antarchile

EARNINGS ANALYSIS

Fourth Quarter
2017

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4Q17 4Q16

AntarChile had ~~a~~ net income of US$58 million in 4Q17, dropping US$8 million year-over-year (YoY).

Non-operating income fell US$279 million, mainly due to lower income at Arauco, associated with the following non-recurring effects: the buyback of bonds and debt refinancing (-US$65 million), and a negative effect from a change in the valuation of biological assets (-US$54 million). Igemar also had a decrease due to a fixed asset impairment charge applied to the productive facilities of Orizon (-US$80 million). That was partly offset by a lower income tax expense of US$116 million, due to the tax reforms in Argentina and the United States.

Operating income rose US$114 million from an increase in the forestry business, mainly due to higher pulp prices, along with the better performance of Copec Combustibles related to an increase in the volume sold.

4Q17 3Q17

Net income dropped US$146 million quarter-over-quarter (QoQ). That was due to lower operating and non-operating income, which was partly offset by a positive tax effect of US$198 million related to tax reforms in the United States and Argentina.

Operating income was down US$96 million due to a drop in the fuels business (-US$64 million), explained by lower margins at Copec and a decrease in the volume sold at Abastible from the seasonal nature of the business. There was also a decrease in the forestry business (-US$28 million), related to lower physical sales volumes across all business lines.

Non-operating income dropped US$361 million, of which US$184 million was from non-recurring effects of Arauco. Likewise, Igemar had a US$132 million decrease, due to a fixed asset impairment charge at Orizon and the sale of Selecta on the previous quarter.

2017 2016 YTD

In 2017, AntarChile had net income of US$399 million, a 22% increase on 2016 (US$326 million), associated with an increase in operating income and a positive tax expense effect, which was partly offset by lower non-operating income.

Operating income was US$422 million higher than in 2016. Such increase was mainly due to the forestry business (+US$328 million), essentially because of higher revenue across all its business lines, particularly pulp, with an increase in both the price and physical sales volume. The fuels business also had higher operating income (+US$113 million), mainly on account of the better performance of Copec Combustibles related to better margins in Chile and Colombia, a positive effect of the revaluation of inventories in both countries, a sales increase in the distributor channel in Chile, along with the consolidation of the MAPCO operations.

Non-operating income fell US$419 million, explained by lower non-operating income at Arauco (-US$352 million), which included the negative effect of the wildfires in the first quarter of the year (-US$178 million) and the non-recurring effects mentioned above. Igemar also had lower non-operating income related to a fixed asset impairment charge.

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	5,324	5,204	4,549	2%	17%	20,353	16,699	22%
EBIT	273	368	159	-26%	71%	1,204	781	54%
EBITDA*	528	638	405	-17%	30%	2,213	1,732	28%
Adjusted EBITDA**	533	626	394	-15%	35%	2,204	1,743	26%
Non-operating income	(295)	66	(16)	-545%	-1,737%	(452)	(34)	-1,240%
Net Income	83	342	132	-76%	-37%	673	591	14%
Net income of controlling interest	**58**	**204**	**66**	**-72%**	**-12%**	**399**	**326**	**22%**
Net income of minority interest	26	138	67	-81%	-61%	274	266	3%
EBITDA Margin	10%	12%	9%	-19%	11%	11%	10%	5%
EBITDA / net financial expense	4.1 x	8.5 x	5.4 x	-52%	-25%	6.4 x	6.0 x	7%

(*) EBITDA = Operational Income+ Depreciation+ Amortization+ Stumpage (Fair value of harvested timber)

(**) Adjusted EBITDA = Net Income + Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

BALANCE SHEET consolidated

US$ million	dic 2017	dec 2016	Variation US$ million	Variation %
Current Assets	5,485	5,010	474	9.5%
Non-current Assets	17,243	16,909	334	2.0%
Total Assets	**22,728**	**21,919**	**809**	**3.7%**
Other current financial liabilities	1,080	978	102	10.5%
Other current liabilities	2,189	1,751	438	25.0%
Other non-current financial liabilities	5,714	5,890	(176)	-3.0%
Other non-current liabilities	2,561	2,613	(52)	-2.0%
Total liabilities	**11,544**	**11,232**	**312**	**2.8%**
Equity of minority interest	**4,555**	**4,393**	**162**	**3.7%**
Equity attributable to controlling interest	**6,628**	**6,294**	**334**	**5.3%**
Leverage	0.46	0.50		-7.1%
Net financial debt	5,149	5,295	(146)	-2.8%

As of December 31, 2017, AntarChile's total consolidated current assets rose 3.7% on those as of December 31, 2016.

Current assets increased 9.5%, driven by an increase in trade receivables and other current accounts receivable, along with higher inventories, mainly at Copec. Moreover, there were higher cash and cash equivalents at Empresas Copec and Abastible.

Non-current assets rose 2.0%, related to an increase in property, plant and equipment at Copec and Arauco. That was partly offset by a decrease in non-current biological assets, largely due to the Arauco plantations hit by wildfires in early 2017.

Current liabilities climbed 19.9%, mainly because of higher accounts payable at Copec and Arauco and an increase in other current financial liabilities at Igemar, Copec and Abastible. There was also an increase in other current financial liabilities at the parent company due to reclassifying a bank liability maturing in mid-2018 to the short term. Other current non-financial liabilities also rose, because of higher dividends payable on account of the increased net income in the year.

Non-current liabilities dropped 2%, due to lower other non-current financial liabilities, mainly at the parent company, and deferred tax liabilities from fixed asset impairment at Orizon and wildfires, partly offset by higher other non-current non-financial liabilities at the indirect subsidiary Arauco.

Lastly, shareholders' equity increased 5.3% on that at December 2016, because of higher retained earnings. There were also less negative exchange rate effect compared to those at the close of the previous year.

CASH FLOW

consolidated

US$ million	dic-17	dic-16	Variation	
			US$ million	%
Cash flow from (used in) operating activities	1,602	1,520	82	5%
Cash flow from (used in) investing activities	(961)	(1,878)	917	49%
Cash flow from (used in) financing activities	(557)	(32)	(525)	-1,650%
Net increase (decrease) in cash and cash equivalents, before exchange rate adjustments	**85**	**(389)**	**474**	**122%**

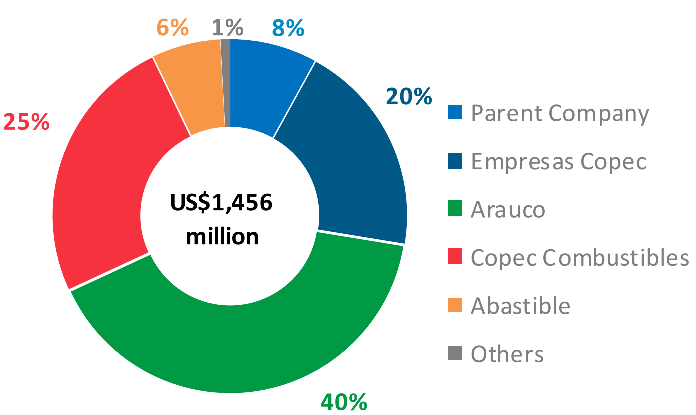
In 2017, the company's cash flow before the exchange rate effect was US$85 million, which was an increase on the negative cash flow of US$389 million in 2016.

The operating cash flow as of December 2017 increased US$82 million compared to the previous year, largely explained by higher charges from sales of goods and services at Copec, and to a lesser extent at Arauco and Abastible. That was partly offset by greater payments to goods and services suppliers at Copec, and to a lesser extent at Arauco and Abastible. There were also higher payments to and on behalf of employees at the parent company and Copec.

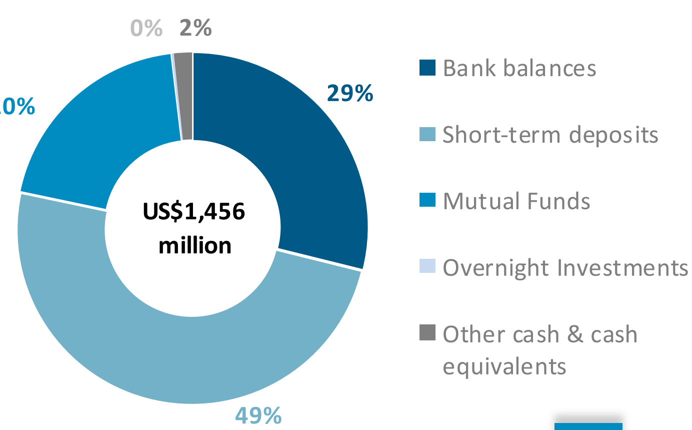
The investing cash flow in 2017 was US$917 million less negative than in 2016. The main reason was a lower cash flow used to gain control of subsidiaries or other businesses in 2017. It should be highlighted that in 2016 the company made acquisitions of Solgas, Duragas and MAPCO in the fuels business amounting to US$850 million. Arauco also bought 50% of Tafisa (now Sonae Arauco) for US$153 million. That was partly offset by greater purchases of property, plant and equipment at Arauco and Copec, along with higher other payments to acquire equity or debt instruments of other entities of Igemar, related to the purchase of Corpesca shares (US$28 million).

The financing cash flow had a higher net disbursement of US$525 million as of December 2017, with the outlay increasing greatly compared to the same period in 2016. That is explained by greater loan payment related to refinancing undertaken by Arauco, which included the buyback of bonds issued in the international market of US$741 million.

CASH AND CASH EQUIVALENTS
by entity

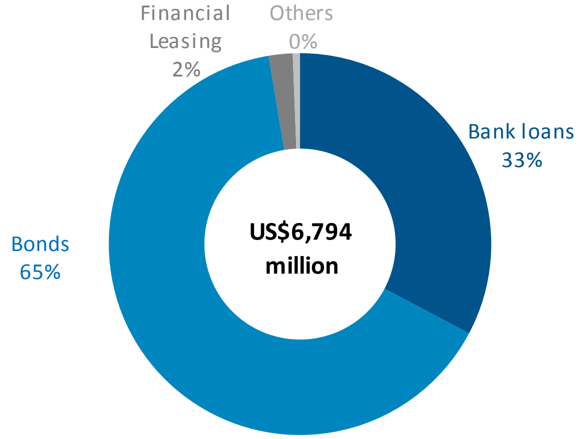


BREAKDOWN
by instrument

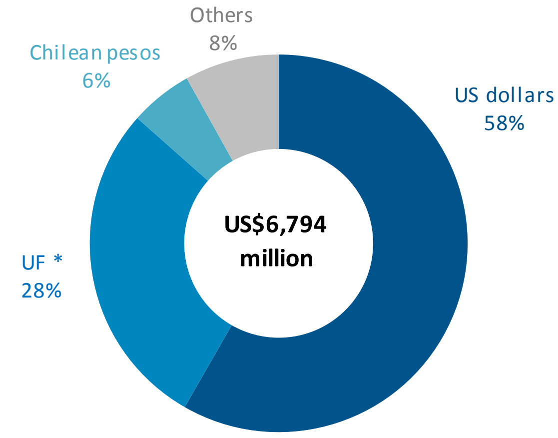


FINANCIAL DEBT consolidated

BREAKDOWN
by instrument



BREAKDOWN
by currency

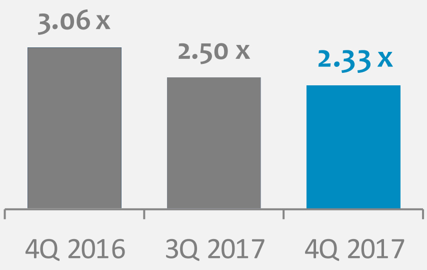


(*) "Chilean currency unit indexed to inflation"
Source: Ministry of Finance, Chile

FINANCIAL DEBT
Net

US$ million	4Q 2017	3Q 2017	4Q 2016
Current financial liabilities	1,080	1,088	978
Non-current financial liabilities	5,714	5,518	5,890
Total financial liabilities	**6,794**	**6,607**	**6,868**
Cash and cash equivalents	1,456	1,192	1,332
Current financial assets	189	195	242
Net financial debt*	**5,149**	**5,220**	**5,295**

NET DEBT/ EBITDA LTM



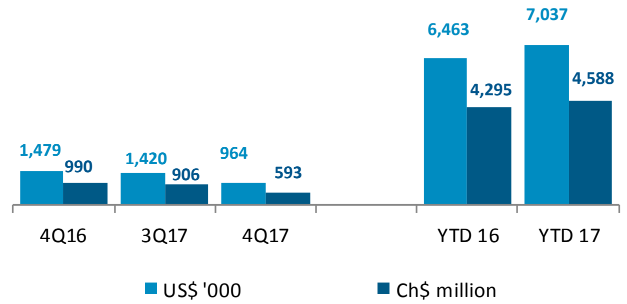
** Net Debt = Current financial liabilities + Non-current financial liabilities- cash and cash equivalents– Other current financial assets.*

EARNINGS consolidated by segment

antarchile

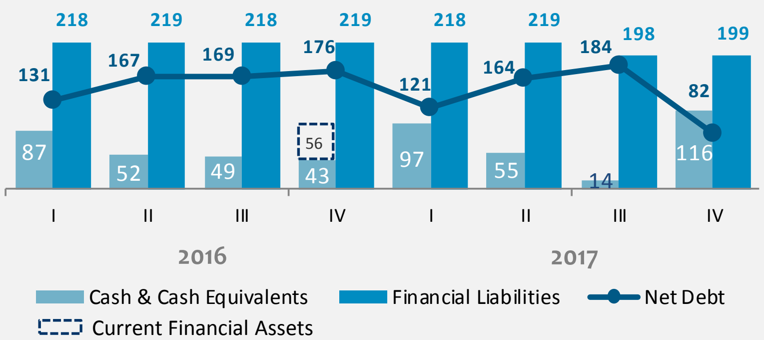
US$ million	4Q 2017	3Q 2017	4Q 2016	Var. Q-Q	Var. Y-Y	YTD 2017	YTD 2016	Acc. Var. Y-Y
Sales								
Forestry	1,331	1,393	1,221	-4%	9%	5,238	4,761	10%
Fuels	3,953	3,764	3,289	5%	20%	14,957	11,782	27%
Fisheries	39	47	40	-17%	-2%	157	156	1%
Other companies	1	0	0	703%	753%	1	1	195%
Total	**5,324**	**5,204**	**4,549**	**2%**	**17%**	**20,353**	**16,699**	**22%**
EBITDA								
Forestry	350	396	271	-12%	29%	1,375	1,041	32%
Fuels	180	240	133	-25%	35%	844	682	24%
Fisheries	3	7	5	-60%	-43%	19	30	-36%
Other companies	(6)	(6)	(5)	5%	-13%	(25)	(20)	-23%
Total	**528**	**638**	**405**	**-17%**	**30%**	**2,213**	**1,732**	**28%**
Net income								
Forestry	83	148	75	-44%	11%	270	218	24%
Fuels	69	128	54	-46%	27%	400	332	21%
Fisheries	(77)	38	(30)	-300%	-155%	(50)	(39)	-28%
Other companies	8	28	32	-71%	-75%	52	81	-36%
Total	**83**	**342**	**132**	**-76%**	**-37%**	**673**	**591**	**14%**
Capex								
Forestry	233	169	164	38%	42%	654	665	-2%
Fuels	106	152	628	-30%	-83%	406	1,148	-65%
Fisheries	12	29	9	-60%	35%	44	17	164%
Other companies	(1)	1	(102)	-160%	99%	5	(1)	711%
Total	**350**	**351**	**700**	**0%**	**-50%**	**1,109**	**1,830**	**-39%**

SALES AND ADMINISTRATION EXPENSES

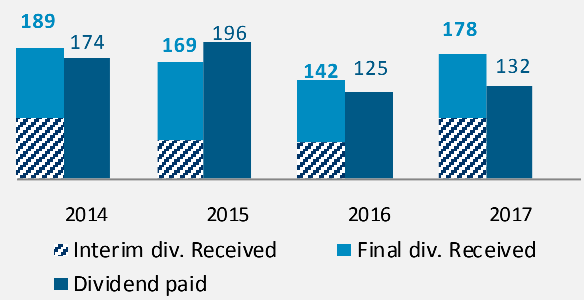


- The administration expenses of AntarChile (individual) dropped US$0.5 million in 4Q17 compared to the same period in 2016, due to lower severance payment provisions.
- The increase in accrued expenses compared to the previous year is explained by extraordinary severance payments incurred in 1Q17.

NET DEBT
US$ million



DIVIDENDS
US$ million



AntarChile seeks to maintain a relatively constant level of financial liabilities over time.

Cash and cash equivalents are fully related to the dividends received and paid by AntarChile.

The company's dividend distribution policy establishes that 40% of the net income in the year shall be distributed. AntarChile's dividend policy is linked to that of Empresas Copec, so as to prevent an unnecessary build-up of cash at the holding company.

In December, Empresas Copec pays an interim dividend which increases cash and cash equivalents in the last quarter of each year. In May, both Empresas Copec and AntarChile pay a final dividend so cash and cash equivalents normally drop in the second quarter. Besides this, in December 2017 the company received a dividend payment from Colbún.

In the third quarter of 2017, AntarChile reduced its individual debt by US$21 million and also made a temporary fund transfer of US$19 million to Igemar to finance part of the increase of its shareholding in Corpesca. Such funds were reimbursed in November 2017.

EMPRESAS COPEC CONSOLIDATED

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	5,324	5,204	4,549	2%	17%	20,353	16,699	22%
EBIT	274	370	161	-26%	70%	1,211	788	54%
EBITDA*	**529**	**639**	**406**	**-17%**	**30%**	**2,220**	**1,738**	**28%**
Adjusted EBITDA **	515	652	407	-21%	27%	2,231	1,769	26%
Non-operating income	(296)	57	(7)	-619%	-4,129%	(472)	(34)	-1,288%
Net income	81	334	142	-76%	-43%	659	597	10%
Net income of controlling interest	**106**	**311**	**132**	**-66%**	**-20%**	**639**	**554**	**15%**
Net income of minority interest	(25)	23	10	-209%	-350%	20	42	-52%

(*) EBITDA = Operational income+ Depreciation+ Amortization+ Stumpage (Fair value of harvested timber)

(**) Adjusted EBITDA = Net Income+ Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

AntarChile's results are highly correlated with those of its subsidiary Empresas Copec.

The following pages contain a brief analysis of the key variations of Q4 2017 for the principal subsidiaries.

For further details, please refer to:

- Empresas Copec, press release, at investor.empresascopec.cl
- Celulosa Arauco y Constitución, press release, at www.arauco.cl, and
- Terpel, results presentation, at www.terpel.com/en/Accionistas

CELULOSA ARAUCO Y CONSTITUCIÓN, CONSOLIDATED

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales revenue	1,331	1,393	1,221	-4%	9%	5,238	4,761	10%
EBIT	163	191	77	-15%	111%	619	292	112%
Adjusted EBITDA*	**345**	**392**	**260**	**-12%**	**33%**	**1,366**	**1,052**	**30%**
Non-operating income	(175)	9	(13)	-1,947%	-1,217%	(380)	(28)	-1,242%
Net income	83	148	76	-44%	10%	270	218	24%
Net income of controlling interest	**83**	**148**	**74**	**-44%**	**13%**	**270**	**214**	**26%**
Net income of minority interests	0	(0)	2	1,133%	-89%	1	4	-83%

(*) Adjusted EBITDA = Net Income + Financial Costs– Financial Income + Taxes+ Depreciation and Amortization + Fair value of harvested timber – Changes in valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires

4Q17
4Q16

Arauco posted net income of US$83 million in 4Q17, US$9 million up YoY. That was due to an increase in operating income of US$86 million from higher revenue, mainly in the pulp business associated with a price increase, partly offset by a lower sales volume. Besides this, there was a positive tax effect of US$83 million from the tax reforms in Argentina and the United States. That was partly offset by non-operating income dropping US$162 million, due to higher financial costs from the buyback of bonds and debt refinancing. There was also a negative effect from a change in the revaluation of biological assets.

4Q17
3Q17

Net income in 4Q17 dropped US$65 million QoQ. This was due to a decrease in operating and non-operating income. The former fell US$28 million from decreased revenue across all business lines, mainly explained by lower sales volumes, offset by a pulp price increase. Non-operating income was down US$184 million, because of higher costs from the buyback of bonds and debt refinancing, along with a lower revaluation of biological assets.

2017
2016
YTD

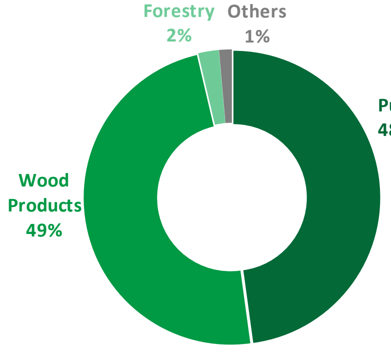
Net income accrued in 2017 was US$270 million, which was US$56 million up on the previous year, mainly related to operating income increasing US$327 million from the higher revenue across all business lines, particularly pulp from sales prices and volumes increasing 12.6% and 2.7%, respectively. That was partially offset by non-operating income dropping US$352 million, due to the effects of the wildfires in Chile in the first quarter of 2017, higher financial costs from the buyback of bonds and debt refinancing, and lastly a lower revaluation of biological assets.

SALES
by segment

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.
Pulp (*)	637	663	557	-4%	14%
Wood Products (*)(**)	646	687	630	-6%	3%
Forestry (*)	30	35	28	-13%	10%
Others	19	8	6	127%	210%
Total	**1,331**	**1,393**	**1,221**	**-4%**	**9%**

(*) Sales include energy
(**) Include panels and timber

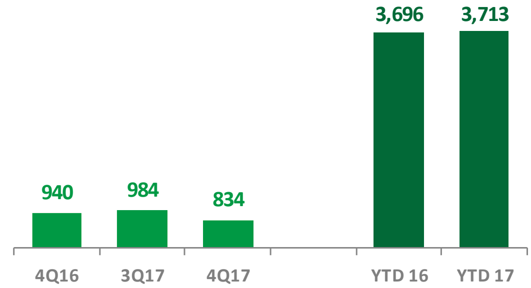
Total 4Q17: US$1,331 million



PULP

Prices rallied strongly in 2017 and this was very evident in the last quarter of the year. All markets generally had positive demand, due to healthy economies that were able to absorb the higher pulp supply, which was partly offset by operating problems at various mills that lost part of their annual capacity.
All the Asian markets had strong demand, particularly China which was affected by restrictions on unsorted waste paper imports. Pulp prices thereby rose 40% to 50% January through December 2017. The biggest increases were in the fourth quarter, after which the market stabilized with no signs of any deterioration and even showing interest in consolidating volume reserve contracts with favorable terms for 2018.
Europe, a market that has been depressed for several years, has had large recovery and its demand has increased. As in the Asian market, prices rose 30% to 40%, with hardwood prices increasing most. This market continued to be active, particularly in the fourth quarter, with price increases and no signs of any downturn.

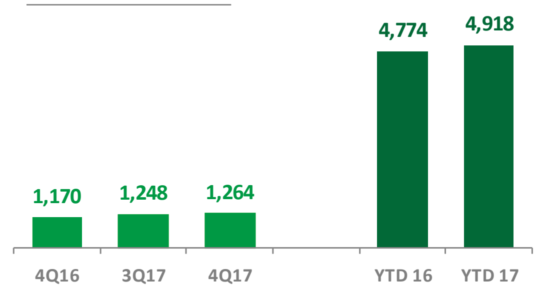
PRODUCTION
Thousands of Adt



PANELS

2017 was positive for plywood, with better margins and an increase in the physical sales volume compared to previous years. The outlook for 2018 is forecasted to be positive, due to the development of value-added products. The leading markets for these products (United States, Mexico, Chile, Europe and Oceania) are growing and there are no major supply increases. Prices and margins should therefore carry on increasing.
2017 was also a good year for Chile and Latin America in the panels market, particularly regarding prices and due to a better sales mix, despite there being greater supply from Brazil and Mexico. The trend of higher prices and a better sales mix is expected to consolidate in 2018, largely due to marketing actions and to the growth forecasted for the region.
Argentina is expected to have a good year due to the economic growth forecasted. On the other hand, Brazil poses challenges for Arauco because of newly acquired assets and the new mills coming on stream.
In the United States and Canada, the year ended with a slight increase in sales prices and volume. Melamine had a slightly higher increase than the other products. Forecasts for 2018 are positive, because of the growth of construction and the economy, but with greater supply from new MDF mills and the Grayling particleboard mill, which might enter the market by late 2018.

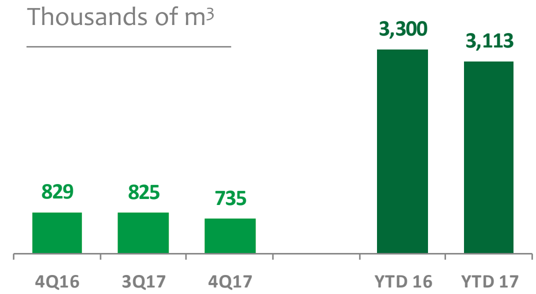
PRODUCTION
Thousands of m^3



SAWN TIMBER

2017 was a good year for prices and margins, but sales were hit by the wildfires early in the year. Prices increased due to robust demand from China, the rest of Asia, the Middle East and Latin America. The forecast for 2018 is that this trend will continue due to the growth outlook for China and in the rest of Asia.
The outlook is positive for construction in Latin America and the United States, as in Europe. Regarding supply, there are no announcements of any large projects, except some in the United States and Brazil.
There were mixed results in the remanufactured product area, since the first half of the year was much better than the second half, which worsened due to oversupply from Brazil. Prices and volume are expected to improve as of the second quarter of 2018, because of demand seasonality in the US market.

PRODUCTION
Thousands of m^3



COPEC CONSOLIDATED

Millions of Chilean Pesos	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	2,315,080	2,215,694	2,041,327	4%	13%	8,965,701	7,454,337	20%
EBIT	59,562	81,099	42,561	-27%	40%	295,297	239,057	24%
EBITDA	**86,420**	**105,852**	**62,470**	**-18%**	**38%**	**397,134**	**321,016**	**24%**
Non-operating income	(17,043)	(8,869)	(6,524)	-92%	-161%	(45,263)	(42,992)	-5%
Net Income	**32,658**	**45,101**	**19,131**	**-28%**	**71%**	**167,466**	**130,401**	**28%**
Copec Chile's physical sales (thousands of m³)	2,515	2,397	2,411	5%	4%	9,823	9,795	0%
Copec Chile's market share	56.8%	57.5%	57.3%	-1%	-1%	57.2%	58.1%	-1%
MAPCO's Sales (million US$)	414	411	183	1%	126%	1,553	183	749%
MAPCO's EBITDA (million US$)	8	13	1	-38%	700%	39	1	3,800%
MAPCO's physical sales (thousands of m³)	517	513	-	1%	-	1,961	-	-

4Q17 4Q16

Copec had net income of Ch$32,658 million in 4Q17, Ch$13,527 million higher YoY. That is mainly explained by greater operating income of Ch$17,001 million, due to higher physical sales at Copec and Terpel and a positive effect of the revaluation of inventories. That was partly offset by lower non-operating income of Ch$10,519 million, because of lower exchange rate difference income and an increase in other expenses by function.

4Q17 3Q17

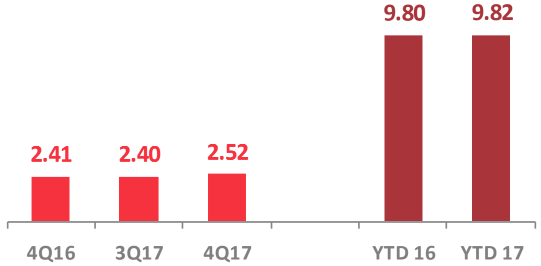
Net income in the quarter was Ch$12,443 million down QoQ. Operating income dropped Ch$21,537 million, largely due to lower margins and partly offset by higher physical sales volumes in Chile. Non-operating income fell Ch$8,174 million, on account of lower exchange rate difference income and an increase in other expenses by function.

2017 2016 YTD

Regarding income accrued from the previous year, Copec had a positive variation of Ch$37,065 million. That was due to an operating income increase of Ch$56,240 million related to higher margins in Chile and Colombia, the positive effect of the revaluation of inventories in both countries and greater physical sales in the distributor channel in Chile. Besides this, there was also the consolidation of MAPCO's operations in the United States. Non-operating income dropped Ch$2,271 million because of higher other expenses.

COPEC CHILE FUEL SALES

Millions of m³



ORGANIZACIÓN TERPEL CONSOLIDATED

Millions of Colombian Pesos	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	4,239,483	3,871,004	3,826,975	10%	11%	15,346,261	14,431,614	6%
EBIT	98,879	167,966	134,825	-41%	-27%	497,759	484,219	3%
EBITDA	**151,669**	**214,615**	**158,187**	**-29%**	**-4%**	**686,210**	**646,116**	**6%**
Non-operating income	(39,601)	(37,002)	(20,521)	-7%	-93%	(135,440)	(144,223)	6%
Net income of controlling interest	**27,393**	**79,805**	**79,203**	**-66%**	**-65%**	**212,190**	**213,393**	**-1%**
Net income of minority interest	**-**	**0**	**-**	**-100%**	**-**	**0**	**32**	**-100%**
Physical sales of Terpel (thousands of m³)								
Colombia	1,826	1,798	1,799	2%	2%	7,067	7,024	1%
Panama	226	234	215	-3%	5%	918	939	-2%
Ecuador	155	152	147	2%	5%	584	550	6%
Dominican Republic	55	52	55	6%	0%	222	212	5%
Physical sales of Gazel (thousands of m³)								
Colombia	70	70	77	0%	-9%	281	305	-8%
Panama	22	21	21	5%	5%	82	79	4%
Ecuador	-	17	13	-100%	-100%	47	49	-4%

4Q17
4Q16

Terpel's net income in 4Q17 dropped 65% YoY. EBITDA was down COP$6,518 million, due to lower margins, a decrease in the revaluation of inventories and the sale of operations in Mexico. That was partly offset by higher sales volumes in Colombia, Panama and Ecuador.

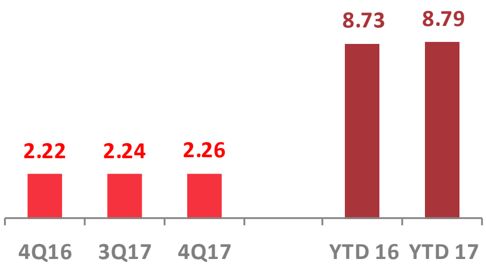
4Q17
3Q17

Net income fell 66% in 4Q17 QoQ, explained by a drop in operating income of COP$69,087 million from lower margins.

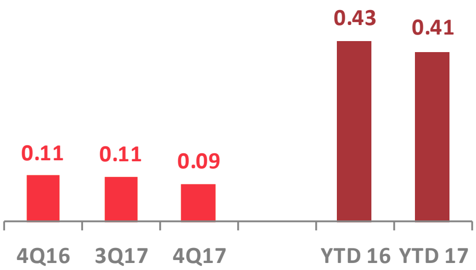
2017
2016
YTD

EBITDA accrued as of December 2017 was 6% higher than the same period in 2016. Regarding the previous year, margins have improved with a slight increase in physical sales. That was partly offset by the sale of operations in Mexico.

TERPEL FUEL SALES
Millions of m³



GAZEL FUEL SALES
Millions of m³



ABASTIBLE CONSOLIDATED

Millions of Chilean Pesos	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	174,544	206,680	161,944	-16%	8%	736,821	530,622	39%
EBIT	8,055	27,051	8,956	-70%	-10%	69,892	67,859	3%
EBITDA	**17,193**	**36,181**	**18,633**	**-52%**	**-8%**	**107,157**	**98,824**	**8%**
Non-operating income	(4,229)	1,199	1,234	-453%	-443%	(2,644)	6,320	-142%
Net Income	**2,842**	**21,846**	**3,279**	**-87%**	**-13%**	**46,581**	**49,177**	**-5%**
Physical sales of LPG in Chile (thousands of tons)	107	146	102	-27%	5%	472	459	3%
Physical sales of LPG in Colombia (thousands of tons)	52	51	50	2%	4%	199	188	6%
Physical sales of LPG in Peru (thousands of tons)	127	131	131	-3%	-3%	518	456	14%
Physical sales of LPG in Ecuador (thousands of tons)	111	111	104	0%	7%	426	403	6%

4Q17
4Q16

Abastible had net income of Ch$2,842 million in 4Q17, a Ch$438 million decrease YoY, explained by lower operating and non-operating income. The former dropped Ch$901 million because of a lower performance in Colombia and partly offset by increases in Chile, Peru and Ecuador. Non-operating income was down Ch$5,463 million because of a decrease in associates and joint ventures related to fixed asset impairment at Sonamar.

4Q17
3Q17

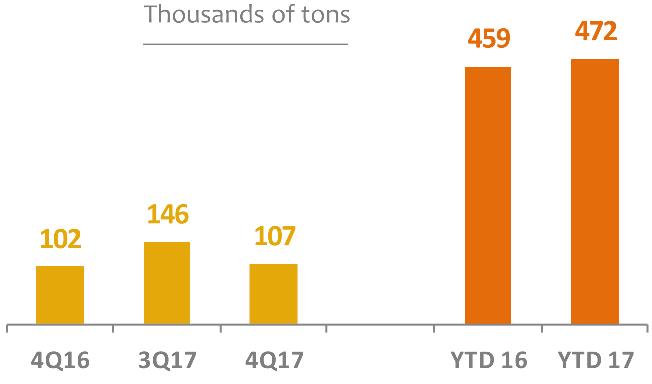
Abastible's net income fell Ch$19,004 million QoQ, explained by operating income dropping Ch$18,996 million from lower sales volumes in Chile and Peru (due to the seasonal nature of the business), which dipped 26.7% and 2.8%, respectively. On the other hand, non-operating income fell Ch$5,428 million, mainly due to the lower income in associates and joint ventures related to fixed asset impairment at Sonamar.

2017
2016
YTD

Net income accrued as of 2017 was Ch$2,596 million down on 2016. That was mainly due to non-operating income falling Ch$8,964 million because of lower exchange rate difference income, higher financial costs and lower other revenue. Operating income increased Ch$2,033 million on the previous year on account of a better performance in Colombia and the consolidation of the operations of Solgas in Peru and Duragas in Ecuador. That was partly offset by lower income from operations in Chile.

ABASTIBLE CHILE LPG SALES

Thousands of tons



EMPRESA PESQUERA EPERVA

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	76	65	92	17%	-17%	327	347	-6%
EBIT	(10)	144	(84)	-107%	88%	137	(138)	200%
EBITDA	**(2)**	**(9)**	**(41)**	**81%**	**95%**	**11**	**(37)**	**130%**
Non-operating income	(10)	(0)	(2)	-3,445%	-351%	(14)	(0)	-18,777%
Income (loss) from discontinued operations	(25)	7	4	-476%	-750%	(21)	44	-148%
Net income of controlling interest	**(16)**	**51**	**(31)**	**-133%**	**46%**	**32**	**(38)**	**185%**
Net income of minority interest	(30)	61	(30)	-149%	2%	30	(29)	205%
Physical Sales*								
Fishmeal & other protein foods (tons)	116,599	34,749	101,365	236%	15%	345,856	366,468	-6%
Fish oil (tons)	556	2,175	1,281	-74%	-57%	4,688	4,278	10%

(*) Do not include sales from Selecta

4Q17
4Q16

Eperva posted a loss of US$16 million in 4Q17 against a loss of US$31 million YoY. Although operating income improved US$74 million related to a fixed asset impairment charge and a fishmeal inventory adjustment to the realizable value in the last quarter of 2016, earnings from discontinued operations fell US$32 million because of the roll-back of accrued minority interest after the sale of Selecta.

4Q17
3Q17

Net income in 4Q17 dropped US$67 million QoQ. Operating income was down US$154 million due to the sale of 60% of Selecta (+US$161 million). That was partly offset by lower revenue from higher other expenses by function because of the fishmeal inventory being adjusted to the realizable value. There was also a loss related to the roll-back of the accrued minority interest after the sale of Selecta.

2017
2016
YTD

Net income accrued as of 2017 was US$70 million higher than that in the same period in 2016. This positive change was due to the effect of Corpesca selling 60% of Selecta leading to net income of US$161 million before tax. That was partly offset by lower earnings from discontinued operations (-US$65 million) because of the Selecta operation in 2016 and the roll-back from deconsolidation of minority interest.

PESQUERA IQUIQUE-GUANAYE, IGEMAR

US$ million	4Q 2017	3Q 2017	4Q 2016	Q-Q Var.	Y-Y Var.	YTD 2017	YTD 2016	Y-Y Acc. Var.
Sales	39	47	40	-17%	-2%	157	156	1%
EBIT	(5)	(0)	(2)	-2,300%	-220%	(6)	8	-172%
EBITDA	**3**	**7**	**5**	**-59%**	**-42%**	**19**	**30**	**-36%**
Non-operating income	(96)	36	(32)	-365%	-201%	(72)	(49)	-46%
Net income	**(53)**	**40**	**(27)**	**-232%**	**-97%**	**(21)**	**(35)**	**41%**
Physical Sales								
Fishmeal (tons)	6,026	10,725	7,263	-44%	-17%	26,513	27,815	-5%
Fish oil (tons)	1,609	2,967	879	-46%	83%	7,227	5,210	39%
Canned fish (cases)	737,232	533,180	569,274	38%	30%	2,363,975	2,128,953	11%
Frozen fish (tons)	2,531	6,704	4,790	-62%	-47%	17,212	16,274	6%
Catch (tons)	19,396	17,992	20,798	8%	-7%	164,429	158,911	3%

4Q17 4Q16

Igemar posted a loss of US$53 million in 4Q17 against a loss of US$27 million YoY. That was almost entirely due to non-operating income dropping US$64 million, essentially because of fixed asset impairment at Orizon (US$80 million). Moreover, operating income dipped US$3 million, on account of fishmeal, fish oil and canned fish price decreases.

4Q17 3Q17

In 4Q17, net income dropped US$93 million QoQ. That is mainly explained by a non-operating income decrease of US$132 million because of two factors: firstly, in the last quarter of 2017 the company accounted for fixed asset impairment of US$87 million at Orizon, and secondly last quarter it stated the net income generated from Corpesca selling Selecta. Operating income also dipped US$5 million because of higher distribution expenses and lower physical fishmeal and fish oil sales.

2017 2016 YTD

The loss accrued in 2017 was US$21 million, which was a US$14 million improvement on the previous year. Although total income dropped, the controller's net income was more favorable compared to 2016. That was due to higher income at Corpesca, largely explained by the net income from the sale of Selecta and an improvement in the fisheries business, along with the extraordinary net income generated from the purchase of a shareholding in such company which only has a positive effect for the controllers. That was partly offset by fixed asset impairment at Orizon.

On the other hand, operating income fell because of the worse performance of Orizon due to higher costs associated with lower catches, a longer jack mackerel fishing season and the lower sardine and anchovy productivity. There were also lower fishmeal and fish oil prices.

HIGHLIGHTS

TERPEL COMPLETES THE PURCHASE OF EXXONMOBIL ASSETS

- On November 16, 2016, Copec signed various contracts with ExxonMobil on a regional agreement to make and distribute Mobil lubricants in markets in Colombia, Ecuador and Peru, and renew the almost 60-year agreement between ExxonMobil and Copec for the Chilean market.
- It was estimated at that time that one way of optimizing the business was to channel it through the subsidiary Terpel, due to the synergies of the operations of this company in Colombia, Peru and Ecuador.
- On March 15, 2018, Terpel acquired ExxonMobil's operations in Colombia, Ecuador and Peru.
- Pursuant to the conditions imposed by the antitrust authorities in Colombia, Terpel shall transfer the assets of ExxonMobil Colombia to autonomous trust, which shall transfer to Terpel the lubricants business and sell the fuels distribution business to a third party.
- Terpel paid US$715 million, of which US$230 million was the cash of the companies. Terpel financed this operation with bank loans.

ARAUCO ACQUIRES MASISA BRASIL

- In September 2017, Arauco do Brasil, a Brazilian subsidiary of Arauco, acquired Masisa do Brasil for an approximate asset value of US$103 million.
- The main assets of Masisa do Brasil are two industrial complexes at Ponta Grossa (Paraná) and Montenegro (Rio Grande do Sul), an MDF line with an installed capacity of 300,000 m3 a year, and an MDP line with an installed capacity of 500,000 m3 a year.

ARAUCO SIGNS AN AGREEMENT TO ACQUIRE MASISA'S ASSETS IN MEXICO

- In December 2017, Arauco reached an agreement to buy Masisa's assets in Mexico for US$245 million (asset value).
- Such assets include three industrial complexes with a total installed capacity of 519,000 m^3 of MDP a year, 220,000 m^3 of MDF a year, 426,000 m^3 of melamine, 66,000 tons of resins, 60,600 tons of formaldehyde and 22.8 million m^2 of impregnation lines.
- The completion of this deal is subject to a series of prior conditions that are customary for these kinds of operations, with the most important being the authorization by antitrust authorities in Mexico.
- It is estimated that the transaction will go through in 2018.

ONGOING PROGRESS WITH THE GRAYLING PROJECT

- The Grayling project continues to develop as scheduled and now has 70% progress. This mill at Grayling, Michigan, United States, entailed an estimated investment of US$400 million and will have a capacity of 800,000 m^3 a year.
- Start-up is expected in late 2018.

BALANCE SHEET

US$ million	4Q 2017	3Q 2017	4Q 2016
Cash and cash equivalents	1,456	1,192	1,332
Other current financial assets	189	195	242
Other current non-financial assets	150	193	172
Trade and other receivables, current	1,731	1,617	1,358
Related party receivables	44	44	47
Inventories	1,503	1,442	1,375
Current biological assets	311	315	309
Current tax assets	90	71	167
Non-current assets classified as held for sale	10	7	8
Total current assets	**5,485**	**5,075**	**5,010**
Other non-current financial assets	481	492	426
Other non-current non-financial assets	138	128	136
Non-current fees receivable	32	34	33
Non-current accounts receivable from related parties	8	8	25
Investments accounted for using the equity method	1,041	1,065	1,020
Intangibles assets other than goodwill	825	831	811
Goodwill	395	413	411
Property, plant and equipment	10,491	10,388	10,118
Non-current biological assets	3,459	3,515	3,593
Investment property	44	47	45
Deferred tax assets	328	315	292
Total non-current assets	**17,243**	**17,235**	**16,909**
TOTAL ASSETS	**22,728**	**22,310**	**21,919**
Other current financial liabilities	1,080	1,088	978
Trade and other current payables	1,749	1,457	1,421
Related party payables	10	8	8
Other short-term provisions	21	18	16
Current tax liabilities	41	62	45
Current provisions for employee benefits	12	10	9
Other current non-financial liabilities	356	335	253
Total current liabilities	**3,270**	**2,979**	**2,729**
Other non-current financial liabilities	5,714	5,518	5,890
Other non-current accounts payable	1	1	1
Non-current account payable to related companies	-	-	-
Other long-term provisions	69	69	67
Deferred tax liabilities	2,181	2,304	2,305
Non-current provisions for employee benefits	119	112	106
Other non-current non-financial liabilities	191	141	135
Total non-current liabilities	**8,275**	**8,145**	**8,503**
Non-parent participation	4,555	4,561	4,393
Net equity attributable to owners of parent	**6,628**	**6,625**	**6,294**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**22,728**	**22,310**	**21,919**

FINANCIAL STATEMENTS consolidated

antarchile

INCOME STATEMENT

US$ million	4Q 2017	3Q 2017	4Q 2016	YTD 2017	YTD 2016
Sales revenue	5,324	5,204	4,549	20,353	16,699
Cost of sales	(4,453)	(4,262)	(3,837)	(16,907)	(13,937)
Gross Margin	**871**	**942**	**713**	**3,446**	**2,763**
Other income	(4)	56	81	145	279
Distribution costs	(317)	(331)	(425)	(1,247)	(1,197)
Administration expenses	(282)	(242)	(128)	(995)	(785)
Other expenses	(142)	(5)	(44)	(369)	(115)
Other income (loss)	(8)	(1)	(10)	(12)	(8)
Net financial expenses	(130)	(75)	(75)	(344)	(289)
Share of profit (loss) of associates and joint ventures	(11)	76	40	106	89
Exchange rate differences	(0)	16	(9)	21	11
Income (loss) before tax	**(22)**	**435**	**143**	**751**	**748**
Income tax expense	105	(92)	(11)	(78)	(156)
Income (loss) from continuing operations	83	342	132	673	591
Income (loss) from discontinued operations	-	-	-	-	-
Income (loss) attributable to owners of parent	**58**	**204**	**66**	**399**	**326**
Income (loss) attributable to minority interests	26	138	67	274	266
Net Income	**83**	**342**	**132**	**673**	**591**

CONSOLIDATED CASH FLOW

US$ million	YTD 2017	YTD 2016
Cash received from sale of goods and providing services	21,962	17,170
Cash received from premiums and claims, annuities and other policy benefits	4	0
Other cash received from operating activities	370	475
Payments to suppliers for goods and services	(19,182)	(14,920)
Payments to and on behalf of employees	(966)	(616)
Payment for premiums and claims, annuities and other policy obligations	(13)	(7)
Other cash payments for operating activities	(213)	(289)
Dividends received	28	21
Interest paid	(272)	(221)
Interest received	36	62
Income tax refunds (paid)	(140)	(169)
Other cash inflows (outlays)	(11)	15
Net cash flow from (used in) operating activities	**1,602**	**1,520**
Cash flows used in obtaining control of subsidiaries or other business	-	(835)
Cash flows used in the purchase of non-controlling interests	(17)	-
Other cash receipts from the sale of equity or debt instruments of other entities	0	-
Other cash payments to acquire interest in joint ventures	-	(153)
Loans to related parties	(1)	(20)
Proceeds from the sale of property, plant and equipment	11	22
Purchase of property, plant and equipment	(831)	(636)
Proceeds from the sale of intangible assets	-	-
Purchase of intangible assets	(54)	(53)
Proceeds from other long-term assets	2	2
Purchase of other long-term assets	(179)	(157)
Cash advances and loans to third parties	(2)	(1)
Charges to related parties	4	1
Dividends received	61	55
Interest received	5	1
Other cash inflows (outlays)	57	(104)
Net cash flow from (used in) investing activities	**(961)**	**(1,878)**
Amounts paid for equity stakes	-	(0)
Proceeds from long-term borrowings	1,361	609
Proceeds from short-term borrowings	512	550
Loans from related parties	19	-
Payment of borrowings	(2,074)	(865)
Payments of financial leasing liabilities	(3)	(3)
Dividends paid	(277)	(240)
Interest paid	(76)	(72)
Other cash inflows (outlays)	2	(9)
Net cash flow from (used in) financing activities	**(557)**	**(32)**
Net increase (decrease) in cash and cash equivalents before the exchange rate change effect	**85**	**(389)**
Effect of exchange rate changes on cash and cash equivalents	39	53
Cash and cash equivalents at the beginning of the year	1,332	1,668
Cash and cash equivalents at the end of the year	**1,456**	**1,332**