early 2018 to supply the first industrial customer in Puerto Montt. This service is provided via virtual gas pipelines, which consist of trucks with permanent monitoring that transport liquefied natural gas (LNG) from the Quintero LNG terminal to the satellite regasification plants and then be delivered to different customers by means of a local supply network. The company expects to deliver the first supply in Puerto Varas in early 2019. Aprovevisionadora Global de Energía, which provides a wholesale natural gas supply to the country, made the first imports of Argentine gas in 2018 since supply from that country was cut over a decade ago. This is another example of the uncertainties companies face in a world in which the only constant factor is change.

We also made investments in the mining sector. Alxar Minería acquired 40% of the Peruvian company Cumbres Andinas for US\$168.5 million, which in turn owns 100% of the company Marcobre, to jointly develop with the Breca Group the mining project of Mina Justa in the south of Peru. This deposit has resources of 432 million tons of high grade copper with an estimated annual average production of 100,000 tons of fine copper when it is fully operating in 2020.

In the fisheries business and for some years now, our companies have expanded their offering to value-added products in more sophisticated markets, even including those of direct human consumption, functional foods, nutraceuticals and pharmaceuticals. With the aim of expanding its future outlook, in 2018 Orizon acquired the representation in Chile of the Mexican-US company MegaMex, which makes foods with high pressure processing, and the supply in Chile of products of the US-based food company General Mills, which include brands like Nature Valley, Häagen-Dazs and Old El Paso, among others.

Orizon, along with Golden Omega and Corpesca, are thereby venturing into the nutrition market with the firm aim of competing with the best companies in this sector and becoming a major player in the sophisticated nutrition market, which is extremely appealing and competitive. This drives us to go increasingly further, attaining new levels of efficiency and productivity and also helping to address the global imperative of healthy food.

The subsidiary Pesquera Iquique-Guanaye increased its stake in Orizon to 83.5% in December, after jointly acquiring with the related company Empresa Pesquera Eperva the entire ownership stake of

Sociedad Pesquera Coloso in the company, paying US\$20 million.

These are just a few examples of the dynamism of our businesses in 2018, during which we invested a total of US\$2,221 million. Virtually two thirds went abroad, with Chile being the most important country followed by Colombia and the United States.

During 2018 Empresas Copec had record earnings of US\$1,071 million, a 67.5% YoY increase; and also a record EBITDA of US\$2,767 million, increasing almost 25% YoY. The basis of this achievement is the greater cash generating capacity of our activities, which in turn is due to the good focus of our long-term investments, along with sound and carefully designed business strategies. Of course, the permanent effort and commitment of our directors, management staff and employees has also been a key factor, along with the trust of our customers and the support of our suppliers.

The good results of our subsidiaries and associates are consistent evidence that the decisions made, the bases and values forged have generated the benefits we expected and have enabled us to consolidate as a multinational company, able to develop in the most competitive global markets, currently reaching an operation in 16 countries.

In 2018, AntarChile S.A. was listed on the Dow Jones Sustainability Index Chile (DJSI Chile), comprising those companies with an outstanding standard of sustainable performance in the economic, social and environmental areas.

Moreover, our way of doing business has also given us broad access to financial markets. This year we managed to raise funding in very favorable conditions. The bonds placed by our related companies Empresas Copec, Arauco and Terpel, the international syndicated loan of the subsidiary Copec, and the project finance-type financing granted by government agencies and foreign banks for the Mina Justa project, among other operations, raised funding of over US\$3 billion, and are specific examples of investors' confidence in our performance.

Innovation and Evolution

It has not been easy, and every day the environment, competition and consumers are challenging us to keep up this progress, to address the changes and adapt to them, to view the future in a creative and innovative way, without losing the ability to launch new products and services that are a surprise for the market and that open up channels for us so we can carry on growing.

In this sense, discovering opportunities and the right preparation for what the future holds led us to the partnership between Arauco and the Massachusetts Institute of Technology (MIT) becoming part of its industrial liaison program. This is a step that extends the decade-long track record of Bioforest, Arauco's cutting-edge forestry research center, which engages this related company in one of the most important innovation ecosystems in the world. Besides Arauco's commercial leadership in the industry, there is now the aim to stay at the forefront of technological progress.

We made investments of US\$2,221 million in 2018. Virtually two thirds went abroad, with Chile being the most important country followed by Colombia and the United States.

The innovation culture, which is part of the DNA of all our companies, is also reflected by developing new transportation alternatives that make a more efficient contribution to reducing emissions into the environment. To such effect, it is important to highlight the launch of the Copec Voltex network, with the recent installation of 19 electric quick-charging points from Papudo to Concepción, making this network the most important in Chile. Our aim is to adapt the offering to people's different needs so they can use the energy they prefer, but always with a common hallmark of providing a high service quality standard.

At the same time, Abastible and its liquefied gas subsidiaries are also an example of the ongoing commitment to develop technologies that provide a better service to our customers.

During the year, we launched three innovative services in Chile: a gauge that provides online information about the level of gas in a cylinder; a telemetry technology that remotely measures the filling of bulk tanks; and a new function of its mobile application that provides real-time follow-up of the bulk orders.

Other companies of ours are also embracing innovation and being recognized for this. One example is Golden Omega, which was elected to be the vice-chair of the Global Organization for EPA and DHA Omega-3s (GOED), which aims to promote omega-3 consumption and establish the highest ethical and quality standards for these kinds of products. This is important recognition of the company's technological leadership, which has also led to the launch of new and sophisticated products in the market, like the purest omega-3 concentrate in the world, along with novel applications to facilitate the consumption of this product by children.

Mina Invierno has become a key pillar for providing efficient, safe and storable primary energy, which puts it in a privileged position for the transition to more renewable sources. During the year, besides making progress with its operational optimization plan, necessary to recover productivity and allow for its continuity, the company continued to provide energy to its main domestic and foreign customers in a reliable, timely and competitive way.



Throughout this last decade we have achieved large growth as a holding, which has also been an incentive to bolster and enhance our corporate governance structures, generating new policies and concrete action for the efficient and sustainable management of each of the activity and business areas, in line with our corporate governance values and principles.

In 2018, we thereby continued with concrete action in various areas of improvement: the incorporation of independent directors in each business, the creation of more specific committees supported by training and external evaluations to improve the operation of these corporate organs, incorporating new and more effective controls, and improving access to and the delivery of information timely, among many other initiatives.

In these few lines I have summarized our highlights in 2018. I therefore invite you to read this annual report of AntarChile, in which you will find other highlights of the year and a more detailed analysis of the growth of our businesses.

I reiterate our commitment to carry on the contribution to the communities, the environment and the development of countries with an efficient and committed management. I would like to thank you for your support, our shareholders, and also the constant backing of the management of the subsidiaries and associates of AntarChile, but above all I want to highlight the commitment of our employees who, every day adhering to the values we have established as a company, have made our permanent progress possible.


Roberto Angelini R.
Chairman of the Board

Main Businesses of AntarChile S.A.



Pronto Copec gas station at Chamisero in the metropolitan region, Chile.

Company structure



antarchile



60.82%



EMPRESAS COPEC



0.0001%

arauco

99.98%



18.70%



EMPRESA PESQUERA EPERVA S.A.



17.44%

IG mar

PESQUERA IQUIQUE-GUANAYE S.A.

81.93%



30.00%

RED
T
GREEN



20.00%

SerCor
Servicios Corporativos S.A.



Employees
25,667

people employed by AntarChile and its related companies.



Hectares
1.8 million

Arauco has 1.8 million hectares of forest in Chile, Argentina, Uruguay and Brazil.

AntarChile S.A. at a Glance

Our Main Businesses

AntarChile S.A. is a holding company whose main investment is a **60.82% share of Empresas Copec S.A.** The latter company, one of the largest industrial holdings in Chile, accounts for 97.8% of AntarChile S.A.'s consolidated assets.

The companies in which AntarChile S.A. has an interest have a leading position in their respective productive sectors. The most important **industries are forestry, fuel distribution and fisheries.**



Fuel Distribution



Forestry

arauco



Other Businesses



Gas stations

653

The company has 653 gas stations in Chile from Arica to Puerto Williams and 91 Pronto stores.

Sales

74.35%

by the fuel distribution business

Financial Highlights 2018



US\$ **24,026** million

Forestry

US\$
14,801
million

Fuel
Distribution

US\$
6,939
million

Other
Businesses

US\$
2,286
million



US\$ **23,970** million

Fuel
Distribution

US\$
17,822
million

Forestry

US\$
5,955
million

Other
Businesses

US\$
193
million

Controller's Net Income



US\$ **671** million

Forestry

US\$
442
million

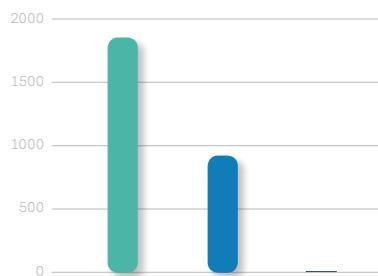
Fuel
Distribution

US\$
233
million

Other
Businesses

US\$
(4)
million

EBITDA



US\$ **2,763** million

Forestry

US\$
1,841
million

Fuel
Distribution

US\$
917
million

Other
Businesses

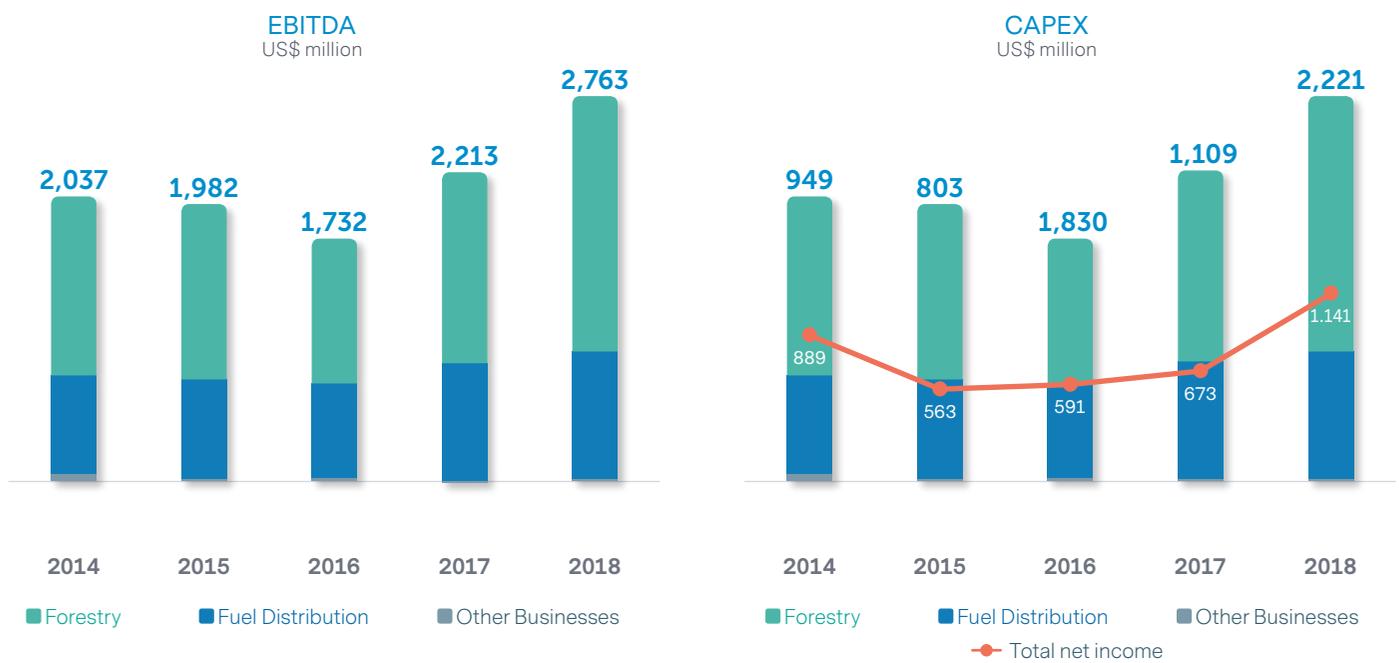
US\$
5
million





Financial indicators of AntarChile S.A. in the last five years







International Presence

The internationalization process of AntarChile S.A., through its main subsidiaries and associates, started in 1996 with the acquisition of the Argentine company Alto Paraná S.A. and intensified in the last decade.



arauco

COPEC

terpel

abastible
energía limpia

CORPESCA S.A.



Pulp production capacity



4 million tons/year

Besides this, there is an installed capacity of 8.7 million m³ of panels a year and 2.9 million m³ of sawn timber.

Liquid fuel distribution



2,925 gas stations

The company has a presence throughout Chile with Copec and also in Latin America and the United States through Terpel and MAPCO.



Leadership of the LPG industry

 **1.5** million tons

Total LPG sales
Total sales volume in 2018 in Chile, Colombia, Ecuador and Peru.

Liquid fuel distribution leadership

 **20.1** million m³

Physical fuel sales
8.2 million m³ by Terpel,
2.1 million m³ by MAPCO and
9.8 million m³ by Copec.



Our Company



History

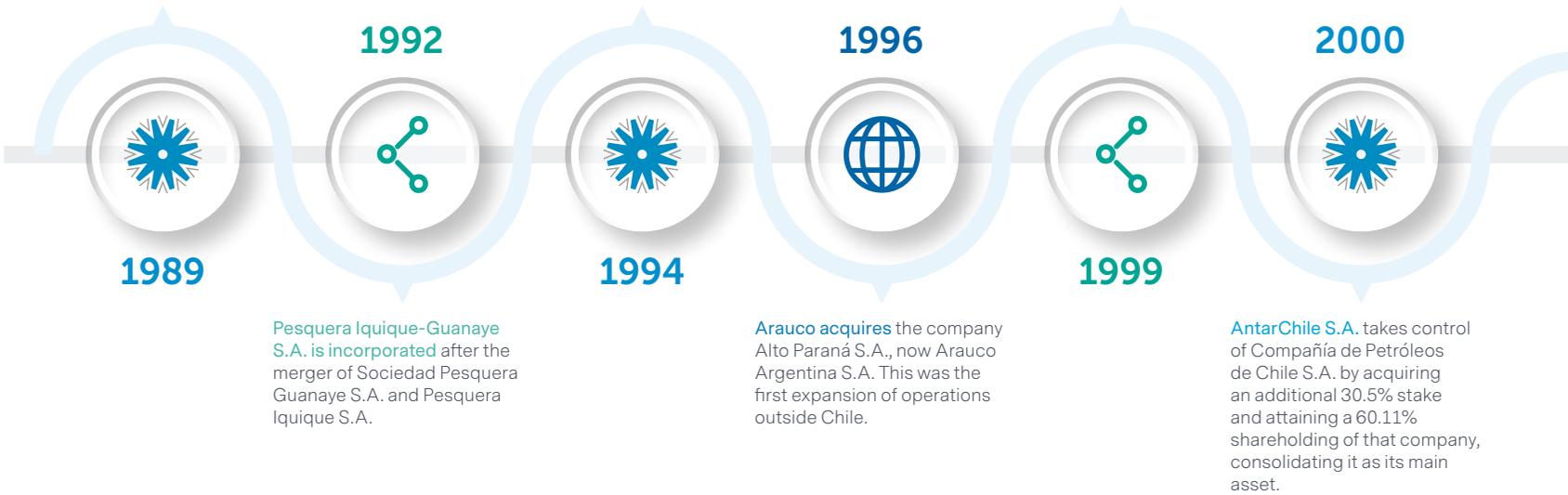


antarchile

The Angelini Group incorporates AntarChile S.A. with the name of Inversiones Epemar S.A., whose main asset is a 32.07% shareholding of Compañía de Petróleos de Chile S.A.

Inversiones Epemar S.A., Inversiones Indomar S.A. and AntarChile S.A. merge into AntarChile S.A., thereby becoming the main investment vehicle of the Angelini Group.

Corpesca S.A. arises from the merger of the fishery and industrial assets of Empresa Pesquera Eperva S.A., Pesquera Iquique-Guanaye S.A. and Sociedad Pesquera Coloso S.A. It is now the leading industrial fishing company operating in the north of Chile.



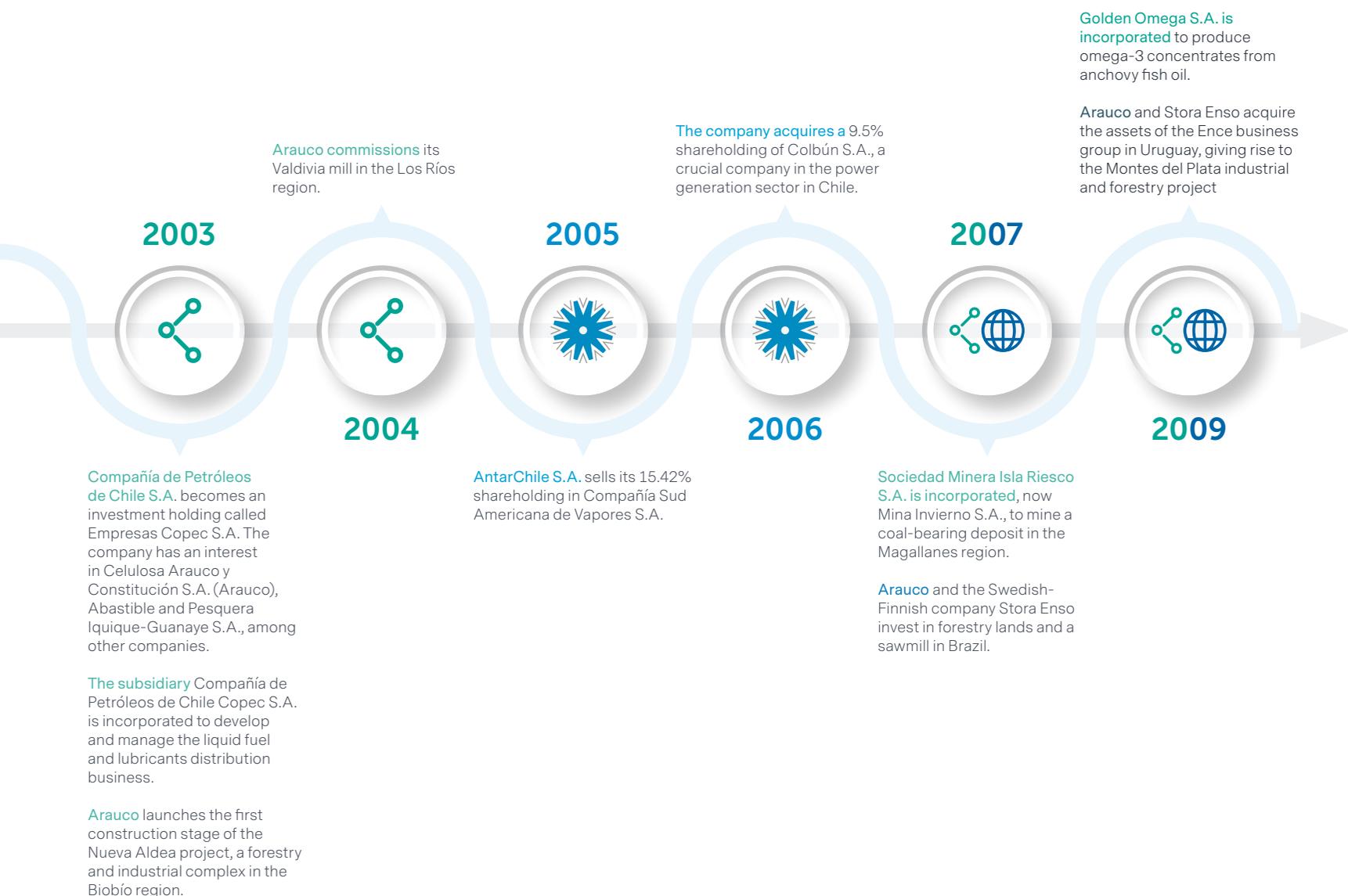
Parent company



Subsidiaries in Chile



Internationalization



History

Orizon S.A. starts operations after SouthPacific Korp S.A., a subsidiary of Pesquera Iquique-Guanaye S.A., and Pesquera San José S.A. merge their fishery and aquaculture operations from the Coquimbo to Los Lagos regions.

Compañía de Petróleos de Chile Copec S.A. acquires a majority shareholding of Proenergía Internacional S.A. in Colombia, which controls Organización Terpel S.A., the leading fuel distributor.

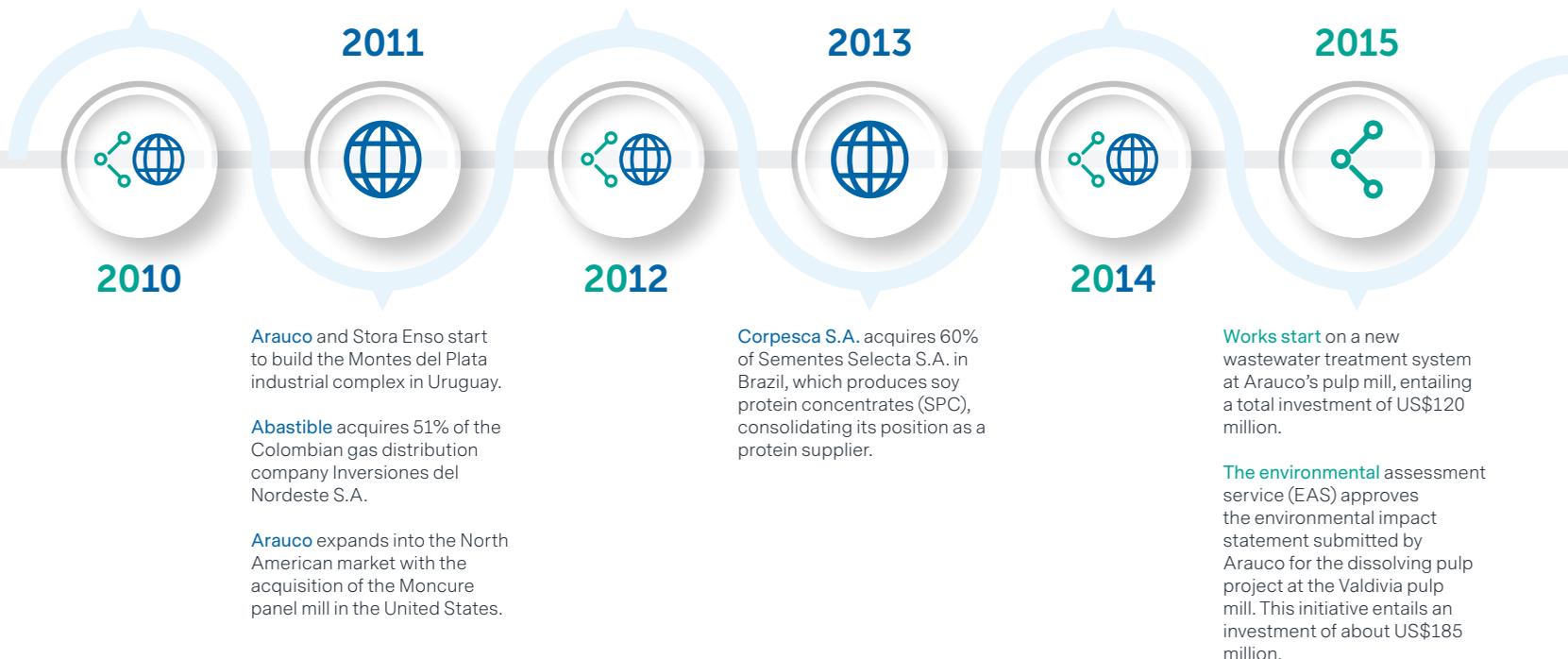
Arauco starts up the Teno panel mill in the Maule region.

Arauco acquires the panel company Flakeboard Company Limited, gaining seven panel mills in the United States and Canada.

Compañía de Petróleos de Chile Copec S.A. gains a 59% stake of Organización Terpel S.A. in Colombia by means of a public offering for Proenergía Internacional S.A.

Empresas Copec S.A. and Ultraterra Ltda. reach an agreement with AES Gener S.A. to sell 50% of the interest they had in Empresa Eléctrica Guacolda S.A., in which they each had a 25% shareholding.

The Montes del Plata industrial and forestry complex in Uruguay, of which Arauco and the Swedish-Finnish company Stora Enso have an equal share, is officially commissioned.



Parent company



Subsidiaries in Chile



Internationalization



Copec renews the almost 60-year agreement with ExxonMobil for the Chilean market.

Arauco acquires 50% of Tafisa in Portugal, now Sonae Arauco. The investment was US\$153 million which includes mills in Spain, Portugal, Germany and South Africa.

Arauco approves the start of construction of the Grayling MDP project in the state of Michigan, United States, which envisages a MDP panel mill with a capacity of a 800,000 m³ a year.

Corpesca acquires 30% of FASA América Latina in Brazil, a company that produces high quality protein concentrates for animal feed, at an investment of US\$43 million.

Copec invests US\$535 million in the United States to buy five companies from Delek US Holdings, which operate 348 gas stations, mainly under the MAPCO brand, and supply a further 142 gas stations managed by third parties.

Abastible becomes the third largest LPG distributor in South America after acquiring the LPG operations of Repsol in Ecuador (Duragas) and Peru (Solgas) at an investment of US\$300 million.

Copec and ExxonMobil sign various contracts as part of a regional agreement to produce and distribute Mobil lubricants in Colombia, Ecuador and Peru, along with the operation and marketing of aviation fuels at the Lima international airport. The investment was US\$716 million, of which US\$230 million was the cash of the companies acquired, and included renewal of the current agreement for Chile.



2016

2017



After 17 years at the head of AntarChile, Jorge Andueza Fouque resigned as the company CEO. He was replaced by Andrés Lehuedé Bromley, who assumed his new functions on April 1, 2017.

Arauco approves the dissolving pulp project at its Valdivia mill for US\$185 million. By using the biomass in the productive process, this mill will generate a surplus of about 55 MW into the national power grid (SEN, according to the Spanish acronym).

Arauco finally gets a favorable verdict from the Supreme Court for the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project.

Igemar and Eperva buy 23% of Corpesca S.A. from Sociedad Pesquera Coloso S.A. With this transaction, Pesquera Iquique-Guanaye S.A. and Empresa Pesquera Eperva S.A. jointly have a 100% ownership stake of Corpesca S.A.

In Brazil, Arauco do Brasil, a subsidiary of Arauco S.A., acquires Masisa do Brasil for about US\$103 million. The company gains two industrial complexes, one at Ponta Grossa (Paraná) and the other at Montenegro (Rio Grande do Sul), with an MDF installed capacity of 800,000 m³ a year.

In Mexico, Arauco signs an agreement to acquire the assets of Masisa in that country for a total of US\$245 million. This includes three industrial complexes, with a total MDP installed capacity of 519,000 m³ a year and 220,000 m³ a year of MDF, along with three melamine coating lines, a chemical plant to process resins and formalin, and a veneer line.

Corpesca do Brasil Empreendimentos e Participações Ltda., a subsidiary of Corpesca S.A., sells 60% of its associate Sementes Selecta S.A. for US\$218 million. The Korean company CJ Cheil Jedang Corporation acquires 37.33% and Stic CJ Global Investment Partnership Private Equity Fund buys 22.67%.



Highlights of our Companies in 2018

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Corporate Information

AntarChile S.A. is listed on the Dow Jones Sustainability Index Chile

In September 2018, AntarChile S.A. was listed on the prestigious Dow Jones Sustainability Index Chile (DJSI Chile), comprising those companies with an outstanding standard of sustainable performance in the economic, social and environmental areas. Furthermore, in the DJSI Sustainability Yearbook 2019 AntarChile S.A. was ranked in the 73 percentile of the worldwide industrial conglomerates sector.

Fuels Business

Terpel completes the acquisition of ExxonMobil's assets in Colombia, Ecuador and Peru

This operation entailed an outlay of US\$714.7 million, of which US\$230 million was the cash of the companies. Terpel financed this operation by issuing bonds in the Colombian market. In 2018, the company started to consolidate the operations in Peru and Ecuador, and in July incorporated the lubricants business in Colombia. The fuels business of ExxonMobil and the lubricants operation with production headquarters at Bucaramanga continued to be operated independently by an autonomous trust and were sold in November 2018 for US\$232 million.



Copec inaugurates new gas stations, convenience stores and other facilities

The new gas stations are at Alto Hospicio, Balmaceda, Colina, Los Ángeles, Machalí, Pedro Fontova, Quillota and Talca. Moreover, the company implemented a Punto store and three fuel islands at the gas stations in Los Ángeles, Colina, Quillota and Peñaflo. It added three service islands and a Lavamax car wash at the Alto Hospicio gas station; it installed a Punto store and two fuel islands at Machalí; it incorporated a Punto store and two fuel islands at Talca, and implemented a Pronto store, three fuel islands and a Lavamax car wash at Huechuraba. On the other hand, the company made known the Parma barge, built by the company to meet the fuel needs of the salmon-farming industry in the Magallanes region.

Copec unveils a quick-charging system for electric vehicles

The company started to implement 19 Voltex quick-charging stations for electric vehicles, which were finally inaugurated in January 2019. They are located from the cities of Papudo to Concepción, and it also installed chargers in public places, like parking lots at malls and real estate developments.

The company, in turn, undertook a project with a passenger transportation company to implement the first 100% electric interurban bus on the continent, which covers the Santiago-Rancagua route, for which it installed a charging station at the Alameda bus terminal.



Forestry Business

Construction starts on important projects

- Arauco launched the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project, which envisages an investment of US\$2,350 million to increase the production capacity of the complex to 2.1 million tons of pulp a year. The new mill is expected to start up in the second quarter of 2021.
- Likewise, construction started on the dissolving pulp project of the Valdivia pulp mill, which aims to refit the facilities for the manufacture of textile fibers, cellophane wrap and filters. This development entails an investment of US\$185 million.



Other Businesses

Inversiones Alxar S.A. signs an agreement with Minsur to develop a copper project in Peru

Alxar Minería acquired 40% of the Peruvian company Cumbres Andinas for US\$168.5 million, which in turn owns 100% of the company Marcobre, to develop jointly with the Breca Group the Mina Justa mining project in the south of Peru. This deposit has 432 million tons of high grade copper resources with an average production forecast of 100,000 tons of fine copper a year.

Fisheries Business

Empresa Pesquera Eperva S.A. and Pesquera Iquique-Guanaye S.A. buy Orizon S.A. outright

Empresa Pesquera Eperva S.A. and Pesquera Iquique-Guanaye S.A. acquired 20% of the shares that Sociedad Pesquera Coloso S.A. held in Orizon S.A. The total price of the transaction was US\$20 million, with Eperva providing US\$3.3 million and Igemar US\$16.7 million. After this transaction, both purchasing companies jointly have a 100% shareholding of Orizon S.A.

Board of Directors



Roberto Angelini Rossi
CHAIRMAN

Industrial civil engineer, Pontifical Catholic University of Chile
Taxpayer ID N°5.625.652-0
Date of last election: 2017
Current activity: Chairman of Inversiones Angelini Ltda. and Empresas Copec S.A
Last activity: member of the Board of Directors of Celulosa Arauco y Constitución S.A., Copec S.A., Inversiones Siemel S.A., among others.



Jorge Andueza Fouque
VICE-CHAIRMAN

Electronics engineer, Federico Santa María University
Taxpayer ID N°5.038.906-5
Date of last election: 2017
Current activity: Chairman of the board of Inversiones Siemel S.A. and Orizon S.A., and vice-chairman of Empresas Copec S.A., Celulosa Arauco y Constitución S.A. and Corpesca S.A.
Last activity: CEO of AntarChile



Jorge Desormeaux Jiménez*
DIRECTOR

Business engineer, Pontifical Catholic University of Chile
Taxpayer ID N°5.921.048-3
Date of last election: 2017
Current activity: professor of the Economics Faculty of the Catholic University, vice-chairman of the board of the Diego Portales university, member of the board of Viña Concha y Toro.
Last activity: advisor and vice-president of the Chilean Central Bank

(*) Independent director



Juan Edgardo Goldenberg Peñafiel
DIRECTOR

Attorney, University of Chile.
Taxpayer ID N°6.926.134-5
Date of last election: 2017
Current activity: Director of Banco BCI, partner of Yrarrázaval, Ruiz Tagle, Goldenberg, Lagos & Silva, member of the Chilean Bar Association, professor of tax law at the Pontifical Catholic University of Chile and Los Andes University, director of Empresas Copec S.A. and Inversiones Maihue Limitada.
Last activity: He has participated as a speaker at conferences and seminars on tax law and is the author of various tax publications and articles.



José Tomás Guzmán Dumas
DIRECTOR

Attorney, Pontifical Catholic University of Chile
Taxpayer ID N°2.779.390-8
Date of last election: 2017
Current activity: Partner of the Portaluppi, Guzmán y Bezanilla law firm
Last activity: Member of the board and vice-chairman of various companies of the Angelini Group



SECRETARY TO THE BOARD

José Tomás Guzmán Rencoret

Attorney
Taxpayer ID N°6.228.614-8

DIRECTORS' COMMITTEE

President

Jorge Desormeaux Jiménez

Directors

Manuel Enrique Bezanilla Urrutia
Andrés Lyon Lyon

Manuel Enrique Bezanilla Urrutia
DIRECTOR

Attorney, Pontifical Catholic University of Chile
Taxpayer ID N°4.775.030-K
Date of last election: 2017

Current activity: Partner of the Portaluppi, Guzmán y Bezanilla law firm, chairman of the board of Celulosa Arauco y Constitución S.A. and Forestal Arauco S.A., and director of other companies of the Angelini Group.

Last activity: He has worked indistinctly as a director, chairman and vice-chairman of the boards of Celulosa Arauco and Forestal Arauco as of 1986.



Andrés Lyon Lyon
DIRECTOR

Business engineer, University of Chile
Taxpayer ID N°5.120.544-8
Date of last election: 2017

Current activity: Director of Empresa Pesquera Eperva S.A., Chilean South Apple, ByP Iluminación and Agrícola Huertos del Huique.

Last activity: He has undertaken business activities in the financial, agricultural, electric and construction sectors.

SENIOR MANAGEMENT

CEO

Andrés Lehuedé Bromley

Business engineer
Taxpayer ID N°7.617.723-6
In this position as of April 2017

INVESTMENTS ASSISTANT MANAGER

Ricardo Aldana Moris

Accountant auditor
Taxpayer ID N°7.511.701-9
In this position as of March 2000

GENERAL ACCOUNTANT

Jaime Sánchez Pizarro

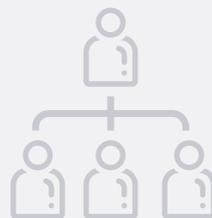
Accountant auditor
Taxpayer ID N°6.005.730-3
In this position as of March 2000

LEGAL ADVISORS

Portaluppi, Guzmán y Bezanilla
Asesorías Ltda.

INDEPENDENT AUDITORS

PriceWaterhouseCoopers,
Consultores, Auditores y Cía. Ltda.



Corporate Governance



Corporate Governance Policy

Aware that good corporate governance is key to raising economic efficiency, driving growth and fostering investor confidence, AntarChile S.A. adheres to the guidelines of the principles defined by the Organization for Economic Co-operation and Development (OECD), along with the standards and guidelines of Chile's Financial Market Commission (CMF, according to the Spanish acronym) on best corporate governance practices applicable to our company, and transmits them to each of its subsidiaries and associates, and all its managerial staff and employees.

AntarChile S.A. adheres to the guidelines of the principles defined by the Organization for Economic Co-operation and Development (OECD), along with the standards and guidelines of Chile's Financial Market Commission (CMF, according to the Spanish acronym) on best corporate governance practices.

It thereby fosters that the investments in the companies it controls are undertaken considering economic, social and environmental aspects. These factors define a way of doing business that makes a contribution to society in general and to the communities in which they operate directly or indirectly, beyond the economic benefit and what is laid down by the current legal regulation.

Highlights in 2018

The company conducted a series of activities in 2018 to promote and continuously enhance the best corporate governance practices.

These included various update sessions on this issue for directors and the management staff of AntarChile S.A. and its related companies to maintain the greatest knowledge of the national and international trends of corporate governance. The main issues addressed were:

- The Financial Market Commission: implications and prospects for corporate governance.
- The compliance function and its role of supporting the board and senior management.
- Challenges and treatment of conflicts of interest. Risks of the performance of the board and senior management.
- Update on the tax status in Chile and overseas.

Moreover, the company held training sessions with a new e-learning system for its employees on the offense prevention model under Law N°20.393 and its updates. At the same time, AntarChile, Siemel and Eperva implemented an early alert and continuous monitoring tool for prevention and compliance with all the laws and regulations.

Directors' Committee Management

In a board meeting held on May 5, 2017, the company appointed the Directors' Committee pursuant to sub-paragraph 1 of article 50 bis of Law N°18.046, comprising the independent director Jorge Desormeaux Jiménez and the directors Andrés Lyon Lyon and Manuel Enrique Bezanilla Urrutia.

In 2018, in accordance with the powers and functions stipulated in its establishment, the Committee reviewed the financial statements and reports of the independent auditors, proposed the independent auditors and private credit rating agencies to the board, assessed manager and senior manager remunerations and analyzed the information on operations referred to in Title XVI of the Law on Corporations. Pursuant to Article 50 bis of the aforementioned law, the Directors' Committee issued its performance report 2018, whose content shall be informed in the ordinary general shareholders' meeting in April 2019.

For being members of the company's Directors' Committee, Andrés Lyon Lyon and Jorge Desormeaux Jiménez received US\$76,452 each (US\$73,911 in 2017); Manuel Enrique Bezanilla Urrutia obtained US\$76,452 (US\$49,762 in 2017); José Tomás Guzmán Dumas received US\$0 (US\$24,150 in 2017).

The Directors' Committee thereby disbursed US\$229,356 in 2018 (US\$221,734 in 2017). The Committee did not incur any consultancy expenses or fees in 2018.

The Director's Committee did not submit any recommendations to the company shareholders in 2018.

Summary of the Directors' Committee Activities in 2018		
Meeting	Date	Subject Matter
N°109	05-01-18	Submittal and approval of the remuneration system and compensation plans for the company's senior managers and managers.
N°110	29-03-18	Approval of the company's financial statements for the year ended December 31, 2017 and the independent auditors' report.
N°111	06-04-18	Proposal to the board to recommend to the ordinary shareholders' meeting the appointment of PwC as the company's independent auditors. As an alternative, it proposed Deloitte in second place.
		Proposal to the board, so it suggests this to the same ordinary shareholders' meeting, to appoint Fitch Chile Clasificadora de Riesgo Ltda. and Feller Rate Clasificadora de Riesgo Ltda as the private credit rating agencies.
N°112	30-05-18	Approval of the company's financial statements as of March 31, 2018.
N°113	07-09-18	Approval of the company's financial statements as of June 30, 2018.
		Renewal of the corporate services, economic studies, audit, investor relations and shareholder service contract with Servicios Corporativos SerCor S.A.
N°114	29-11-18	Analysis and approval of the company's financial statements as of September 30, 2018.



Corporate Governance Instruments and Procedures



Code of Ethics – Principles and Values

This sets out the guidelines and procedures of the best business practices for directors, managers, employees, services and/or external suppliers, promoting the strictest compliance with the various current regulations.



Offense Prevention Model

This entails implementing activities for preventing, detecting and monitoring by means of various support areas and business-related controls, which might be probable risks for committing the offenses laid down in Law N°20.393 on the criminal liability of corporations. The model has been certified since 2014 by an external company registered in the Financial Market Commission.



Offense Prevention Policy

This establishes the guidelines underpinning the adoption, implementation and operation of the offense prevention model of AntarChile S.A., in accordance with what is set forth in Law N°20.393 on the criminal liability of corporations.



Risk Management Policy

This contains the guidelines established by the board systematically and with an established methodology, so the company formally undertakes the comprehensive management of its risks to mitigate them and improve decision-making.



Whistleblowing Channel

The confidential and anonymous whistleblowing channel enables anyone with information on practice that infringes Law N°20.393 or conduct breaching the ethical principles established in the Code of Ethics, or possible fraud, to be able to report it to the person in charge of offense prevention and the company's Ethics Committee.



Manual on Handling Information of Interest to the Market

This is an instrument approved by the board that governs the handling of information in accordance with General Regulation N°270 of the Financial Market Commission. It sets out the policies and standards on the acquisition or transfer of securities and the handling, use and/or disclosure of confidential information of interest to the market.



Community Contribution Policy

This establishes the guidelines for the decisions to be made regarding donations deemed appropriate and which are beneficial for the country or the communities where the company undertakes its activities.



Antitrust Policy

This document specifies and reinforces the antitrust principles that all members of the company shall adhere to. Free competition is the essential basis for the development of the markets in which AntarChile S.A. operates. Regarding this, the company is convinced that free competition generates greater wealth, equal opportunities, more efficient production and fosters innovation.



Corporate Governance Procedures

This is a set of guidelines regulating the operation of the board, such as the application and induction process for new directors, their ongoing training, the hiring of consultancy services for the board, the mechanism for replacing the CEO and/or senior managers. Moreover, it creates tools that facilitate the analysis, detection and assessment of the sufficiency, timeliness, pertinence and ease of comprehension of the various disclosures the company makes to the market so the board eventually determines the need of improving the information given.



Duoc UC-Arauco Campus, Bío-Bío región

Board Meeting Attendance

The board convened 18 times in 2018, and the average director attendance rate was 96%, as shown below:

Board of Directors	Attendance
Roberto Angelini Rossi	78%
Manuel Enrique Bezanilla Urrutia	100%
Jorge Desormeaux Jiménez	94%
Juan Edgardo Goldenberg Peñafiel	100%
Jorge Andueza Fouque	100%
Jose Tomás Guzman Dumas	100%
Andrés Lyon Lyon	100%
Average	96%

Board Remuneration

In 2018, directors received the following gross remunerations, which are those established for them by the shareholders' meeting of the same year: US\$344,238 (US\$333,091 in 2017) for Roberto Angelini Rossi; US\$229,492 (US\$222,061 in 2017) for Juan Edgardo Goldenberg Peñafiel, José Tomás Guzmán Dumas, Andrés Lyon Lyon, Manuel Enrique Bezanilla Urrutia and Jorge Desormeaux Jiménez; US\$229,492 (US\$149,610 in 2017) for Jorge Andueza Fouque and US\$0 (US\$54,456 in 2017) for Arnaldo Gorziglia Balbi.

The directors did not receive any other remunerations from the company.

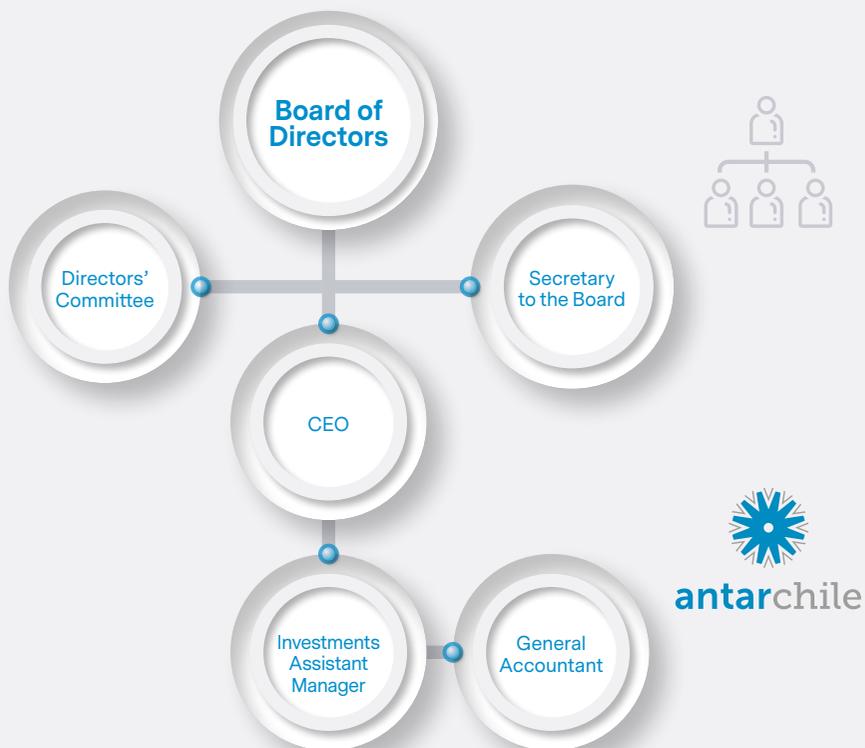
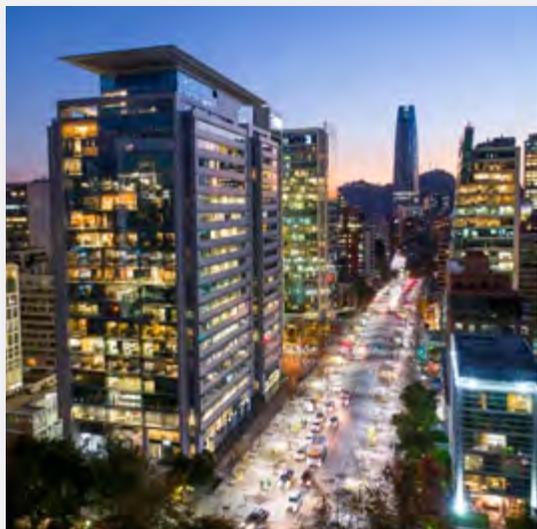
There are no incentive plans such as stock compensation, stock options or others in which the directors participate.

Neither the board of directors nor the Directors' Committee incurred any consultancy expenses or fees in 2018.

An ordinary general shareholders' meeting, held on April 28, 2017, elected the directors of AntarChile S.A. for a three-year period (the company does not have alternate directors). All the directors were re-elected, with the exception of Arnaldo Gorziglia Balbi (attorney, taxpayer ID N°3.647.846-2), who resigned as a director in March 2017. Jorge Andueza Fouque was, in turn, elected as a director.

A board meeting held on May 5, 2017 appointed Roberto Angelini Rossi as the chairman and Jorge Andueza Fouque as the vice-chairman.

Our Team



Headcount of AntarChile S.A. and its subsidiary Empresas Copec S.A.
For the year ended December 31, 2018

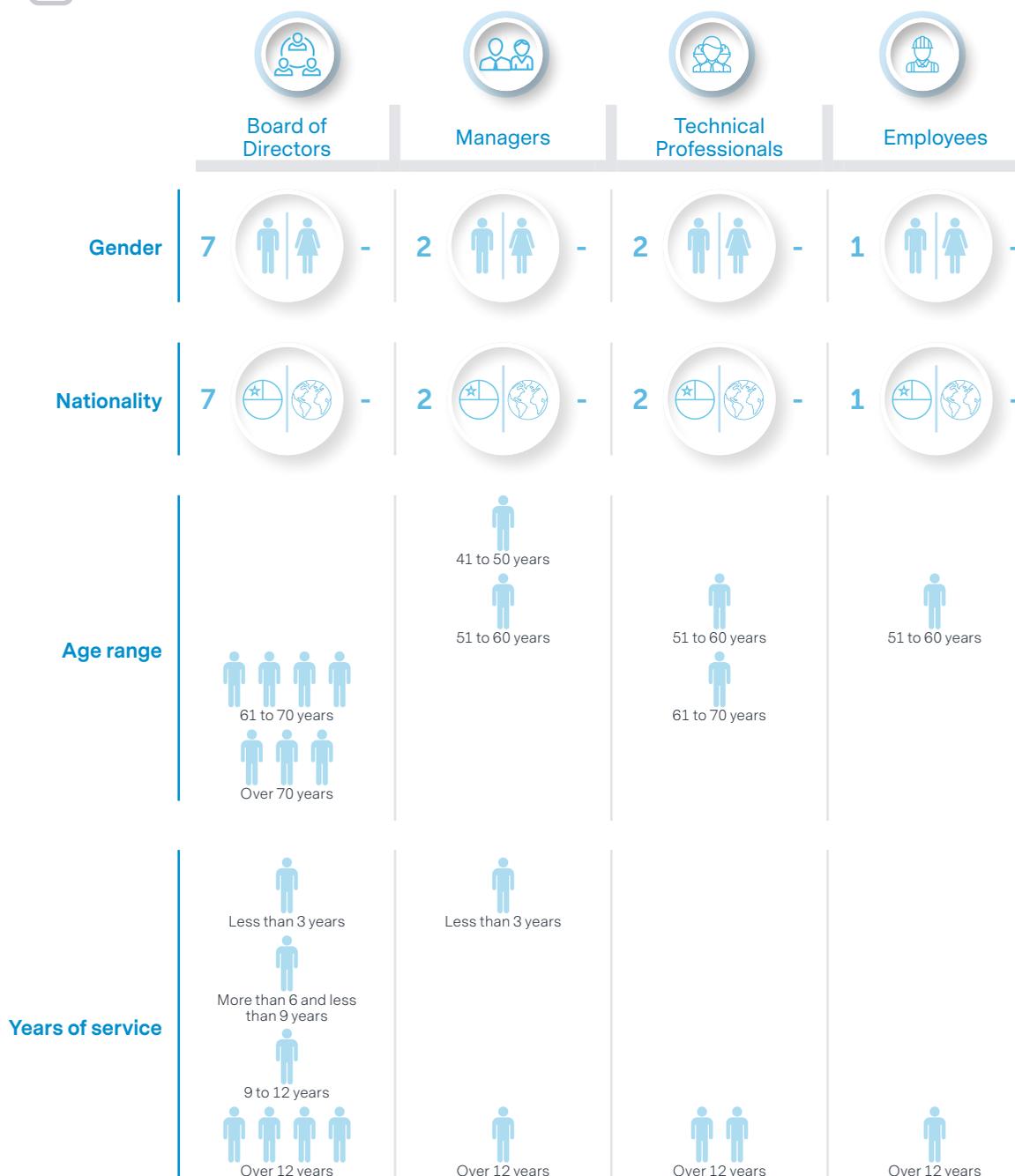
	Managers	Technical Professionals	Employees	Total
	2	2	1	5
 EMPRESAS COPEC	864	9,636	25,666	36,166
 (*)	866	9,638	25,667	36,171

(*) 16,945 employees of the total headcount are foreigners, all of whom are employed by subsidiaries of Empresas Copec S.A.



Diversity in the Organization

For the year ended December 31, 2018



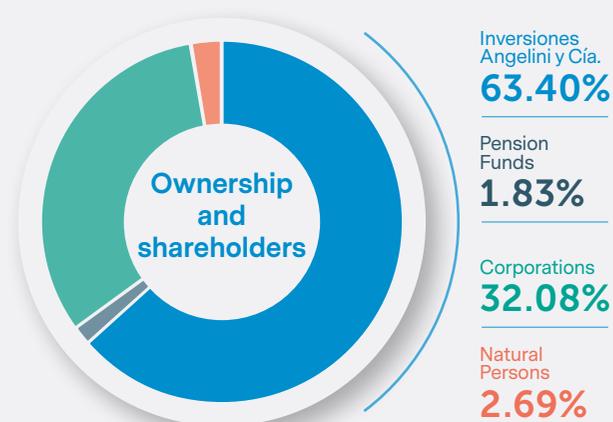
The parent company AntarChile S.A. does not report the salary gap by gender as it has no women employees.

Senior Manager Remunerations

The remunerations received by senior managers and managers in 2018 amounted to US\$503,317 (US\$656,319 in 2017). The company also incurred bonus expenses of US\$300,919 in 2018 (US\$710,127 in 2017).

AntarChile S.A. has no other special incentive plans in which administrators and managers participate. In 2018, there were no severance payments received by managers or senior managers, whereas in 2017 these amounted to US\$3,903,821.

Our Shareholders



Twelve main shareholders

	Taxpayer ID N°	N° of shares	Shareholding %
INVERSIONES ANGELINI Y COMPAÑÍA LIMITADA	93.809.000-9	289,349,551	63.40%
INVERSIONES GOLFO BLANCO LTDA.	76.061.995-7	26,346,943	5.77%
INVERSIONES SENDA BLANCA LTDA.	76.061.994-9	19,760,208	4.33%
AGROFORESTAL E INVERSIONES MAIHUE LIMITADA	94.088.000-9	13,035,702	2.86%
INVERSIONES LO RECABAREN LIMITADA	76.156.198-7	11,890,132	2.61%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	80.537.000-9	5,822,613	1.28%
BANCHILE CORREDORES DE BOLSA S.A.	96.571.220-8	5,623,768	1.23%
SERVICIOS QUELENTARO S.A.	78.217.950-0	4,718,121	1.03%
RENTAS LATINSA LIMITADA	93.505.000-6	4,705,398	1.03%
BANCO DE CHILE POR CUENTA DE TERCEROS CA	97.004.000-5	4,067,905	0.89%
CÍA. DE INVERSIONES LA ESPAÑOLA S.A.	93.727.000-3	4,021,073	0.88%
AGRÍCOLA Y COMERCIAL SANTA INÉS LIMITADA	96.396.000-K	3,904,342	0.86%
Accrued percentage			86.17%

In accordance with current regulations, it is left on record that the following corporations or natural persons hold 10% or more of the share capital or are related thereto, so they are majority shareholders: Inversiones Angelini y Compañía Limitada, taxpayer ID N°93.809.000-9.

There are no other shareholders holding over 10% of the share capital.

Shareholding of Directors and Senior Managers

The director shareholding in AntarChile S.A., be this directly and/or through companies in which they have a shareholding, is as follows: Andrés Lyon Lyon, 2.7536%; Juan Edgardo Goldenberg Peñafel, 0.0138%; Jorge Andueza Fouque, 0.0243%; and José Tomás Guzmán Dumas, 2.9397%. Furthermore, Mr. Guzmán Dumas is a partner of Inversiones Angelini y Cía. Ltda., the majority shareholder of AntarChile S.A., with a direct shareholding of 0.665% and indirect shareholding of 1.23% through Agroforestal e Inversiones Maihue Ltda.

The shareholding of the director and chairman Roberto Angelini Rossi is indicated in the Company Controller section, included in chapter 5 of this annual report.

Lastly, the only senior manager with a shareholding in the company for the year ended December 31, 2018, be this directly or through companies in which he has a shareholding, is the CEO Andrés Lehuedé Bromley with a 0.0005% shareholding of all the shares of AntarChile S.A.



Duragas, a subsidiary of Empresas Copec, is one of the leading gas distributors in Ecuador.



Investor Relations

In 2016, AntarChile S.A. established the investor relations area to implement a formal communication channel between the company and investors.

One of the highlights in the year was AntarChile's listing on the Dow Jones Sustainability Index Chile. This index is drawn up by S&P and RobecoSAM, and lists the 29 leading companies on economic, environmental and social issues, due to a stringent and homogeneous analysis of their annual performance.

Furthermore, the research departments of Nau Securities and Itaú started coverage of the company's shares, so the number of institutions covering the company increased from five to seven.

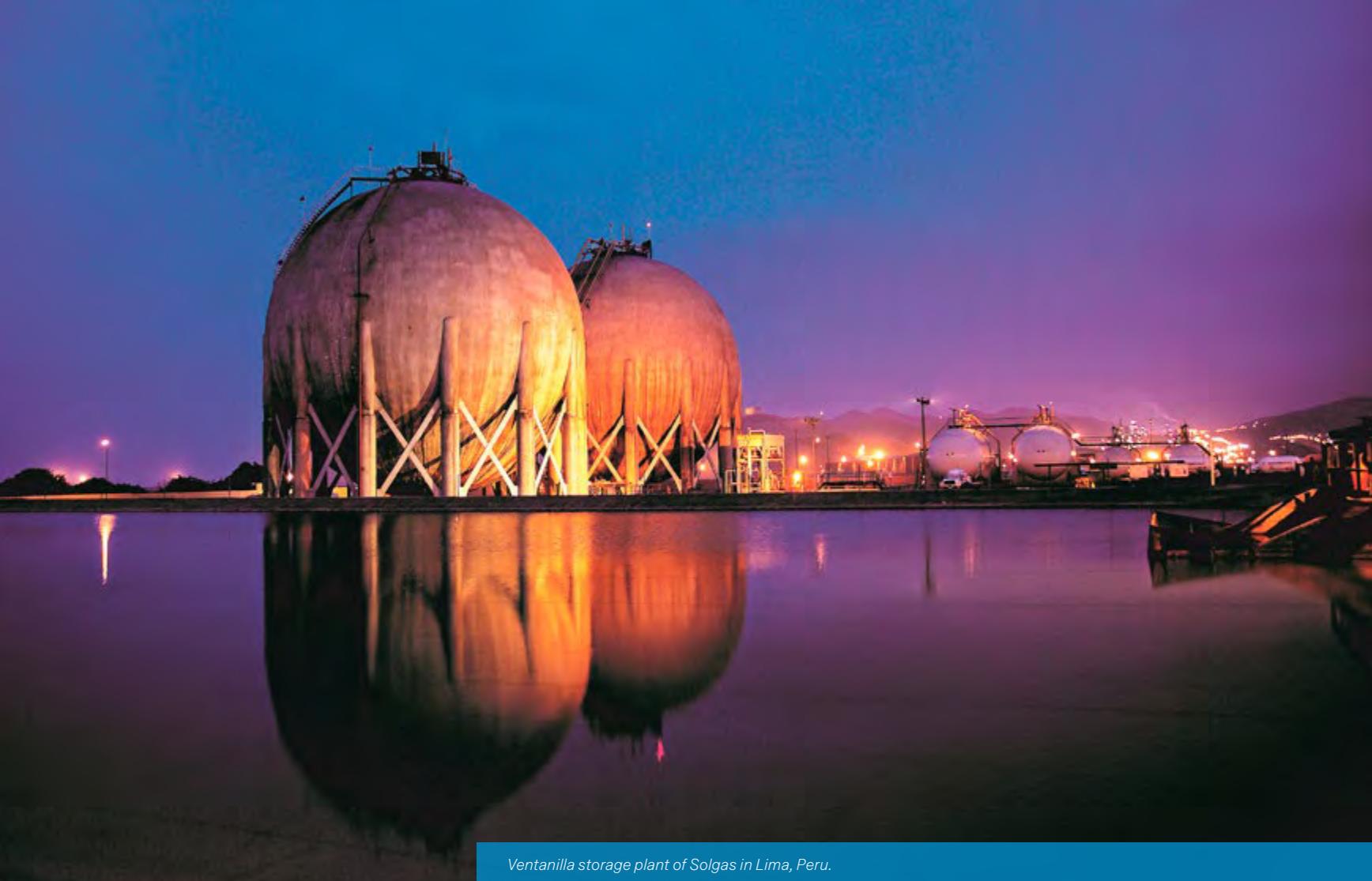
During the year there was sharp 79% increase in the average amounts of AntarChile's shares traded daily, which rose from an average of Ch\$470 million in 2017 to Ch\$840 million in 2018.

Despite this, the share performance was affected by the change in the methodology of the selective share price index (IPSA, according to the Spanish acronym), which reduced the number of shares on it from 40 to 30. Due to this, in August 2018 AntarChile was no longer listed on the new S&P/CLX IPSA index, which affected the share price due to the sale made by national funds that use this index as a benchmark. That was reflected by a higher holding discount of AntarChile's shares in 2018, which increased from 36.4% early in the year, with a peak of 42.4% in September 2018, to 38.2% in late December 2018.



Highlights in 2018

- In 2018, AntarChile attended three conferences abroad and one in Chile, holding over 25 one-on-one meetings with investors. Moreover, in October the company organized a roadshow in the United States, holding six meetings distributed between Boston and New York. Lastly, in December there was the Investor Day organized by Banchile, which entailed group and one-on-one meetings with local institutional and private investors. Such initiatives raise the company's visibility, particularly among foreign investors, and generate an opportunity for investors to talk directly to the company's managers.



Ventanilla storage plant of Solgas in Lima, Peru.



Share Information

Share transactions

Period	Average price Ch\$	Shares traded (units)	Total amount Ch\$
2018			
I Quarter	11,540	2,554,157	29,475,676,961
II Quarter	10,965	4,616,446	50,617,732,285
III Quarter	10,695	7,589,070	81,164,571,359
IV Quarter	9,854	4,519,615	44,538,483,297

This considers the transactions and average price of AntarChile S.A.'s shares on the Santiago Stock Market, the Valparaíso Stock Market and the Electronic Stock Exchange.

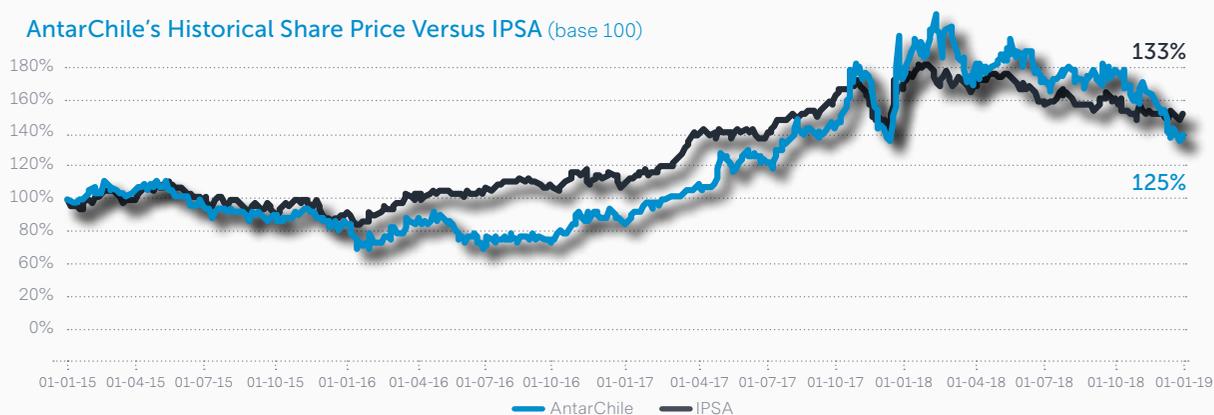


Share Price

In early 2018, the AntarChile S.A. share price traded at around Ch\$11,100, and it increased steadily to about Ch\$12,000 in February. After that, the share price dropped, in line with the Chilean market, to around Ch\$9,000 in December to end the year around Ch\$9,100, so the share price dropped 18% in 2018.



AntarChile's Historical Share Price Versus IPSA (base 100)



Holding Discount for AntarChile's Shares



AntarChile S.A.'s stock market presence as of December 2018 was 96.7%.

Net Asset Value (NAV)

For the year ended December 31, 2018	
NAV US\$ million	9,699
Market capitalization US\$ million	5,990
Discount	38.2%



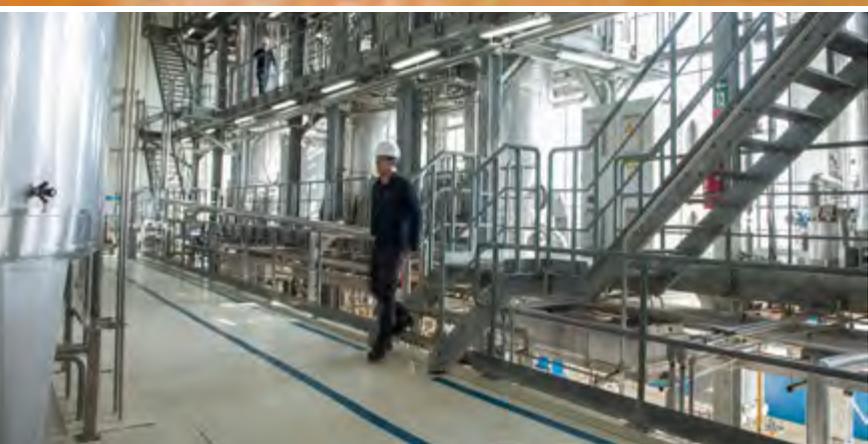
Dividend Policy

On April 7, 2006, the board agreed to amend the company dividend policy as follows:

- Increase the percentage of profits to be distributed each year as dividends from 30% to 40%. These will be paid as final dividends, after the ordinary general shareholders' meeting approves the respective annual balance sheet on the or those dates determined by such meeting.
- This dividend policy amendment came into force as of December 31, 2006.

Historical Dividends

Year	Dividend N°	Amount per share (US\$)	Total historical amounts (US\$'000)
2016	33	0.2747	125,367
2017	34	0.2896	132,171
2018	35	0.4361	199,044



Sustainable Management





AntarChile S.A.'s permanent commitment is to assure that the companies comprising the holding portfolio undertake responsible and sustainable business management, and the right risk management, to make a contribution to the country's economic, social and environmental development.

These elements have enabled the company to generate quality jobs, providing world class products and services and generating value for its investors, based on respectful relations with the communities where it operates.



Investment Approach of AntarChile S.A.

The main investment of AntarChile S.A. is the 60.82% shareholding in Empresas Copec S.A., one of the largest industrial holdings in Chile. Empresas Copec S.A. accounts for 97.8% of the company's consolidated assets. Due to this, the profitability and growth of AntarChile S.A. essentially depend on the performance of Empresas Copec S.A.

The subsidiaries of Empresas Copec S.A. have a leading position in the different productive sectors in which they operate, with the most important being the forestry area through Arauco, and fuel distribution sector by means of Copec and Abastible. Committed to sustainable management, its investment approach has the hallmark of stringent compliance with the laws and regulations aimed at protecting the environment and human health.

Likewise, each one of these companies focuses its development on unique competitive advantages and successful business models, which have been enhanced by large investment abroad, doubling the size of Empresas Copec S.A. in the last 10 years, with both organic growth and acquisitions in countries with a high development potential.

AntarChile S.A., through the subsidiaries of Empresas Copec S.A., currently commercializes its products in over 80 countries and has productive assets in Chile, Argentina, Brazil, Peru, Ecuador, Colombia, Uruguay, Canada, the United States and Panama.



Viñales bioenergy plant in Constitución, Maule region.

Moreover, through the company Sonae Arauco, of which its subsidiary Arauco has a 50% stake with Sonae, it produces and markets MDP and MDF in Europe and South Africa.

Besides the permanent investment in different companies, AntarChile S.A. also has a 9.58% shareholding of Colbún S.A. The market capitalization of this investment as of December 31, 2018 amounted to about US\$337 million.

Historical Presence in the Main Businesses

	Ownership	Book value 2018 US\$ million	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Empresas Copec	60.82%	6,513																	
CSAV	0.00%	N.A.																	
Eperva	18.70%	45																	
Igemar	17.44%	33																	
Astilleros Arica	0.00%	N.A.																	
Colbún	9.58%	337																	
Red to Green	30%	2																	
SerCor	20%	0																	



Investments 2018-2019

The investments made in 2018 by the subsidiaries and associates of Empresas Copec S.A. amounted to US\$2,221 million, and the baseline investment plan for 2019 commits resources of about US\$2,766 million, which will be allocated to the growth and maintenance of productive activities.

Around 74% will go to the forestry business, 18% to the fuels business, 2% to the fisheries business and 6% to other activities.



97.8%

of the consolidated assets of AntarChile S.A. correspond to Empresas Copec S.A.



US\$ 2,221 million

Investments made by Empresas Copec S.A., its subsidiaries and associates in 2018.



US\$ 2,766 million

2019 investment forecast

Financing

The company seeks to maintain a sound financial standing with an optimal level of debt and broad hedging of its financial expenses.

Permanent investments	Shareholding %	Investment value US\$ million	Company Income	
			Total US\$ million	Proportional US\$ million
Empresas Copec S.A.	60.82	6,513	1,071	651
Pesquera Iquique - Guanaye S.A.	17.44	33	(13)	(2)
Empresa Pesquera Eperva S.A.	18.70	45	2	0
Red To Green S.A.	30.00	2	0	0
Servicios Corporativos SerCor S.A.	20.00	0	(0)	(0)
Celulosa Arauco y Constitución S.A. (Arauco)	0.0001	0	725	0



Risk Factors

Through its subsidiaries, AntarChile has operations in different areas related to natural resources and energy. The major risk factors vary depending on the types of business. Based on this, management of each of the subsidiaries undertakes its own risk management in collaboration with its respective operating units.

General Risks

The government policies in Chile have an influence on many aspects that might directly or indirectly affect the operations and income of the private sector. Changes in tax regulations, monetary and foreign exchange policy or in customs duties might have a negative effect. A deterioration of the economic conditions abroad could also lead to a negative impact.

The company's most important subsidiaries and associates are Celulosa Arauco y Constitución S.A., which operates in the forestry business, and Compañía de Petróleos de Chile Copec S.A. in the fuels sector.

Empresas Copec S.A., through its subsidiaries and associates, has operations in other markets, like Colombia, Brazil, Argentina, Uruguay, Peru, Ecuador, the United States, Canada, Germany, Spain, Portugal, South Africa, Panama and the Dominican Republic. A weakening of the economies of these countries, foreign exchange fluctuations, higher inflation, tax rate adjustments, and political, legal, regulatory and economic changes might have a negative effect on the financial and operating results of Empresas Copec, its subsidiaries and associates.



Chile is located in a seismic territory and exposed to the risk of earthquakes and tidal waves. A possible earthquake or other disaster could severely damage the facilities, impact production and the customer need service, which could lead to unplanned capital investments and/or lower sales, causing a negative effect on the financial results of Empresas Copec.

Scientists, international organizations and regulators claim that global climate change will continue to make it harder to predict the frequency and seriousness of natural disasters, like hurricanes, droughts, tornados, storms, frosts and fires, among others. In the light of this situation, different parts of the world have introduced legal and regulatory measures, along with social initiatives, in an attempt to reduce greenhouse gases and other carbon emissions. The public

expectations of the effect of these measures might require the company to make further investment in plants and equipment. Even though we cannot predict the impact of the changing conditions of the global climate or the effect of the legal, regulatory and social measures, these events could have a negative effect on the businesses, financial condition and operating income of the company.

Changes in the laws and regulations of the industrial sectors in which Empresas Copec operates could have a negative impact on the company's results.



Forestry Business

The main factors that affect the price of pulp, wood products and byproducts are global demand, the production capacity worldwide, the business strategies adopted by the top integrated producers of pulp, wood products and byproducts, and the availability of substitutes.

Arauco does not undertake futures or other hedging activities, since by maintaining one of the lowest cost structures in the industry, the risks of price fluctuations are limited. With all the other variables constant, a +/- 10% change in the average pulp price in the year would lead to a change in net income after tax in the year of +/- 29.69% (equivalent to US\$215.8 million) and in shareholders' equity of +/- 1.76% (equivalent to US\$129.5 million). In this analysis and those that follow, this figure includes a dividend provision.

Industrial production worldwide is the main driver of the demand for pulp, paper and wood products. The global economy has been improving since the worldwide financial crisis of 2008, with higher demand for pulp, paper and wood products. A drop in economic activity, either in the domestic or international market, particularly if the economic conditions change in Asia and the United States, might affect demand and the sale price of Arauco's products and its operating and financial income.

Arauco's operations are exposed to forest fires that can spread to the production mills. To address this threat, the company has reinforced its prevention and firefighting measures, its community relations, forest stewardship and other measures, by means of

various initiatives consolidated in the “deRaíz” program. The insurance policy conditions and coverage have also been improved.

As a producer of forest products, Arauco generates solid, liquid and gaseous emissions that are subject to limits or controls laid down by legal regulations or its operating permits. Arauco has made outlays, and intends to carry on doing so, to continue to comply with environmental legislation.

Future changes in environmental legislation or its applications, in the interpretation or application of this legislation, including stricter requirements for harvesting, emissions and climate change regulations might lead to large increases of capital, operating costs and limitation of operations.

A major stoppage at any of the productive mills in the forestry business could have a negative effect on Arauco’s financial results. Besides being exposed to risks of earthquakes and tidal waves, Arauco’s facilities might unexpectedly halt due to events like: unscheduled maintenance; long outages; critical equipment failures; fires, floods, hurricanes or other disasters; labor problems and social conflicts; penalties by the environmental or work safety authorities; blockades and strikes; among others.



Most of the subsidiaries in the forestry business have their accounting in US dollars. Nevertheless, they are subject to the risk of losses from exchange rate fluctuations when assets and liabilities are expressed in currencies other than the functional currency. With all the other variables constant, a +/- 10% change in the US dollar to Chilean peso exchange rate would lead to a change in net income after tax in the year of +/- 2.14% (equivalent to US\$15.5 million), and +/- 0.13% of shareholders’ equity (equivalent to US\$9.3 million).

In the case of the Brazilian real, with all the other variables constant, a +/-10% change in the dollar exchange rate in Brazil would have an immaterial effect on net income and shareholders’ equity.

Regarding the economic risks arising from interest rate variations, as of December 2018 Arauco has a fixed-rate debt to total consolidated debt ratio of about 84.4%, so a +/-10% change in the interest rate would affect net income after tax in the year of +/-0.25% (equivalent to US\$1.8 million) and shareholders’ equity by +/- 0.01% (equivalent to US\$1.1 million).



Fuels Business

The company, through its subsidiaries Copec and Abastible, has a leading position in the liquid fuel and liquefied gas distribution market in Chile. It also operates in Colombia, through its subsidiaries Terpel and Inversiones del Nordeste, and in Peru and Ecuador through Solgas and Duragas, subsidiaries of Abastible. It also has operations in the United States through MAPCO, a company acquired by Copec in late 2016. The supply in these countries is mostly from local companies. Despite this, the company can access alternative fuel supply markets to assure and optimize product supply and distribution to the public.

The major risk for the fuel distribution and liquefied gas business is essentially the distribution margin, rather than the price of crude oil and its by-products. The distribution margin largely depends on competition factors that arise daily in markets. Since they are products with low price elasticity, eventual increases or decreases in the crude oil price or in the exchange rate have relatively little effect on the volumes traded in the market.



Va&Ven convenience stores at Terpel's gas stations in Colombia.

Notwithstanding this, the value of the company's inventory is indeed affected by changes in international fuel prices. The company's policy is not to hedge the permanent stock, as the increases and decreases that arise are offset in the long term. This is not the case with specific overstocks in which, due to market pricing methodology, the company has not found a hedging instrument that fully mitigates this risk.

In turn, fuels compete against alternative energy sources. Natural gas, firewood, diesel and electricity are substitutes for liquefied gas. On the other hand, electromobility has gained ground throughout the world with a more limited scope in Chile and the region for the time being, but in the future it could affect the liquid fuel distribution business and hit the company's results.

Subsidiaries in the fuels business, which account for about 30% of the company's total assets, have their accounting in Chilean pesos, Colombian pesos, Peruvian soles and US dollars. Their financial assets and liabilities and most of their earnings are expressed in these currencies, so exposure to exchange rate variations is greatly reduced. However, at the parent company changes in the exchange rate affect the value in US dollars of investments in such sector and the results obtained.

Subsidiaries in the fuels business have the main safety, occupational health and environmental management standard certifications for the fuel marketing, transportation, operation, storage and supply processes.

Future changes in environmental legislation or its applications, in the interpretation or application of this legislation might lead to considerable increases in capital, operating costs and limitation of operations.



Fisheries Business

In this sector, the availability of pelagic species at the different fishing grounds is a vital factor in the results. Another risk factor is the market price of fishmeal and fish oil, Peru's production is very decisive regarding supply, and consumption in Asia in general and China in particular with respect to demand.



Deep sea fishing boats of Corpesca in the bay of Iquique.

Since it is a sector that exports most of its production, the result of its operations is sensitive to foreign exchange variations, and to the export promotion policies of competitor countries. Fishmeal and fish oil are essentially traded in US dollars, so a large percentage of the company's income from this sector is indexed to that currency. Due to this nature, the bank debt that companies generally have is shipment advances in US dollars. The necessary conversion to Chilean pesos of a large portion of the revenue is exposed to exchange rate variations, and this risk can be limited by using forwards or other financial instruments.

Those sales agreed on in a currency other than the US dollar are generally converted to such currency by using forward sale contracts that dollarize such earnings. This eliminates the risk of the volatility of those currencies against the US dollar. The costs of the fisheries business are highly sensitive to changes in fuel prices, particularly diesel and bunker oil.

In the regulatory area, the application of catch quotas, closed seasons and restrictions imposed by the authorities can greatly affect the production of subsidiaries and associates in this sector.

Local Credit Rating ⁽¹⁾

Credit Ratings	Shares	Debt
Fitch Chile Clasificadora de Riesgo Ltda.	First Class Level 2	AA-
Feller-Rate Clasificadora de Riesgo Ltda. ⁽²⁾	First Class Level 2	AA-

(1) The local credit rating of AntarChile S.A.'s shares was adjusted to the provisions of Securities Market Law N°18.045. This credit rating by Fitch Chile Clasificadora de Riesgo Ltda. includes the financial statements as of June 30, 2018 in the analysis, and the rating by Feller-Rate Clasificadora de Riesgo Ltda. as of September 30, 2018.

(2) Feller-Rate Clasificadora de Riesgo Ltda. modified its credit rating from "A+" to "AA-".



Performance Analysis

Results in the year

In 2018, AntarChile S.A. had consolidated net income, excluding minority participation, of US\$671 million, a 68.3% increase on net income of US\$399 million in 2017. Such increase was due to a US\$546 million increase in operating income, along with less negative non-operating income of US\$219 million.

Summarized net income in the year	2018 US\$ million	2017 US\$ million
Operating income	1,750	1,204
Share of profit (loss) in associates	63	106
Other non-operating income	(296)	(559)
Income tax	(375)	(78)
Net income in the year	1,141	673
Net income of minority interest	470	274
Net income of the controlling interest	671	399

Operating Income

The company had operating income of US\$1,750 million in 2018, US\$546 million higher than the US\$1,204 million in 2017. Such increase was mainly due to the better performance of the forestry business (+US\$495 million), related to higher revenue across all its business lines, particularly pulp with price increases throughout the year.

The fuels business also had higher operating income, on account of the better performance of Copec from higher margins, explained by the positive effect of the revaluation of inventories in Chile, the better performance of MAPCO and the consolidation of Terpel's operations from the acquisition of ExxonMobil's assets as of the second quarter. That was partly offset by the lower valuation of inventories in Colombia. Abastible also posted higher income, due to greater volumes in the countries in which it operates.



Operating income	2018 US\$ million	2017 US\$ million
Gross margin	4,165	3,446
Distribution costs	(1,345)	(1,247)
Administration expenses	(1,071)	(995)
Operating income	1,750	1,204

Non-operating Income

AntarChile S.A. had a non-operating income loss of US\$233 million in 2018, which was US\$219 million less negative than that the previous year. That is mainly explained by higher non-operating income at Arauco (+US\$219 million), due to the effects of wildfires in Chile in the first quarter of 2017, and lower financial expenses, related to the financing of long-term liabilities in late 2017. Igemar also posted higher non-operating income, on account of the freezing of assets and the impairment charge recognized by Orizon in 2017.

That was partly offset by a negative exchange rate difference effect and the lower income of Abastible.

Non-operating income	2018 US\$ million	2017 US\$ million
Earnings and financial costs	(306)	(344)
Other profit (loss)	52	(236)
Share of profit (loss) in associates	63	106
Exchange rate difference and monetary correction income	(42)	21
Non-operating income	(233)	(452)

Cash Flow

The company's cash flow in 2018 was US\$288 million, which was an increase on the cash flow of US\$124 million in 2017.

The operating cash flow as of December 2018 rose US\$132 million on the previous year, largely explained by higher charges for sales of goods and service provision at Arauco. These were partly offset by greater payments to goods and service suppliers at the indirect subsidiary Copec, and to a lesser extent at Arauco and Abastible.



The investing cash flow in 2018 was US\$959 million more negative compared to 2017. The main reason was the higher cash flow used to gain control of subsidiaries, related to Terpel acquiring ExxonMobil's assets in the first quarter. There was also a cash flow increase to acquire non-controlling interests, related to the purchase of 40% of Cumbres Andinas by Alxar Internacional which will develop the Mina Justa project.

The financing cash flow had a positive variation of US\$1,079 million as of December 2018, with a large drop in disbursement compared to the same period in 2017. That was due to greater proceeds from a Terpel bond issuance to prepay bank loans acquired to purchase ExxonMobil's assets; Copec's loans to refinance part of its debt; and the bonds placed by Arauco and Empresas Copec. That was partly offset by the higher payments made by Terpel, associated with prepayment of part of the bank loans mentioned above.

Cash flow	2018 US\$ million	2017 US\$ million
Operating	1,734	1,602
Investing	(1,920)	(961)
Financing	522	(557)
Exchange rate effect	(48)	39
Net increase in cash and cash equivalents	288	124

Distribution of Profits

The company's paid-in capital for the year ended December 31, 2018 was US\$1,391,235,491.22, divided into 456,376,483 non-par-value shares of a single series.

The company's balance sheet, after making the adjustments laid down by current legislation and regulations, stated net income of US\$671,490,120.



Abastible's Autogas has stations with LPG pumps from Arica to Puerto Montt.

The table below shows the company's shareholders' equity for the year ended December 31, 2018.

	US\$
Issued capital	1,391,235,491.22
Other reserves	
Conversion reserves	(1,004,258,561)
Hedging reserves	21,354,933
Reserves for defined benefits	(13,896,343)
Reserves available for sale	7,985,249
Legal and statutory reserves	1,824
Other sundry reserves	(222,013,670)
Retained earnings	
Shareholders' equity adjustment, first adoption	591,019,627
To reserves for future dividends	2,952,424,708
Changes in retained earnings	2,672,443,012
Net income in the year	671,490,120
Shareholders' equity before the dividend provision	7,067,786,390
Dividend provision	289,333,563
Shareholders' equity after the dividend provision	6,778,452,827

The board proposed to distribute profits in the year as follows:

Distribution of profits	US\$
To retained earnings	382,156,557
To pay final dividend N°36 of US\$0.63398 per share, proposed by the board	(289,333,563)
Net income in the year	671,490,120



Laboratory of Golden Omega S.A. in Arica.

Capital and Reserves

After approval of the distribution of profits proposed by the board, the company's capital and reserves for the year ended December 31, 2018 would be as shown in the table below. According to this, the book value of each share was US\$14.8528 for the year ended December 31, 2018.

	US\$
Issued capital	1,391,235,491.22
Other reserves	
Conversion reserves	(1,004,258,561)
Hedging reserves	21,354,933
Reserves for defined benefits	(13,896,343)
Reserves available for sale	7,985,249
Legal and statutory reserves	1,824
Other sundry reserves	(222,013,670)
Retained earnings	
Shareholders' equity adjustment, first adoption	591,019,627
To reserves for future dividends	3,334,581,265
Changes in retained earnings	2,672,443,012
Capital and reserves	6,778,452,827

Financial Indicators

	2018	2017
Profitability (net income/shareholders' equity)	9.9%	6.0%
Liquidity (current assets/current liabilities)	1.8x	1.7x
Leverage (liabilities/shareholders' equity)	1.1x	1.0x

Valuation of Assets and Liabilities

The company's assets and liabilities were valued according to the principles specified in the International Financial Reporting Standards (IFRS) for operating companies, and in accordance with the regulations of the Superintendency of Securities and Insurance (now

the Financial Market Commission). Hence, there are no substantial differences between the economic value and book value of the company's assets and liabilities.

Contracts and Transactions with Related Entities

The company has different commercial contracts and operations with subsidiaries and associates, which are within the conditions and practices prevailing in the market when entering into them.

- There are two contracts with Servicios Corporativos SerCor S.A., an associate of the company: the first is to conduct economic studies, strategic planning, investor relations, project assessment, market studies, performance analysis, corporate communications, corporate governance and internal auditing and control; and the second is for shareholder administration services.
- There is also a contract with the associate Red to Green S.A. for computer and information system processing and consultancy services.
- The company has a leasing contract with Inversiones Siemel S.A. for the offices it uses at Av. El Golf N°150, floors 19 and 21, Las Condes, Santiago. The controllers of Inversiones Siemel S.A. are the same as those of AntarChile S.A.



- The company has a permanent legal advisory contract with the law firm of Portaluppi, Guzmán y Bezanilla Asesorías Ltda. Partners of such law firm are directors of AntarChile S.A..

The company intends to renew these commercial contracts and operations in the future, insofar as their conditions remain similar to those prevailing in the market. Further information on transactions with related entities may be found in Note N°17 to the company's financial statements.

Trademarks, Patents and Licenses

AntarChile S.A., an investment holding, is the holder of the trademarks related to its business name, which include "AntarChile," a trademark registered under N°754632

and N°760022 by the National Institute of Industrial Property (INAPI, according to the Spanish acronym).

The company's subsidiaries and associates have trademarks, patents, licenses, franchises and royalties, under which they market their products and services and undertake their operations, and information about these is provided in the "Subsidiaries and Associates" chapter of this annual report.

Diversification of suppliers and customers by company	N° of suppliers that individually accounted for more than 10% of the goods and services provided in 2018	N° of customers that individually accounted for more than 10% of the sales in 2018
Empresas Copec S.A.	-	-
Pesquera Iquique-Guanaye S.A. (Igemar)	-	-
Empresa Pesquera Eperva S.A.	1	-
Red to Green S.A.	5	5
Servicios Corporativos SerCor S.A.	1	1
Celulosa Arauco y Constitución S.A.	5	-



04 Community Relations



Community Relations



The company, its subsidiaries and associates deem that one of their main objectives is that their operations and role in society should go beyond the businesses, investments, growth and results. The company thereby fosters active cooperation with the stakeholders related to it, implementing various initiatives and projects focused on connecting economic development to the generation of social value, care of the environment, and promotion of innovation and scientific research.



Education, Culture and Sports

AntarChile S.A., through its subsidiaries and associates, supports various educational, cultural and sports initiatives. These areas are important tools to attain both the individual and social development of people, along with the country's progress. These include:

The company, its subsidiaries and associates deem that one of their main objectives is that their operations and role in society should go beyond the businesses, investments, growth and results.

Enseña Chile: aiming to build a network of change agents for the educational system, this institution selects and trains young professionals who want to devote their first working years to teaching at vulnerable schools. It has supported over 60,000 pupils in different regions of the country.

Arauco Educational Foundation: it makes a contribution to education by means of the design, development and implementation of teacher training programs in the regional districts of Maule, Biobío and Los Ríos. In its 29-year history, it has benefitted over 575 schools and more than 5,000

teachers who every year teach around 100,000 pupils.

Belén Educa Foundation: with 12 schools located in vulnerable districts in the metropolitan region, it offers quality education to over 13,000 pupils. The company, its subsidiaries and associates support the Foundation with funding and by participating in initiatives like the Tutor Program and Master Talks. There is also the Anacleto Angelini Fabbri Scholarship, awarded each year to the most outstanding pupils in each school to finance all of their studies at a technical education center or professional institute.

Arauco schools in Constitución and Cholguán: these schools in Constitución and Cholguán are managed by Arauco and are open to the community. They provide quality education and are renowned nationwide for their academic excellence. Along with the Duoc UC professional institute, they developed the Arauco campus higher education center, which offers an alternation model of education.

Viva Leer (Long Live Reading) program: Copec develops this program to promote reading, which envisages the donation of libraries to vulnerable schools from Arica to Punta Arenas, the sale of books at gas stations, the training of a volunteer network within the company and implementation of a virtual community support platform, among other activities.

Dual education program: this program is developed with the collaboration of Corpesca at technical-professional education institutes in the cities of Iquique and Mejillones, and allows students to do part of their education in the company and thereby enhance their work skills.



Program to promote reading using mobile libraries, supported by the Arauco Educational Foundation.

Design the change program: this is undertaken by Terpel through the Terpel Foundation, and promotes the generation of ideas to transform surroundings and implement innovative and sustainable solutions for community issues. Likewise, Corpesca has a collaboration agreement with the design the change program in Chile, which aims to make children and youngsters the active protagonists in the improvement of their education, giving them tools to make positive changes to their surroundings.

Chilean child and youth orchestras program: supported by Arauco, it contributes to development and sociocultural dissemination at district, regional and national level.

As part of the activities that promote education, culture and sports, Copec permanently supports national sportspersons like Francisco “Chaleco” López and Ignacio Casale, and the RallyMobil automobile competition.

Overcoming Poverty

Improving the conditions and the quality of life of the most vulnerable sectors of the population, thereby helping to overcome poverty in Chile, is another of the main goals of AntarChile S.A., its subsidiaries and associates. The most important initiatives undertaken in this area were:

Elemental: a do tank developed by Copec, the Catholic University of Chile and a group of professionals, which aims to improve the quality of life of families by means of urban projects of public interest and a social impact. To date, it has built social housing projects in Antofagasta, Concepción, Copiapó, Iquique, Rancagua, Santiago, Temuco, Tocopilla, Valparaíso, Valdivia and Yungay, and also in Mexico and Switzerland.

Arauco Housing Plan: its aim is to provide a definitive housing solution for company workers, contractors and related service companies, and for neighbors who live around its commercial and industrial operations. They are top quality housing estates with innovative wood designs located in districts with a low housing supply. To date, the company has built houses in Curanilahue, Yungay, San José de la Mariquina, Constitución and Los Álamos.



Arauco Cultural Center Library



Research, Innovation and Technology

AntarChile S.A., its subsidiaries and associates permanently drive various innovation, technological and scientific research initiatives, highlighting the following:

Anacleto Angelini-Catholic University (UC) Innovation Center: this promotes the meeting and interaction of the academic and business worlds to generate knowledge and applied innovation that meet the country's needs. It is an open forum in which all companies and enterprises wishing to promote a pro-innovation and enterprise culture can participate.

Copcec-Catholic University Foundation: this drives applied scientific research, fosters the creation of strategic partnerships between public and private bodies that are engaged in research and development, and disseminates the scientific and technological advances in the natural resources segment. Every year it holds the R&D+i Regular Competition, the R&D+i Competition for young researchers, and the Higher Education Student Competition: '*Aplica tu idea*' (Apply your Idea). There is also a private investment fund, which provides resources in the form of capital to technological development projects with large growth potential. In 2018, the Foundation held its international seminar: "Artificial Intelligence."

Innovarauco: this was developed to systematize innovation within Arauco, with the focus on three main areas: new value offerings, sustainability and social impact, and disruptive innovation. This has led to products that add value to native forest like +Maqui and Ulmo Honey, along with the Me-Do design innovation proposal and the Lookid didactical toy.

Bioforest: this is a scientific and technological research center which conducts studies to increase the quality, performance and productivity of forest plantations and the pulp production process, and apply state-of-the-art procedures in the fields of genetics, productivity of sites, phytosanitary protection, wood properties and the biodiversity of native vegetation.

Wine hub: this is a technology transfer group developed by Arauco and driven jointly by the National Institute of Agricultural Innovation (INIA, as per the Spanish acronym), with the aim of bringing together various producers in the Ránquil and Portezuelo areas to improve the productivity and quality of the vineyards in the zone, training farmers and improving the competitiveness.

Supplier development program: this is undertaken by Arauco and its aim is to provide permanent support to local enterprise in the communities around its productive facilities. With this initiative, the company adds local entrepreneurs to its list of goods and service suppliers.



Environment

AntarChile S.A., its subsidiaries and associates are committed to taking care of the environment and to the sustainable management of resources, which entails actively collaborating with the national bodies and authorities, meeting market requirements, helping to preserve ecosystems and making the businesses sustainable. The initiatives developed with this aim included the following:

Biomass-fired power cogeneration plants: Arauco has eight biomass-fired power cogeneration plants in Chile with a total installed capacity of 606 MW, which meet the energy needs of most of the company's industrial processes and also generate surpluses, which are injected into the national power grid (SEN, as per the Spanish acronym). In Argentina it has two power cogeneration plants with an installed capacity of 82 MW, and in Uruguay it operates with a capacity of 91 MW.

Applications that complement the use of LPG: incorporated by Abastible, they generate large savings for its customers. They include Solargas, which combines solar energy with the use of LPG to transform it into thermal energy; Nautigas, which offers a clean solution for heating water required by, among others, the salmon and mussel farming industry; electric power generation, which provides electric power to projects with LPG-powered generators; and cogeneration, which with Capstone Turbine Corporation microturbines produces electricity and useful heat simultaneously by using LPG.

Vía Limpia (Clean Way): this is a subsidiary of Copec that operates from Arica to Punta Arenas, offering a solution to resolve customer difficulties with the handling of used oil and removal of waste containing hydrocarbons. For this, it has trucks with highly safe technology that free of charge remove the used lubricating oils, grease, containers, water and solids and then take these to environmentally certified locations for storage or recycling.

Renova: with this program Copec fosters the use of renewable energies at its gas stations. It has therefore added LED lighting, wind, solar or geothermal energy to its network. 19 gas stations to date have wind energy and five have solar energy. Seven gas stations also have photovoltaic solar panels, four with thermosolar panels and two with geothermal energy. In 2019, the company expects three gas stations to implement wind turbines and three with photovoltaic solar panels.

Zero plastic waves: this is a Golden Omega initiative, whose aim is to generate awareness and make the people of Arica understand the damage caused to the fauna by plastic waste. In its first year it carried out beach clean-ups and training.

ArcoPrime recycling project: this was put in place at Pronto highway stores and seeks to ask customers to participate in the sustainable management of their waste. It was developed at three stores in 2018 and in 2019 this figure is expected to increase to 12 stores.



Generating plants registered as greenhouse gas (GHG) emission reduction projects:

Arauco has five generating plants in Chile and one in Uruguay under the Clean Development Mechanism of the Kyoto Protocol to reduce around 650,000 tons of CO₂ a year. The Viñales cogeneration project is also registered under the Verified Carbon Standard (VCS).

Electric power from renewable sources: Golden Omega meets its electric power needs exclusively from renewable sources, like hydraulic, solar or wind sources, due to an electric power supply contract it has entered into from July 2018 to December 2022 with a national power generating company.

Participation in the international market of certified emission reductions (CERs): Arauco thereby also helps to mitigate the effects of climate change. In 2018, the company issued 820,000 certificates in Chile and Argentina.



Integrated compensation area: Mina Invierno has a surface area of 690 hectares destined for reforestation with lenga and ñirre, along with the relocation of species affected, a tree nursery of native species built as part of the reforestation plan, and 5,400 hectares where 1,000 sheep and 2,000 cattle are raised, with the aim of showing that cattle raising can be undertaken simultaneously with coal mining.

Arauco's native forest stewardship plan: its aim is to protect and maintain the company's 441,000 hectares in Chile, Argentina, Brazil and Uruguay. Over 126,000 hectares of that total are

High Conservation Value areas, which have values deemed extraordinarily significant or of critical importance, so the company manages them actively to conserve or increase the high conservation values, and 67,000 hectares for natural zones, forming a biological trail network where heritage protection, research, conservation and environmental education projects are undertaken.

Marine applied research center (CIAM, as per the Spanish acronym): with the participation of Corpesca, this center promotes research of the sustainability of fishing grounds in the north of Chile. The data generated from the CIAM is currently key to decision-making about the present and future of industrial and non-industrial fishing in the large north of Chile.

Environmental surveillance programs: these are implemented by Abastible, Corpesca and Golden Omega to monitor the physical and chemical parameters in the area where they operate and thereby assure that their processes generate the smallest environmental footprint.

It should be highlighted that, besides the projects mentioned, AntarChile S.A. and its subsidiaries have various initiatives to drive the development and professional growth of its employees, promoting workplaces based on values like respect and honesty, and on professional quality, training, teamwork and good interpersonal relations.



Awards and Accolades



Empresas Copec S.A. was recognized as one of the **50 most innovative companies in Chile**, according to the “Best Place to Innovate” ranking, conducted by GfK Adimark and the Adolfo Ibáñez University.



Metrogas obtained the **National Avonni Innovation Award 2018** for its contribution to innovation and care of the environment, due to the Planta Biofactoría Gran Santiago La Farfana renewable natural gas project, developed jointly with Aguas Andinas. It also received the **Recyclápolis 2019 National Environmental Award**. It was also recognized as one of the most innovative companies in Chile, according to the “Best Place to Innovate” ranking.

Sonacol was once again recognized in the **PEC excellence program of the Workers’ Safety Association** for the optimal implementation of the risk management system. Moreover, for the third year running it was awarded gold certification by the hygiene and safety parity committee of the head office, and received recognition as an **Outstanding Company** in the XI National Congress of Corrosion (LatinCorr) by NACE Latin America Area.



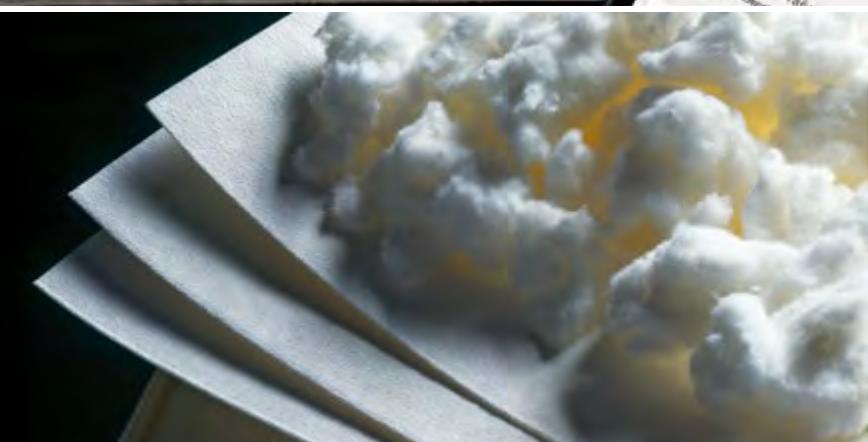
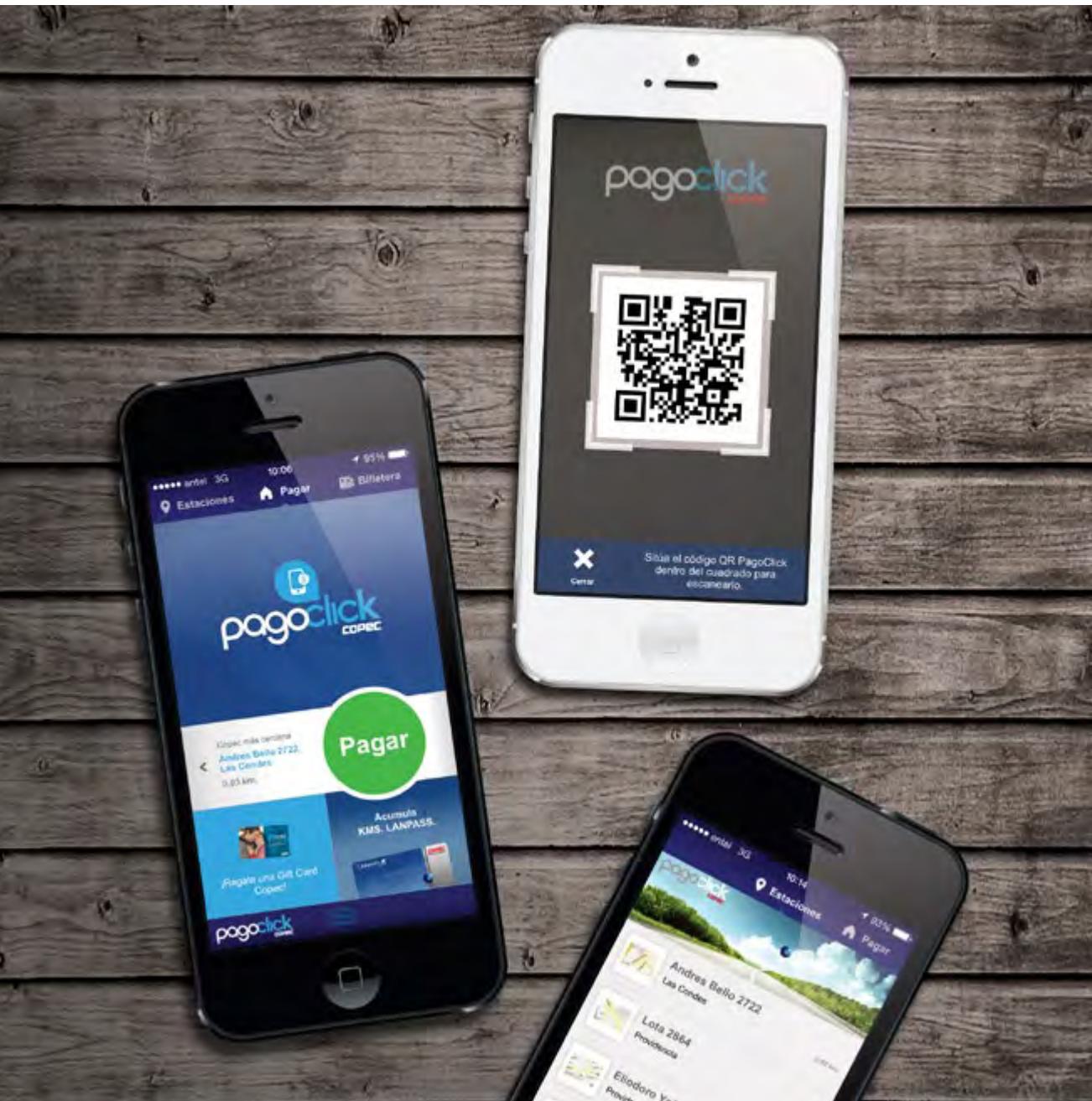
Abastible was distinguished with the **Bronze Effie 2018 Award** in the promotion category for its innovative message in the “Abastible Gas Meter” campaign and for the second year running it was distinguished by RepTrak Pulse 2018 as the company with the best corporate reputation in the energy category.



Solgas received the **Sol de Bronce Award** in the best general production category, and the **Silver Award in the branded content category** for its “72 families, one cylinder” launch campaign.



Copec obtained the **2018 Consumer Loyalty Award** in the **gas station category** granted in Chile by Alco Consultores and the Universidad de Los Andes Business School, and received the **Bronze Effie Award** in the social marketing category for its “I’m Counting on You” campaign.



05 Subsidiaries and Associates



Empresas Copec S.A.

For the year ended December 31, 2018

Taxpayer ID N° of Empresas Copec S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°90.690.000-9	60.82%	89.86%	US\$686 million



Board of Directors

CHAIRMAN

Roberto Angelini Rossi (*)

DIRECTORS

Jorge Andueza Fouque (*)

Andrés Bianchi Larre

Manuel Bezanilla Urrutia (*)

Juan Edgardo Goldenberg Peñafiel (*)

Arnaldo Gorziglia Balbi

Carlos Hurtado Ruiz-Tagle

Andrés Lehuedé Bromley (*)

Gabriel Bitrán Dicowsky

CEO

Eduardo Navarro Beltrán

(*) Roberto Angelini Rossi is the chairman of AntarChile S.A.; Jorge Andueza Fouque is the vice-chairman; Juan Edgardo Goldenberg Peñafiel and Manuel Bezanilla Urrutia are directors. Andrés Lehuedé Bromley is the CEO.



Company Information

The company was founded in 1934 with the name of Compañía de Petróleos de Chile S.A. (Copec) to market and distribute fuels in Chile. As of 1976 it started to become a business consortium with investments in various productive sectors, such as forestry, fisheries and energy, among others.

In 1986, the Angelini Group acquired 41% of Copec's capital stock, gaining control of the company and launching a restructuring process, and over time the company had successful and sound business growth and diversification. It has thereby driven an investment plan in the last 20 years, which up to 2018 amounted to US\$21,130 million.

The baseline investment plan established for 2019 commits resources of around US\$2,766 million, which will be allocated to growth and maintenance of the company's productive activities. About 74% of that amount will go to the forestry business, 18% to the fuels business, 2% to fisheries and 6% to other activities.

The financial and equity standing of Empresas Copec S.A. for the 2018 and 2017 financial years is shown in the "Summarized Financial Statements" chapter.



2018 Results

Empresas Copec S.A. had consolidated net income of US\$1,071 million, which was a 67.5% increase on the US\$639 million in 2017 and both figures exclude minority participation.

Such increase was mainly due to higher operating income of US\$544 million, driven by the better performance of the forestry business from higher pulp prices throughout the year. Non-operating income was also US\$241 million less negative.



Forestry Business

The investment of Empresas Copec S.A. in the forestry business has been channeled through Arauco (Celulosa Arauco y Constitución S.A. and subsidiaries), a leading company in the forestry industry in Latin America, and a major global player. Arauco stands out for the surface area and performance of its plantations, production of market pulp, timber, panels and energy. It works with the highest standards of forest stewardship and responsible management in its operations, seeking differentiation by means of innovation and creating added value.

The company has an integrated productive chain operation and a commercial structure that can timely analyze demand and quickly detect customer needs, enabling it to adapt the production mix to market conditions and reduce the impact of fluctuations on input costs.

arauco



US\$ **5,955** million

The largest forest assets in the Southern Hemisphere

 **51%** pulp

 **46.4%** timber

 **2.5%** other products

AntarChile S.A. owns 60.82% of Empresas Copec S.A., and the latter in turn is the owner of 99.98% of Arauco. The most important assets of this company are the 1.8 million hectares of forest assets in Chile, Argentina, Uruguay and Brazil. In the former three countries, the company has seven pulp mills with a production capacity of 4.0 million tons a year. In Chile, Argentina and Spain the company has nine sawmills that can produce 2.9 million m³ of timber per annum. It also has 29 panel mills with a total production capacity of 8.7 million m³ a year in Chile, Argentina, Brazil, Mexico, the United States, Canada, Spain, Portugal, Germany and South Africa; eight biomass-fired electric power generating plants in Chile, which have a total installed capacity of 606 MW; two power generating plants in Argentina, with a total installed capacity of 82 MW, a generating plant in Uruguay with an installed capacity of 91 MW, and commercial offices in 13 countries.

In 2018, Arauco's production amounted to 3.8 million tons of pulp, 2.7 million m³ of sawn timber and 6.2 million m³ of panels. Sales were US\$5,955 million, with pulp accounting for 51.1%, timber for 46.4% and other products 2.5%. It marketed its products through 208 ports in Latin America, Asia, Oceania, Europe and North America, reaching over 4,400 customers.

Regarding investment, Arauco started the construction of the Arauco mill modernization and expansion (MAPA, according to the Spanish acronym) project, after a favorable Supreme Court verdict of its environmental proceeding and it was approved by the company board. This US\$2,350 million initiative is the largest company investment ever and consolidates it as a major development agent for the Biobío region and one of the leading pulp producers in the world. MAPA will enable the company to produce 2.1 million tons of pulp a year, with high technological and environmental standards, and it is estimated it will be commissioned in 2021.



Arauco produces 8.7 million m³ of panels a year.

To finance this project, in 2018 Arauco issued two series of bonds in the domestic market: one of UF 3 million with 10-year maturity and a placement rate of 2.38%, and another of UF 5.5 million with 25-year maturity and a placement rate of 2.88%.

Another initiative in the year was the dissolving pulp project at the Valdivia pulp mill. This will entail an investment of US\$185 million to produce a type of pulp used as a raw material for textile fibers, cellophane wrap and filters. At the same time, the Teno mill expansion works started to increase its production capacity to 340,000 m³ of panels a year.

Arauco also agreed to purchase Masisa's industrial assets in Mexico, which was approved by the local authorities in early 2019. This will give the company three particleboard lines with a production capacity of 339,000 m³ a year, an MDF line that can produce 220,000 m³ a year, three melamine coating lines, a resin and formalin chemical plant, and a veneer line. On the other hand, progress continued with the construction of the new panel mill of Grayling at Michigan in the United States.

Moreover, the company started the early voluntary community participation process for the Parque Viento Sur wind farm project in the Biobío region. This project, which will have an installed capacity of 200 MW, will inject the equivalent consumption of 540,000 homes into the national power grid (SEN, according to the Spanish acronym). It is expected to start up 2020 through 2021 at an investment of US\$250 million.

2018 Results

Arauco posted net income of US\$725 million in 2018, which was an increase of US\$456 million on 2017. This is explained by operating income climbing US\$495 million due to higher sales across all business lines, particularly pulp with price increases throughout the year.

On the other hand, non-operating income was US\$219 million less negative than the previous year, which was due to accounting effects stated in 2017 because of wildfires in Chile. There were also lower financial costs from the company refinancing long-term liabilities in late 2017.



Liquid Fuels

Copec has a leading position in Chile in the liquid fuel distribution and lubricants market, in which important domestic and multinational companies operate. This position, maintained over the years, is due to its service quality and sales volume. All this, leveraged by sound positioning of the Copec brand, based on service excellence, brand prestige, logistical efficiency and ongoing product and service innovation. Moreover, through its subsidiary Terpel, the company operates in Colombia, Ecuador, Panama, Peru and the Dominican Republic and, through MAPCO, in the states of Alabama, Arkansas, Georgia, Kentucky, Mississippi, Tennessee and Virginia in the United States.

Copec's distribution network comprises 653 gas stations from Arica to Puerto Williams, 91 Pronto stores, 287 Punto outlets, 18 fuel storage plants with a total capacity of 543,000 m³, and a lubricant plant located at Quintero in the Valparaíso region, with a production capacity of 124 million liters a year.

In 2018, Copec had total physical sales in Chile of 9.8 million m³ and a market share of 56.3%. The higher sales in the year were mainly due to a 4.5% increase in the gas station

COPEC

Competitive Strengths



653

gas stations

The most comprehensive and extensive gas station network in Chile with strategic locations.



The largest convenience store network with over **370 stores**



High **brand top-of-mind**



Sound positioning among industrial customers



Leader of lubricant production and distribution

network that attained a volume of 5.4 million m³. Sales in the industrial channel dropped 1.8% amounting to 4.4 million m³. Physical sales of lubricants were 91,000 m³, increasing 5.8% on the previous year with a market share of 43.2%.

In regard to investment, Copec inaugurated gas stations at Alto Hospicio, Balmaceda, Colina, Los Ángeles, Machalí, Pedro Fontova, Quillota and Talca. At these gas stations the company installed a total of 15 service islands, two Lavamax car wash systems, three outlets and one Pronto store. On the other hand, the company made known the Parma barge, built by the company to meet the fuel needs of the salmon-farming industry in the Magallanes region.

The company started to implement 19 Voltex quick-charging stations for electric vehicles, which were finally inaugurated in January 2019 and they are located between Papudo and Concepción. It also carried out a project with a passenger transportation company to implement the first 100% electric interurban bus on the continent covering the Santiago-Rancagua route, for which it installed a charging point at the Alameda bus terminal.

In the commercial area, the company signed an agreement with BancoEstado so that as of 2019 customers with a RUT account can pay for fueling using the Pago Click application, and it entered into a partnership with Uber Eats so that Pronto stores can include this delivery service.

On the other hand, Copec was awarded important contracts with mining clients to supply fuel for vehicles and machinery, and with national passenger transportation companies. Air BP Copec renewed its contract with five airlines and added the Emirates airline to its customer portfolio. The renewal of its concessions at the Concepción and Arica airports for 12 and 20 years, respectively, was another highlight in the year.

In the domestic area, Copec created the Red 7+ platform, a collaborative network of exchanging good practices, innovation and experiences among the seven countries in which it is present. It also moved its offices from the traditional location in Agustinas street to the new and modern facilities at 2915 Isidora Goyenechea street.

Organización Terpel

Terpel sells and distributes liquid fuels in Colombia, Panama, Ecuador and Peru; natural gas in Colombia and Peru, and aviation fuel at the main airports in Colombia and the Dominican Republic.

The company currently has a network of 1,927 gas stations in Colombia, 141 in Panama, 100 in Ecuador and 35 in Peru. It also has 46 convenience stores in Colombia, 36 in Panama, 13 in Peru and five in Ecuador.

In 2018, Terpel had total sales of 8.2 million m³ through liquid fuel gas stations and industrial customers, increasing 13.5% on those in 2017. The vehicle natural gas segment had sales of 410,000 m³, a 6.8% decrease on the previous year, and the aviation area had total sales of 1.6 million m³, 1.7% up on 2017. The lubricants business had sales of 127,000 m³, an increase of 233.2% on the previous year.

Regarding investment, the company completed the integration of the assets of ExxonMobil's lubricant business in Colombia, Ecuador and Peru, after the operation was approved by

Colombia's Superintendency of Industry and Commerce (SIC). Due to this, Terpel added Mobil lubricants to its gas stations. The company also sold the Maxter brand and launched the Terpel Ultrek in the market.

Furthermore, the company inaugurated 10 gas stations in Panama, 40 in Colombia, 42 in Ecuador and eight in Peru, and nine new convenience stores in Colombia, three in Panama and two in Peru.

MAPCO

As of 2017, Copec has been operating through its subsidiary MAPCO in the liquid fuel distribution and sale market in the states of Alabama, Arkansas, Georgia, Kentucky, Mississippi, Tennessee and Virginia in the United States.

The company has 345 gas stations and convenience stores, and also supplies fuel to over 101 dealers of various brands.

In 2018, MAPCO had total physical fuel sales of 2.1 million m³, a 7.2% increase on the previous year. Its total retail market share was 2.3%, and 6.2% in Tennessee, the main state in which it operates.





In 2018, Organización Terpel completed the integration of the assets of ExxonMobil's lubricants business in Colombia, Ecuador and Peru.

Regarding investment, MAPCO refurbished 30 gas stations and implemented a customer service center. It also continued to make improvements to its convenience stores to expand its food offering.

Copec's Results

Copec posted a net income increase of Ch\$2,773 million in 2018 YoY. That was due to higher operating income from increased margins at Copec (Chile) and Terpel and an increase in the sales volumes of Terpel and MAPCO. Non-operating income was also less negative from greater asset sales revenue.

In US dollars, the net income of the controlling interest in Copec was US\$265.5 million in 2018, US\$7.4 million higher than in 2017.



Liquefied Petroleum Gas (LPG)

The subsidiary Abastible S.A. has consolidated as one of the leading LPG distributors in the Chilean market and the third largest distributor in South America. Its management is based on a clear service commitment, the right territorial expansion strategy and the efficiency of its operations.

Abastible sells LPG for residential and industrial use in cylinder and bulk formats; vehicle liquefied gas for taxis and company fleets through the Autogas stations, and LPG for vessels under the Nautigas brand. Furthermore, the company offers solutions of combining the use of LPG and solar energy to heat water and for use in the salmon-farming industry. It also produces electric power with generators that work with LPG and cogeneration with turbines that simultaneously produce electricity and useful heat, which generates large energy and maintenance cost savings.

In Chile, the company has a maritime terminal which provides clean fuel wharfage services, and liquefied gas reception and storage, 10 storage and bottling plants, 7.1 million cylinders, 63,000 tanks in homes, commerce and industrial facilities, 29 sales and distribution offices and shipping agents, a network of approximately 1,300 distributors, and around 2.5 million customers distributed from Arica to Magallanes, including Easter Island.

In Colombia, through Inversiones del Nordeste, it has 25 storage and bottling plants, 3.8 million cylinders, over 7,000 tanks and 22 distribution centers. In Peru, through Solgas,

it has eight bottling plants, one supply plant, over 1,300 outlets, 390 distributors, 4.2 million cylinders and 8,000 tanks. In Ecuador, through Duragas, it has four storage and bottling plants, a bottling service contract in two plants owned by another company, two customer service offices, approximately 4.6 million cylinders and around 900 distributors.

The company has stringent safety systems for the storage, transport and delivery of LPG, along with systems to handle possible emergencies. It also has demanding standards for emissions and the management of hazardous industrial waste to guarantee that all its productive plants and distribution centers comply with the current regulation. Moreover, Abastible monitors the physical and chemical parameters of resources in the San Vicente maritime terminal area.

Competitive Strengths



 **2,612**
LPG distributors

 **Abastible is one of the leading LPG distributors in South America**, operating in markets in Chile, Peru, Colombia and Ecuador.

Physical sales in Chile amounted to 487,000 tons in 2018,, increasing 3.1% YoY. In Colombia physical sales were 219,000 tons, 1.6% higher than the previous year; in Peru they were 309,000 tons, 20.6% lower than in 2017, and in Ecuador they amounted to 456,000 tons, 7% up on 2017.

Regarding investment, Abastible renewed and expanded part of its bulk LPG fleet, and started to implement semiautomatic filling stations at the plants in Arica, Iquique, Antofagasta and Coyhaique to eliminate operator loading strains and comply with Law 20.001, which regulates the maximum weight a person can carry. This project is expected to be fully implemented by early 2019.

The company made progress with the automation of the cylinder palletizing process at the Maipú plant. It carried out work in 2018 to transform and adapt the plant so it can operate in a mixed way, i.e., dispatch the palletized bottled product and the bulk bottled product. The start-up of the first palletized dispatches is scheduled for the first quarter of 2019. At this same plant, Abastible also implemented a series of improvements to the firefighting system and to the LPG operation system.

Moreover, the company started up the new sales office in Antofagasta, which has generated large efficiencies and improvements to the consumer service in this area.



Abastible has consolidated as one of the leading LPG distributors in the Chilean market and the third largest distributor in South America.

Abastible S.A. Results

Abastible posted net income of Ch\$40,871 million in 2018, 12.3% down YoY. That was due to a drop in non-operating income from higher financial expenses, lower income from monetary correction, losses from the investment in Sonamar, and a higher tax expense. That was partially offset by an increase in operating income from the effects of changes in accounting criteria, greater sales volumes in all the countries in which it operates and higher margins in Chile.

Abastible's net income expressed in US dollars dropped from US\$71.8 million in 2017 to US\$63.7 million in 2018.



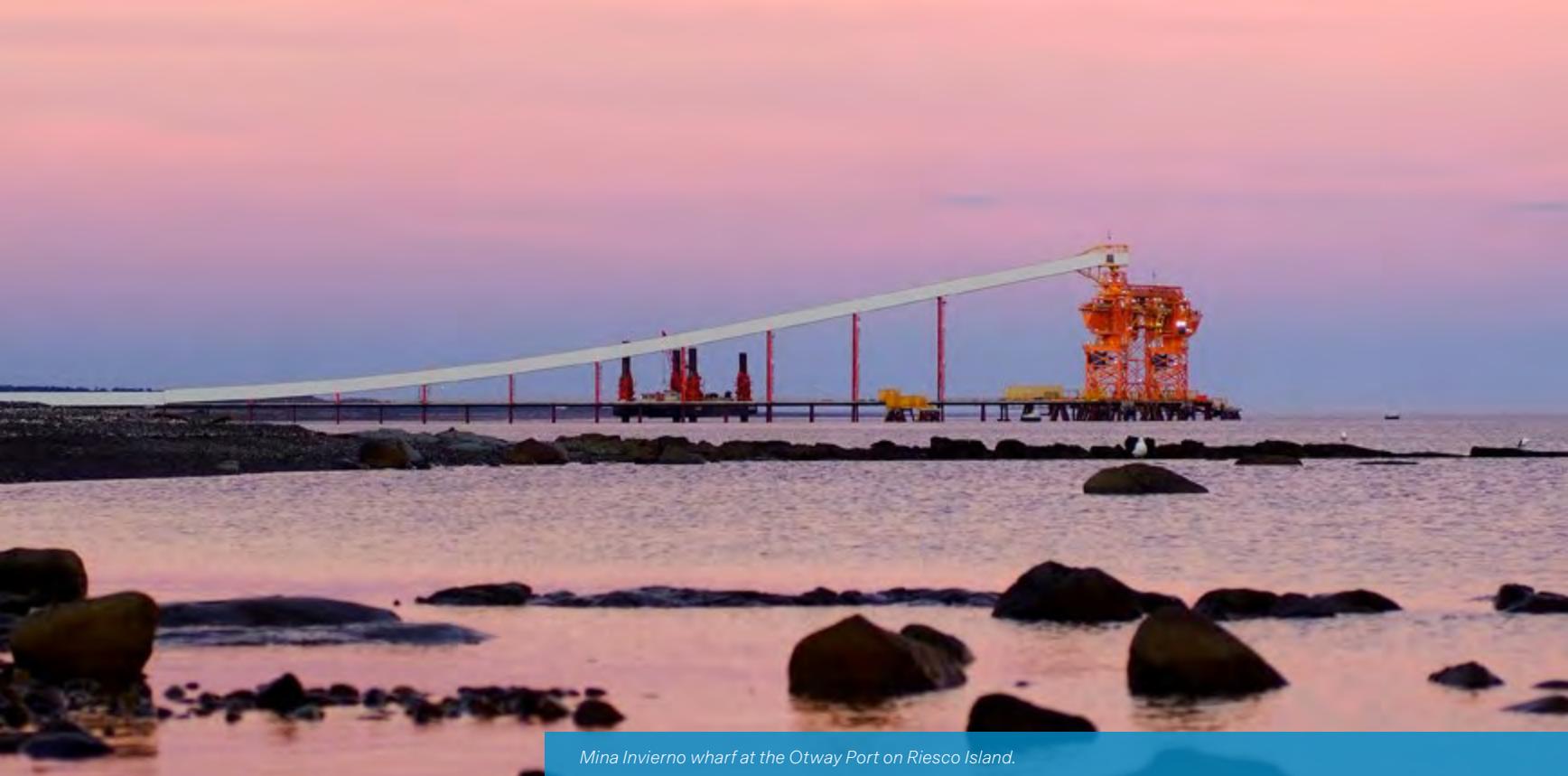
Natural Gas

Metrogas S.A. distributes natural gas to the residential, commercial and industrial areas in the Metropolitan, O'Higgins and Los Lagos regions. In the former two regions, distribution is carried out through a gas pipeline of over 5,600 km long. Supply to the Los Lagos region is made through virtual pipelines, transporting LPG by truck from the Quintero LPG terminal to the satellite regasification plants, and then distribute this through the customer supply network.

In 2016, Metrogas was split into two companies, with Metrogas S.A. having the natural gas distribution operations and Aprovechadora Global de Energía S.A. those of the supply business. The latter sold its entire shareholding in the Quintero LPG terminal (20% shareholding) for US\$197 million.

Metrogas had physical sales of 984.5 million m³ in 2018, which was similar to the previous year. Due to the high temperatures prevailing in the year, there was a drop in the sales volumes in the residential and commercial segment from the lower heating demand. Nevertheless, total customers exceeded 728,000, 5.5% up YoY.

Regarding investment, in 2018 Metrogas consolidated its gasification plan in the Los Lagos region, after completing works at the beginning of the year to supply the first industrial customer in Puerto Montt. It is also expected to complete the first supply in Puerto Varas in early 2019.



Mina Invierno wharf at the Otway Port on Riesco Island.

Metrogas S.A. Results

Metrogas S.A. posted net income of Ch\$42,882 million in 2018, 1% down YoY. According to information posted by Metrogas, this lower income was due to an extraordinary expense related to the conclusion of an arbitration proceeding, which was offset by a higher EBITDA.

Metrogas S.A. had net income in dollars of US\$66.9 million in 2018, which was an increase on the US\$66.7 million in 2017.

AGESA had net income of US\$54.5 million, in line with the results obtained in 2017.



Mining

Mina Invierno

Mina Invierno markets sub-bituminous coal from Riesco Island in the Magallanes region, supplying various power generating plants in the Chilean and international markets.

The company is the owner of the Adela, Elena, Río Eduardo and Invierno deposits, which have coal reserves of over 387 million tons.

In 2018, Mina Invierno S.A. produced 2.3 million tons of coal, which was very similar to the previous year. 80% of the total production went to the domestic market, and it exported 12% to Europe and 8% to Asia.

Regarding production, Mina Invierno is waiting for the approval by the regional authorities to incorporate the use of blasting to mine coal, which is a fundamental process to reduce the wear and tear of equipment and attain greater efficiency. Although the initiative is currently suspended by the Valdivia Environmental Court, the company expects to resume the project in the first half of 2019.

In the commercial area, the company was awarded two coal supply contracts. The first with AES Gener to supply 1.5 million tons in 2019, and the other with Engie Chile will

be effective February 2019 through April 2020. Both contracts are conditioned to the approval of the use of blasting.

At the same time as its productive activity, the company continued to work on the native species reforestation process. It has reforested around 240 hectares to date, obtaining excellent performance results.

Alxar Minería S.A.

Alxar Minería is engaged in the copper, gold and silver metal mining industry. It has mine deposits in Chile and abroad, and is permanently analyzing the option of acquiring other operating mining operations and developing new projects.

The company has various subsidiaries with mining properties. In Chile, these include the El Bronce mine site in Petorca, the Choquelimpie projects in Parinacota, and Sierra Norte in Chañaral; in Peru, 40% of Mina Justa in the Ica department. There is also a plant in the interior of Copiapó in the north of Chile, which produces doré metal from recovering fine gold and silver. This plant and the El Bronce mine site have closure plans approved by the National Geology and Mining Survey (SERNAGEOMIN, as per the Spanish acronym), according to exempt resolutions N°946 and N°1.530, respectively.



In 2018, Alxar Minería carried out no commercial activities. However, it continued to undertake studies and exploration works on resources and reserves at the El Bronce mine site. Estimates indicate that this deposit has 110 million tons of mining resources, which could produce an average of 35,000 tons of fine copper a year, apart from other ores like copper and silver.

In the international area, in 2018 Alxar Minería acquired 40% of the Peruvian company Cumbres Andinas S.A.C. for US\$168.5 million, owner of 100% of the company Marcobre S.A.C. in Peru, to undertake, with the Breca Group, the Mina Justa project in the Ica department. This deposit has 432 million tons of high grade copper resources and when it starts up in late 2020 it will produce an average of 100,000 tons of fine copper a year. At the same time, the company will undertake exploration and development works in the surrounding mining concessions, which cover a surface area of over 60,000 hectares, to extend the current commercial operation period of 18 years.



Fisheries Business

The Chilean coastline has favorable sea conditions for the emergence of large shoals and the development of the pelagic fisheries industry. This makes Chile one of the leading fishmeal and fish oil producers in the world. The sharp fluctuations of the biomass in the last few years have led this industry to undertake deep asset rationalization and reorganization processes, seeking to generate more efficient operating conditions and develop value-added products for increasingly more demanding markets.

The Fisheries Law, which dates back to 2013, regulates the sustainability of hydrobiological resources, access to industrial and non-industrial fishing, and research and control. This law establishes tradable fishing licenses, which give owners the right to catch a certain portion of the overall catch quota per species. Under this regulatory framework, the companies Corpesca S.A. and Orizon S.A. are the owners of class A licenses for jack mackerel, anchovy, Spanish sardine, common sardine, hoki and South Pacific hake, in their respective areas of operation.

Empresas Copec S.A. operates in this market through Pesquera Iquique-Guanaye S.A. (Igemar). This company is also an associate of AntarChile S.A., which likewise participates in the fisheries industry through its associate Empresa Pesquera Eperva S.A.

Pesquera Iquique-Guanaye S.A. made a loss of US\$13.1 million in 2018, which was an improvement on the US\$20.9 million loss in 2017. That was mainly due to the higher income of Orizon, as in 2017 it recognized an exceptional loss from a standstill and asset impairment. There was also an increase in its operating margin, related to higher jack mackerel catch volumes and increased fishmeal and fish oil sales. Corpesca S.A. had positive income which only affected the controller's portion.



Customers and Suppliers

Regarding the supplier and customer diversification of Empresas Copec S.A., it should be mentioned that in 2018 no supplier accounted for more than 10% of the product and service supplies. Likewise, there were no customers that represented over 10% of the company's consolidated sales. The table below shows the supplier and customer diversification of the company's subsidiaries.

Supplier and Customer Diversification by Segment of Empresas Copec S.A.

	Nº of suppliers who individually accounted for over 10% of the products and services in 2018	Nº of customers who individually accounted for over 10% of the sales in 2018
Celulosa Arauco y Constitución S.A.	5	-
Compañía de Petróleos de Chile Copec S.A.	1	-
Abastible S.A.	2	-
Sociedad Nacional de Combustibles S.A. (Sonacol)	-	2
Pesquera Iquique-Guanaye S.A. (Igemar)	-	-



Trademarks

Empresas Copec owns the trademarks "Empresas Copec," registry N°742026, 742027, 742028, 1.287.843, 1.288.718 and 1.289.819 and "EC," registry N°733767, 733768 and 733769, 1.287.660, 1.288.719 and 1.288.720.

The main subsidiaries of the company use the following trademarks to market their products:

- Arauco:** Arauco, AraucoPly, Arauco BKP, Arauco Bright Star, Arauco Brillo Premium, Arauco Celulosa, Arauco Cholguán, Arauco Color, Arauco Deck, Arauco DecoFaz, Arauco Duraflake, Arauco Durolac, Arauco EKP, Arauco Fibrex, Arauco Fluff, Arauco Gold Star, Arauco Lumber, Arauco MDP, Arauco Melamina, Arauco Melamine, Arauco Moulding, Arauco Molduras, Arauco MSD, Arauco PBO, Arauco Shiplap, Arauco Silver Star, Arauco Soil Star, Arauco Trupán, Arauco UKP, Arauco Ultra PB, Arauco Wood Star, Prism, Faplac, Hílam, Lookid, Vesto, +Maqui.
- Copec:** BlueMax, Chiletur Copec, Copec, Cupón Electrónico, EnRuta, GeoGas, Gverde, Lavamax, Lub, Mundo Copec Latam Pass, NeoGas, NEOTAC, PagoClick, Pronto, Punto, Renova, Sígueme, Solvex, S.O.S Copec, Taxiamigo, TAE, TCT, Vía Limpia, Viva Leer, Voltex, Zervo.
- MAPCO:** Delta Express, Discount Food Mart, Fast, Favorite Market, MAPCO, MAPCO Express.



Golden Omega plant in Arica which produces concentrated omega-3 fish oil.

- d) **Terpel:** Alto, Altoque, Celerity, Club Gazel, De Una, Energía Terpel, Escuela de Isleros, Escuela Combustibles Aviación, Exacto Confianza, Excelencia en el Servicio, Extend, Fundación Terpel, Fullcompress, Fullspace, Formula 4, Gaxi, Gasxi, Gazel, Gazel Extend, GNC, Hi Capacity, Hi Compress, Lubriplus, Lubriton, Masterlub, MaxTer Grueso, MaxTer Progresa, Mi Estación Terpel, Mototribu, Mundo Terpel, Oiltec, Opese, PagoClick Terpel, Pits, Progresa, Quick Shop, Rumbo Terpel, Servilub, Supremo, Tecnoil, Teresa, Tergas, Terpel, Terpel 2T Especial, Terpel Aviación, Terpel Combo, Terpel Lubricantes, Terpel Marine, Terpel Marinos, Terpel Multigrado, TerMatic, Terpel Punto y Coma, Tesos, Toque, Tracter, Va y Ven, Va & Ven, Ziclos, Ziclos Autolavado.
- e) **Abastible:** Abastible, Autogas, Nautigas, Solargas.
- f) **Inversiones del Nordeste:** Asogas, Cinsa, Colgas, Gasan, Gases de Antioquia, Norgas.
- g) **Duragas:** Duragas, Duragas Pro.
- h) **Solgas:** Masgas, Solgas, Solgas Pro.
- i) **Sonacol:** Sonacol.
- j) **Igemar:** Igemar.
- k) **Orizon:** Atlas, Betty Crocker, Colorado, Fiber One, Haagen Daz, Lenga, Nature Valley, Old Paso, Orizon, San José, Wirenbo.
- l) **Golden Omega:** Golden Omega, Gotab, Gobar, GoGummy, GoJelly.
- m) **Alxar Minería:** Compañía Minera Can-Can.

Pesquera Iquique-Guanaye S.A. (Igemar)



For the year ended December 31, 2018

Taxpayer ID N° of Pesquera Iquique-Guanaye S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°91.123.000-3	17.44%	0.46%	US\$ 347 millones



Board of Directors

CHAIRMAN

Roberto Angelini Rossi (*)

VICE-CHAIRMAN

Manuel Antonio Tocornal Astoreca

DIRECTORS

Fernando Agüero Garcés

Jorge Andueza Fouque (*)

Manuel Enrique Bezanilla Urrutia (*)



Víctor Turpaud Fernández

Ramiro Méndez Urrutia

CEO

Eduardo Navarro Beltrán

(*) Roberto Angelini R. is the chairman of AntarChile S.A., Jorge Andueza F. is the vice-chairman and Manuel Enrique Bezanilla U. is a director.



Company Information

Incorporated in 1945, the corporate purpose of Pesquera Iquique-Guanaye S.A. includes the development of the fisheries industry in general, and particularly to produce fishmeal and fish oil and make canned and frozen fish for human consumption.

In 1999, the fisheries industry started a deep rationalization process, in which the assets of companies in the sector were merged to assure more efficient management, address the surplus productive capacity and decline in catches. After these mergers, the main investments of Igemar comprised SouthPacific Korp S.A. (SPK S.A.), currently Orizon S.A., in the center and south of the country, and Corpesca S.A., which operates in the north.

Through its subsidiaries, Pesquera Iquique Guanaye S.A. owns various trademarks, patents, licenses, franchises and royalties, by means of which it markets its products and services and develops its operations. As a parent company, it owns the trademark related to its company name "Pesquera Iquique," registry N°1123870.

The financial and equity standing of Pesquera Iquique-Guanaye S.A. and its subsidiary for the 2018 and 2017 financial years is shown in the "Summarized Financial Statements" chapter.



2018 Performance Analysis

Subsidiaries and Associates

The purpose of Orizon S.A., of which Igemar currently has an 83.5% shareholding, is to become a major player in the nutrition market, providing quality food solutions from marine natural resources. This entails identifying and meeting the specific needs and requirements of industrial and final customers both in Chile and abroad.

Orizon S.A. produces fishmeal and fish oil, frozen and canned fish under its traditional brands “San José,” “Colorado” and “Wirenbo,” among others. The company also imports and markets tuna under the “San José” and “Colorado” brands, and canned fish under different brands. In another line of business, the company sells rice and legumes under the “San José” brand, and as of September 2018 products related to the General Mills brands, including Nature Valley, Fiber One, Old El Paso, Häagen-Dazs and Betty Crocker, and also the distribution of the Megamex avocado pulp products in Chile.

The operative assets of Orizon S.A. are seven deep draft vessels distributed from regions III to X in Chile, which have a total operative fully refrigerated hold capacity of 9,900 m³; two fishmeal and fish oil production plants and three processing plants. The company also has 393 hectares of operative aquaculture concessions in the Puerto Montt area.

In 2018, Orizon S.A. had own catches of 106,000 tons, 60.4% up on the previous year, while the intake of non-industrial fishing catches amounted to 89,500 tons, a 5.1% YoY decrease.



Orizon S.A. produced 34,300 tons of fishmeal, a 32.8% increase on 2017. Fish oil production was 10,100 tons, 36.6% up on that of the previous year. It had physical sales of 32,800 tons of fishmeal, 9,700 tons of fish oil, 2,6 million cases of canned fish, 18,500 metric tons of frozen fish, and 2,800 tons of rice and legumes. It mainly sold fishmeal, fish oil and canned fish in the domestic market, whereas frozen fish were principally sold to the African market.

The business performance of Corpesca S.A. in 2018 is shown in the report below on Empresa Pesquera Eperva S.A.

The company Golden Omega S.A., in which Orizon S.A. and Corpesca S.A. each have a 39.9% interest, has a plant that can produce 2,000 tons of omega-3 concentrates a year. In 2018, the company sold 1,383 tons of concentrates, an increase of 2% YoY.

Moreover, Golden Omega S.A has a 62.75% shareholding of the subsidiary Bioambar SpA, which continued to undertake research and analysis to determine the benefits that omega-3 concentrate could have for cellular health.

Empresa Pesquera Eperva S.A.



EMPRESA PESQUERA EPERVA S.A.

For the year ended December 31, 2018

Taxpayer ID N° of Pesquera Eperva S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°91.643.000-0	18.70%	0.62%	US\$104 million



Board of Directors

CHAIRMAN

Manuel Antonio Tocornal Astoreca

VICE-CHAIRMAN

Jorge Andueza Fouque (*)

DIRECTORS

Roberto Angelini Rossi (*)

Jorge Bunster Betteley

Claudio Humberto Elgueta Vera

Andrés Lyon Lyon (*)

Andrés Antonio Serra Cambiaso

CEO

Patricio Tapia Costa

(*) Roberto Angelini R. is the chairman of AntarChile S.A., Jorge Andueza F. is the vice-chairman and Andrés Lyon L. is a director.



Company Information

The company was incorporated in 1955. Its main line of business is to channel investments in companies whose purpose is to develop the fisheries industry, and particularly to produce fishmeal and fish oil. In 1999, the company approved a deep rationalization process of its assets and operations to get a better return from its investments. As a result of this process, it merged its operating assets with the main fishing companies in the north: Pesquera Iquique-Guanaye S.A. and Sociedad Pesquera Coloso S.A., which gave rise to Corpesca S.A.

The main investments of Empresa Pesquera Eperva S.A. are the 60.21% shareholding of Corpesca S.A. and 16.5% of Orizon S.A. The performance of Orizon S.A.'s business in 2018 was outlined in the prior report on Igemar S.A.

Corpesca S.A. was incorporated in 1999 from the merger of the fishery and industrial assets of the three companies in the north: Empresa Pesquera Eperva S.A., Pesquera Iquique-Guanaye S.A. and Sociedad Pesquera Coloso S.A. This thereby ended the large restructuring process the fisheries industry carried out in the north. Corpesca S.A. therefore started up with large competitive advantages and it generated major scale economies.

The company's main assets are its 38-vessel fishing fleet, registered in the Registry of Vessels with Tradable Fishing Licenses, with a total hold capacity of over 17,000 m³ and five fishmeal and fish oil plants located at the ports of Arica, Iquique, Mejillones and Tocopilla, which can process around 600 tons of raw material per hour.



Fishmeal transformation zone at the Iquique plant of Corpesca S.A., a subsidiary of Empresa Pesquera Eperva S.A.

Regarding investments, in 2018 the parent company Corpesca S.A. invested US\$24.2 million in fixed assets, of which US\$13.5 million were allocated to investment projects of the fishing fleet, and US\$10.7 million to industrial plants.

Corpesca S.A.'s net income accrued as of December 2018 was US\$12.6 million, US\$87.2 million less than in the same period of the previous year. That was mainly due to net income generated from the sale of 60% of the subsidiary Selecta in Brazil in 2017. Net income in the fisheries business was US\$11 million, which was an increase on the US\$34.1 million loss in 2017. That is essentially explained by higher prices and sales volumes and by lower sales costs.

Corpesca S.A. owns class A tradable fishing licenses (TFLs) for fisheries declared as in full exploitation, where global catch quotas are established for the fishery of anchovy, Spanish sardine and jack mackerel in regions XV to II.

Empresa Pesquera Eperva S.A. markets its products and services and develops its operations through its subsidiaries; it has no trademarks, patents, licenses, franchises or royalties to such effect. As a parent company, it owns the trademark related to its company name, "Eperva," registries N°977574, 977576, 977578, 977580 and 993750.

The financial and equity standing of Empresa Pesquera Eperva S.A. for the 2018 and 2017 financial years is shown in the "Summarized Financial Statements" chapter.

Celulosa Arauco y Constitución S.A. (Arauco)

arauco

For the year ended December 31, 2018

Taxpayer ID N° of Celulosa Arauco y Constitución S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°93.458.000-1	0.0001%	0.00%	US\$354 million



Board of Directors



CHAIRMAN

Manuel Bezanilla Urrutia (*)

VICE-CHAIRMEN

Roberto Angelini Rossi (*)

Jorge Andueza Fouque (*)

DIRECTORS

Juan Ignacio Langlois Margozzini

Alberto Etchegaray Aubry

Eduardo Navarro Beltrán

Timothy C. Purcell

Franco Mellafe Angelini

Jorge Bunster Betteley

EXECUTIVE VICE-CHAIRMAN

Matías Domeyko Cassel

CEO

Cristián Infante Bilbao

(*) Roberto Angelini Rossi is the chairman of AntarChile S.A., Jorge Andueza Fouque is the vice-chairman and Manuel Enrique Bezanilla Urrutia is a director.



Company Information

The company was incorporated in September 1979 from the merger of Celulosa Arauco S.A. and Celulosa Constitución S.A. Its main line of business is the production and sale of forestry and wood industry products. Its principal operations are focused on the pulp, panel, sawn timber and forestry business areas.

In 2018, the company started the construction of the MAPA project, which will entail an investment of US\$2,350 million, that will produce 2.1 million tons of pulp a year. The company also started the early voluntary community participation process for the Parque Viento Sur wind farm project in the Biobío region, which will have an installed capacity of 200 MW and will involve an investment of around US\$250 million. Arauco made progress with the construction of a new panel mill at Grayling in Michigan, USA. It also launched the dissolving pulp project at the Valdivia pulp mill and started the Teno mill expansion works to increase its production capacity to 340,000 m³ of panels a year. Lastly, Arauco concluded the purchase of Masisa's assets in Mexico, gaining three particleboard industrial lines with a production capacity of 339,000 m³ a year, an MDF line that can produce 220,000 m³ a year, three melamine coating lines, a resin and formalin chemical plant, and a veneer line.

Further details about the business development of this subsidiary are available in the forestry sector section of Empresas Copec S.A.

The financial and equity standing of Celulosa Arauco y Constitución S.A. for the 2018 and 2017 financial years is shown in the "Summarized Financial Statements" chapter.

Red to Green S.A.



For the year ended December 31, 2018

Taxpayer ID N° of Red to Green S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°83.670.800-1	30.00%	0.02%	US\$34.1 million



Board of Directors

CHAIRMAN

Andrés Lehuedé Bromley (*)

DIRECTORS

Patricio Canto Peralta

Patricio Tapia Costa

CEO

Carlos Bussinger Núñez

(*) Andrés Lehuedé Bromley is the CEO of AntarChile S.A.



Company Information

Red to Green S.A. is a closely held corporation, changing its business name from Sigma S.A. on June 28, 2016. It was incorporated by transforming Informática Sigma Ltda. into a closely held corporation, which was established by public deed dated October 11, 1979, taxpayer ID N°86.370.800-1, with headquarters at Avda. El Golf 150, floor 9, district of Las Condes.

Its corporate purpose is the commercial development, in all its forms, of automatic data processing and to provide services complementing this; the sale of equipment, elements and input materials for automatic data processing and to give training courses on various aspects of information technology and similar or related areas.

Red to Green S.A. is present in a market with several competitors, which offer data center, operation, infrastructure administration, consultancy and advisory services for information technology.

Through its subsidiary Woodtech S.A., of which Red to Green S.A. owns 99.997% as of December 2018, the company offers computer equipment, systems and programs that are used to measure the physical parameters of objects of any kind, with a special focus on the forestry area.

Red to Green S.A. offers its services and carries out operations using the “Red to Green” and “Woodtech” trademarks.

The financial and equity standing of Red to Green S.A. for the 2018 and 2017 financial years is shown in the “Summarized Financial Statements” chapter.

Servicios Corporativos SerCor S.A.



For the year ended December 31, 2018

Taxpayer ID N° of Servicios Corporativos SerCor S.A.	Shareholding of AntarChile S.A.	Percentage of individual assets of the company	Paid-in and subscribed capital
N°96.925.430-1	20.0%	0.00%	US\$4.3 million



Board of Directors

CHAIRMAN
Roberto Angelini Rossi (*)

VICE-CHAIRMAN
Jorge Andueza Fouque (*)

DIRECTORS
Eduardo Navarro Beltrán
Andrés Lehuedé Bromley (*)
Matías Domeyko Cassel

CEO
Patricio Tapia Costa

(*) Roberto Angelini Rossi is the chairman of AntarChile S.A., Jorge Andueza Fouque is the vice-chairman and Andrés Lehuedé Bromley is the CEO.



Company Information

The company was incorporated on August 2, 2000. Its corporate purpose is to provide economic, financial, corporate governance and communications advisory services, conduct internal audits and manage the shareholders' registry of corporations.

In 2018, SerCor provided advisory services to the boards and senior management of customer companies on the development of economic studies, project assessment, company valuation, market studies, performance analysis and corporate communications.

It also continued to provide its auditing and corporate governance services to different companies, enhancing best practice, along with the development of the performance management system for customers and the incorporation of new companies to the offense prevention model and its recertification.

In turn, the information security area managed to complete large corporate projects.

Servicios Corporativos SerCor S.A. provides services under the "SerCor" trademark, which it owns under registry N°821128.

For the year ended December 31, 2018, SerCor had a loss of US\$15,600, and in the 2017 financial year it posted a loss of US\$33,600. The loss in 2018 is mainly explained by a higher severance expense.

The financial and equity standing of Servicios Corporativos SerCor S.A. for the 2018 and 2017 financial years is shown in the "Summarized Financial Statements" chapter.



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Company Incorporation

AntarChile S.A. was incorporated with the name of Inversiones Epemar S.A. by means of a public deed dated June 12, 1989 issued by the notary public of Mr. Andrés Rubio Flores. The excerpt was published in *Official Gazette* N°33.407 dated June 26, 1989, and registered in the Commerce Registry on sheet 15.818 N°7.975, dated June 21, 1989.

As registered in a public deed of the Santiago notary public of Mr. Félix Jara Cadot, dated November 11, 1994, the company by-laws were amended. Among other matters, it was agreed to change its name to AntarChile S.A., increase its capital and make various changes to merge the company by incorporation with the company Inversiones Indomar S.A. and the old company that operated under the name of AntarChile S.A.

The company's corporate purpose includes making investments in tangible and intangible chattels, company stocks, commercial papers and securities in general, investments in the fisheries sector, ocean freight, forestry and mining industries, among others.



Regulatory Framework

AntarChile S.A. is a corporation and as such is subject to the provisions of Law N°18.046 on Corporations, of the Securities Market Law N°18.045, and the regulation of the Financial Market Commission (former Superintendency of Securities and Insurance), and all those laws and regulations applicable to its line of business.



Controllers

As of December 31, 2018, AntarChile S.A. is controlled by its final controllers, with an executed agreement to act jointly, which contains no limitations on the free disposal of shares.

They are Mrs. María Nosedá Zambra de Angelini*, taxpayer ID N°1.601.840-6; Mr. Roberto Angelini Rossi, taxpayer ID N°5.625.652-0; and Mrs. Patricia Angelini Rossi, taxpayer ID N°5.765.170-9. They exercise such control as follows:

- a) Shares directly owned by the final controllers:
 - a.1) Mr. Roberto Angelini Rossi is the direct owner of 0.2126% of the shares issued by AntarChile S.A. and
 - a.2) Mrs. Patricia Angelini Rossi is the direct owner of 0.22661% of the shares issued by AntarChile S.A.

Total shares directly owned by the final controllers: 0.43921%.

- b) Shares indirectly owned through companies controlled by the final controllers.

- b.1) The investment company Inversiones Angelini y Compañía Limitada, taxpayer ID N°93.809.000-9, is the direct owner of 63.40150% of the shares issued by AntarChile S.A., and the indirect owner, through its subsidiary Inmobiliaria y Turismo Río San José S.A., of 0.07330% of AntarChile S.A.'s shares.

Inversiones Angelini y Compañía Limitada is controlled by the above-mentioned final controllers, i.e., Mrs. María Nosedá Zambra*, Mr. Roberto Angelini Rossi and Mrs. Patricia Angelini Rossi, as outlined below:

- 1) Mrs. María Nosedá Zambra, deceased, directly owns 10.94402%.

* She passed away on April 15, 2018. The actual possession of her estate is being processed.



The Arauco Educational Foundation makes a large contribution to the most vulnerable schools in Chile.

- 2) Mr. Roberto Angelini Rossi directly owns 12.71222% and indirectly owns 16.99231%, through Inversiones Arianuova Limitada, taxpayer ID N°76.096.890-0, of which he has 99% of the corporate rights.
- 3) Mrs. Patricia Angelini Rossi directly owns 10.60649% and indirectly owns 13.69932%, through Inversiones Rondine Limitada, taxpayer ID N°76.096.090-K, of which she has 99% of the corporate rights.
- 4) On the other hand, Mr. Roberto Angelini Rossi has by-law control of Inversiones Golfo Blanco Limitada, taxpayer ID N°76.061.995-7, which owns 18.35703% of the corporate rights of Inversiones Angelini y Compañía Limitada. The partners of Inversiones Golfo Blanco Limitada are: (i) Mr. Roberto Angelini Rossi with 0.00011% of the corporate rights, and (ii) Mr. Maurizio Angelini Amadori, taxpayer ID N°13.232.559-6; Ms. Daniela Angelini Amadori, taxpayer ID N°13.026.010-1; Mr. Claudio Angelini Amadori, taxpayer ID N°15.379.762-5, and Mr. Mario Angelini Amadori, taxpayer ID N°16.095.366-7, with 24.99997% of the corporate rights each.
- 5) Moreover, Mrs. Patricia Angelini Rossi has by-law control of Inversiones Senda Blanca Limitada, taxpayer ID N°76.061.994-7, which is the owner of 14.79393% of the corporate rights of Inversiones Angelini y Compañía Limitada. The partners of Inversiones Senda Blanca Limitada are: (i) Mrs. Patricia Angelini Rossi with 0.00014% of the corporate rights, and (ii) Mr. Franco Mellafe Angelini, taxpayer ID N°13.049.156-1; Mr. Maximiliano Valdés Angelini, taxpayer ID N°16.098.280-2, and Ms. Josefina Valdés Angelini, taxpayer ID N°16.370.055-7, with 33.33329% of the corporate rights each.

b.2) On the other hand, the mentioned Inversiones Golfo Blanco Limitada, a company under by-law control by Mr. Roberto Angelini Rossi, is the direct owner of 5.77307% of the shares of AntarChile S.A.

b.3) Lastly, the already mentioned Inversiones Senda Blanca Limitada, a company under by-law control by Mrs. Patricia Angelini Rossi, is the direct owner of 4.3298% of the shares of AntarChile S.A.

In accordance with this, the controller group of AntarChile S.A., defined above, has a total direct and indirect shareholding of 74.01688%.

Lastly, it is left on record that the following natural persons related by kinship to the final controllers are the direct owners of the following percentages of AntarChile S.A.: Ms. Daniela Angelini Amadori: 0.04419%; Mr. Maurizio Angelini Amadori: 0.04419%; Mr. Claudio Angelini Amadori: 0.04394%; Mr. Mario Angelini Amadori: 0.04216%; Mr. Franco Roberto Mellafe Angelini: 0.05879%; Mr. Maximiliano Valdés Angelini: 0.05559%; and Ms. Josefina Valdés Angelini: 0.05559%.

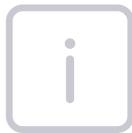


Abastible's subsidiary Duragas in Ecuador.



Independent Auditors and Credit Rating Agencies

In a general shareholders' meeting of AntarChile S.A., held in April 2018, the firm PriceWaterhouseCoopers, Consultores, Auditores y Cía. Ltda. was appointed as the company's independent auditors for 2018, and Fitch Chile Clasificadora de Riesgo Ltda. and Feller-Rate Clasificadora de Riesgo Ltda. as the private credit rating agencies for the same period.



Material Facts and Shareholder and Directors' Committee Proposals

In 2018 and up to the date of submitting this annual report, the company informed the Financial Market Commission (CMF, as per the Spanish acronym) and the different stock exchanges in Chile of the following material facts:

- On April 10, AntarChile S.A. reported that a company board meeting, held on April 6, 2018, unanimously agreed to propose to the company's ordinary general shareholders' meeting payment of a compulsory minimum final dividend, which will be assigned to the net income of the year ended December 31, 2017, charged to the income of such financial year. Dividend N°35 amounts to US\$0.436140 per share which, if approved, will be paid in Chilean pesos as of May 11, 2018 to those shareholders registered in the company's Shareholders' Registry at midnight on May 5, 2018. The mentioned dividend distribution has no effect on the company's financial standing.
- On April 11, 2018, AntarChile S.A. reported that an ordinary general shareholders' meeting would be held on April 27, 2018 to analyze the financial statements, the annual report, establish the remuneration of the board and appoint the independent auditors, among other matters. Moreover, the company would propose payment of compulsory minimum final dividend N°35 of US\$0.436140 per share.

There were no proposals by the shareholders or the Directors' Committee.



Responsibility Statement

Pursuant to what is laid down in General Regulation N°30 of the Financial Market Commission, this annual report is signed by the company directors who, jointly with the CEO, declare they are responsible for the information contained herein being totally true.

Roberto Angelini Rossi

CHAIRMAN

Taxpayer ID N°5.625.652-0

Jorge Andueza Fouque

VICE-CHAIRMAN

Taxpayer ID N°5.038.906-5

Jorge Desormeaux Jiménez

DIRECTOR

Taxpayer ID N°5.921.048-3

José Tomás Guzmán Dumas

DIRECTOR

Taxpayer ID N°2.779.390-8

Manuel Enrique Bezanilla Urrutia

DIRECTOR

Taxpayer ID N°4.775.030-K

Juan Edgardo Goldenberg Peñafiel

DIRECTOR

Taxpayer ID N°6.926.134-5

Andrés Lyon Lyon

DIRECTOR

Taxpayer ID N°5.120.544-8

Andrés Lehuedé Bromley

CEO

Taxpayer ID N°7.617.723-6

Santiago, April 2019

