



antarchile

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EARNINGS ANALYSIS

First Quarter
2019

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1Q19
1Q18

AntarChile posted net income of US\$132 million in 1Q19, dropping US\$37 million year-over-year (YoY). This change was explained by operating income decreasing US\$117 million, largely explained by Arauco (-US\$107 million), from lower revenues in the pulp business due to a price decrease and higher unit production costs.

Non-operating income increased US\$27 million, mainly explained by Copec consolidated (+US\$24 million) due to higher revenues from the sale of real estate assets in Chile; lower financial expenses of Terpel related to non-recurring expenses incurred with the purchase of ExxonMobil's assets in the first quarter of 2018; and higher income from monetary correction. That was partly offset by lower exchange rate differences. Abastible also posted higher income (+US\$5 million), because of an increase in other earnings from the sale of real estate assets in Chile; greater income from associates; and a positive effect of monetary correction on income. That was partly offset by increased financial expenses at Solgas (Peru), related to the refinancing of its debt.

1Q19
4Q18

AntarChile had a net income increase of US\$36 million quarter-over-quarter (QoQ), due to higher operating and non-operating income.

Operating income rose US\$23 million, mainly due to Copec Consolidated (US\$13 million), on account of higher amortization expenses in the prior quarter from the incorporation of ExxonMobil's operations, along with greater liquid fuel margins at Terpel. Abastible also had higher income (US\$7 million), because of lower administration expenses. That was partly offset by lower income at Arauco, related to pulp price decreases and higher administration expenses.

Non-operating income increased US\$40 million, mainly explained by Arauco (+US\$52 million), from adjustments made in 4Q18 to the revaluation of biological assets, higher income from associates and joint ventures, and lower other expenses. There was also higher income at Igemar (+US\$9 million), due to lower spending on non-operative plants and vessels, and an increase in Abastible (+US\$5 million), because of higher income in associates and joint ventures, and a positive change from monetary correction. All that was partly offset by a lower income of Copec (-US\$26 million), related to the sale in the prior quarter of ExxonMobil's gas station business in Colombia and real estate assets in Chile. There was also higher income from exchange rate differences and an increase in other expenses.

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|---|------------|------------|------------|-------------|-------------|------------|------------|------------------|
| Sales revenue | 5,927 | 6,057 | 5,752 | -2% | 3% | 5,927 | 5,752 | 3% |
| EBIT | 308 | 286 | 426 | 8% | -28% | 308 | 426 | -28% |
| EBITDA* | 589 | 537 | 680 | 10% | -13% | 589 | 680 | -13% |
| Adjusted EBITDA** | 944 | 2,375 | 677 | -60% | 40% | 944 | 677 | 40% |
| Non-operating income | (27) | (67) | (54) | 60% | 51% | (27) | (54) | 51% |
| Net Income | 233 | 170 | 283 | 37% | -18% | 233 | 283 | -18% |
| Net income of controlling interest | 132 | 96 | 169 | 38% | -22% | 132 | 169 | -22% |
| Net income of minority interest | 102 | 75 | 114 | 36% | -11% | 102 | 114 | -11% |
| EBITDA Margin | 10% | 9% | 12% | 12% | -16% | 10% | 12% | -16% |
| EBITDA / net financial expense | 7.0 x | 6.5 x | 7.1 x | 8% | -2% | 7.0 x | 7.1 x | -2% |

(* EBITDA = Operating 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 the valuation of biological assets + Exchange rate differences + Provision for losses due to wildfires.

| US\$ million | mar 2019 | dec 2018 | Variation | |
|--|---------------|---------------|--------------|-------------|
| | | | US\$ million | % |
| Current Assets | 6,406 | 6,459 | (53) | -0.8% |
| Non-current Assets | 18,584 | 17,568 | 1,016 | 5.8% |
| Total Assets | 24,989 | 24,026 | 963 | 4.0% |
| Other current financial liabilities | 1,303 | 1,188 | 115 | 9.7% |
| Other current liabilities | 2,550 | 2,394 | 155 | 6.5% |
| Other non-current financial liabilities | 6,924 | 6,455 | 469 | 7.3% |
| Other non-current liabilities | 2,580 | 2,563 | 16 | 0.6% |
| Total liabilities | 13,357 | 12,601 | 756 | 6.0% |
| Equity of minority interest | 4,717 | 4,647 | 70 | 1.5% |
| Equity attributable to controlling interest | 6,915 | 6,778 | 137 | 2.0% |
| Leverage | 0.56 | 0.49 | N.A. | 14.2% |
| Net financial debt | 6,462 | 5,560 | 902 | 16.2% |

As of March 31, 2019, AntarChile's total consolidated assets rose 4.0% on those as of December 31, 2018.

Current assets dropped 0.8%, driven by a decrease in cash and cash equivalents at Arauco, related with the acquisition of Masisa Mexico and to the Arauco Mill Modernization and Expansion Project (MAPA, according to the Spanish acronym), along with lower revenue from pulp price decreases. That was partly offset by higher non-financial assets and inventories at Arauco.

Non-current assets climbed 5.8%, explained by higher property, plant and equipment at Arauco, Copec and Abastible, mainly related to leasing contracts that were activated (+US\$640 million) in accordance with the modification of International Financial Reporting Standard (IFRS) 16.

Current liabilities increased 7.5% due to higher other financial liabilities at Arauco, Copec and Abastible, along with an increase in accounts payable at Arauco.

Non-current liabilities rose 5.4%, mainly due to higher other financial liabilities at Arauco and Copec, related to leasing contracts that are stated on the balance sheet in accordance with the modification of IFRS 16.

Lastly, shareholders' equity rose 2.0% on that at December 2018, because of higher retained earnings, along with less negative other reserves.

| US\$ million | mar 2019 | mar 2018 | Variation | |
|---|--------------|------------|--------------|--------------|
| | | | US\$ million | % |
| Cash flow from (used in) operating activities | 263 | 141 | 121 | 86% |
| Cash flow from (used in) investing activities | (301) | (742) | 441 | 59% |
| Cash flow from (used in) financing activities | (148) | 751 | (899) | -120% |
| Net increase (decrease) in cash and cash equivalents, before exchange rate adjustments | (187) | 150 | (337) | -224% |

The company's cash flow as of March 2019, before the exchange rate adjustments effect, was -US\$187 million, which was a decrease on the positive cash flow of US\$150 million in the same period in 2018.

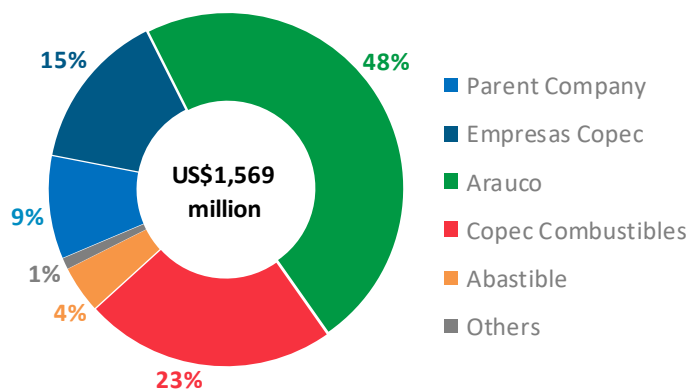
The operating cash flow year-to-date rose 87% on the previous year, largely explained by higher charges for sales of goods and services provided at Copec and Arauco. These were partly offset by higher payments to goods and service suppliers at Copec, along with a higher tax payment at Arauco.

The investing cash flow in 1Q19 was US\$441 million less negative than in the same period in 2018. The main reason was the higher cash flow used in the first quarter of 2018 to gain control of subsidiaries, related to Terpel acquiring ExxonMobil's assets. That was partly offset by Arauco purchasing the assets of Masisa Mexico in the first quarter of 2019.

The financing cash flow had a negative variation of US\$899 million as of March 2019, mainly due to lower proceeds from Terpel bonds in 2018, issued to prepay bank loans acquired to purchase ExxonMobil's assets, and from Copec's loans to refinance part of its debt.

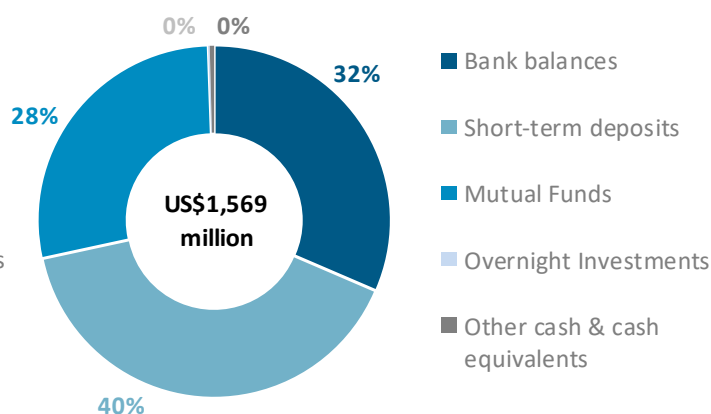
CASH AND CASH EQUIVALENTS

by entity

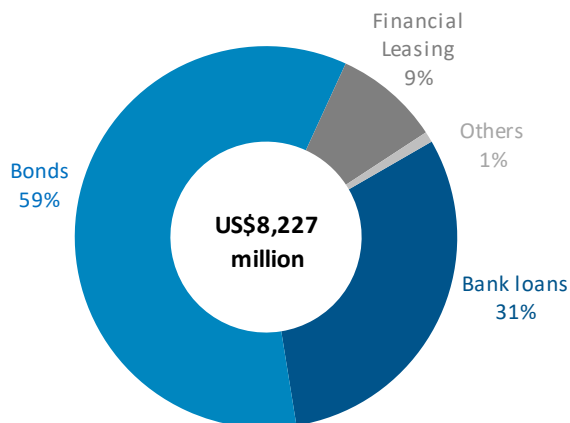


BREAKDOWN

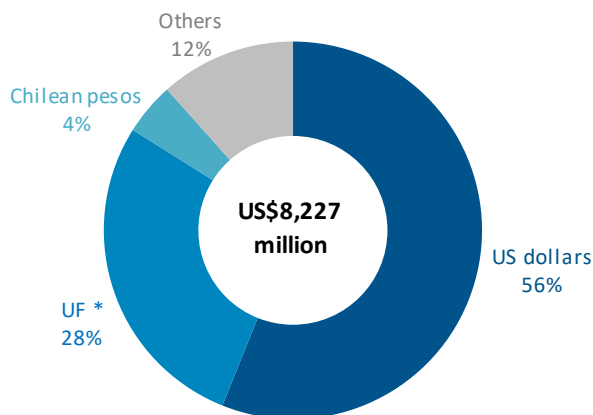
by instrument



BREAKDOWN by instrument



BREAKDOWN by currency



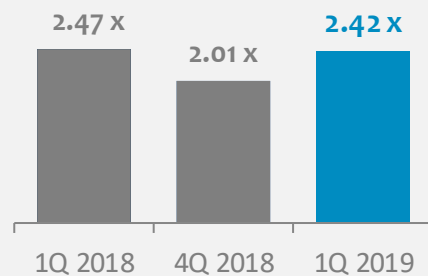
(*): "Chilean inflation-indexed currency unit"
Source: Ministry of Finance, Chile

FINANCIAL DEBT

Net

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 |
|------------------------------------|--------------|--------------|--------------|
| Current financial liabilities | 1,303 | 1,188 | 1,078 |
| Non-current financial liabilities | 6,924 | 6,455 | 6,579 |
| Total financial liabilities | 8,227 | 7,644 | 7,657 |
| Cash and cash equivalents | 1,569 | 1,745 | 1,622 |
| Current financial assets | 196 | 339 | 134 |
| Net financial debt* | 6,462 | 5,560 | 5,902 |

NET DEBT/ EBITDA LTM

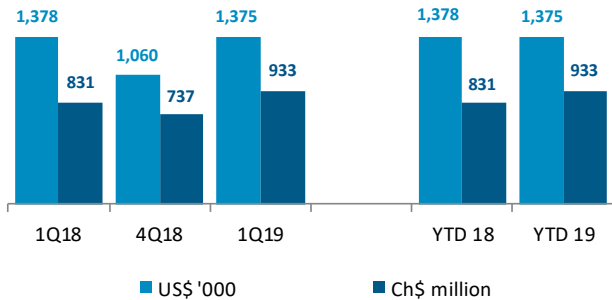


* Net Debt = Current financial liabilities + Non-current financial liabilities - cash and cash equivalents - Other current financial assets.



| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Var. Q-Q | Var. Y-Y | YTD 2019 | YTD 2018 | Acc. Var. Y-Y |
|-------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|------------------|
| Sales | | | | | | | | |
| Forestry | 1,388 | 1,378 | 1,465 | 1% | -5% | 1,388 | 1,465 | -5% |
| Fuels | 4,496 | 4,637 | 4,245 | -3% | 6% | 4,496 | 4,245 | 6% |
| Fisheries | 42 | 43 | 42 | -2% | 0% | 42 | 42 | 0% |
| Other companies | 0 | (0) | 0 | 141% | -43% | 0 | 0 | -43% |
| Total | 5,927 | 6,057 | 5,752 | -2% | 3% | 5,927 | 5,752 | 3% |
| EBITDA | | | | | | | | |
| Forestry | 362 | 345 | 453 | 5% | -20% | 362 | 453 | -20% |
| Fuels | 230 | 222 | 218 | 4% | 5% | 230 | 218 | 5% |
| Fisheries | 4 | 5 | 8 | -6% | -46% | 4 | 8 | -46% |
| Other companies | (7) | (8) | (6) | 15% | -9% | (7) | (6) | -9% |
| Total | 589 | 537 | 680 | 10% | -13% | 589 | 680 | -13% |
| Net income | | | | | | | | |
| Forestry | 126 | 70 | 198 | 80% | -36% | 126 | 198 | -36% |
| Fuels | 111 | 116 | 88 | -4% | 27% | 111 | 88 | 27% |
| Fisheries | (1) | (15) | (2) | 94% | 42% | (1) | (2) | 42% |
| Other companies | (3) | (0) | (1) | -640% | -236% | (3) | (1) | -236% |
| Total | 233 | 170 | 283 | 37% | -18% | 233 | 283 | -18% |
| Capex | | | | | | | | |
| Forestry | 395 | 342 | 183 | 16% | 115% | 395 | 183 | 115% |
| Fuels | 89 | 259 | 575 | -66% | -85% | 89 | 575 | -84% |
| Fisheries | 23 | 31 | 0 | -27% | 9,814% | 23 | 0 | 9,814% |
| Other companies | 1 | 27 | 1 | -96% | 105% | 1 | 1 | 105% |
| Total | 508 | 659 | 759 | -23% | -33% | 508 | 759 | -33% |

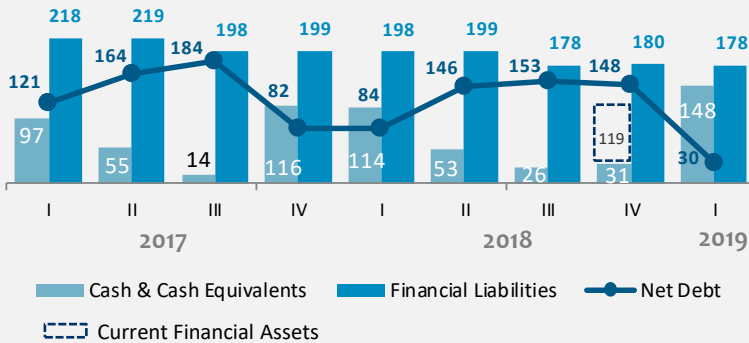
SALES AND ADMINISTRATION EXPENSES



- The administration expenses of AntarChile (individual) YTD were in line with those in the same period in 2018.

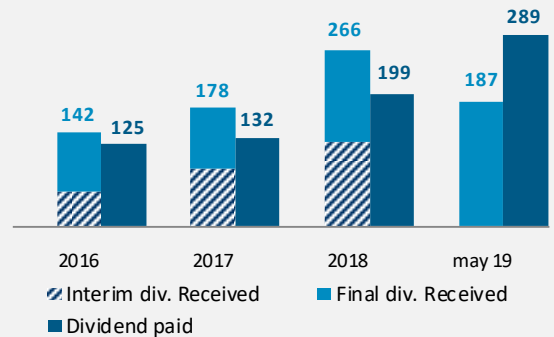
NET DEBT

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 and Colbún.

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, which prevents 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 2018 and May 2019 the company received a dividend payment from Colbún.

EMPRESAS COPEC
CONSOLIDATED

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|---|------------|------------|------------|-------------|-------------|------------|------------|------------------|
| Sales revenue | 5,927 | 6,057 | 5,752 | -2% | 3% | 5,927 | 5,752 | 3% |
| EBIT | 310 | 287 | 427 | 8% | -27% | 310 | 427 | -27% |
| EBITDA* | 591 | 564 | 675 | 5% | -12% | 591 | 675 | -12% |
| Adjusted EBITDA ** | 581 | 578 | 686 | 1% | -15% | 581 | 686 | -15% |
| Non-operating income | (25) | (75) | (54) | 67% | 54% | (25) | (54) | 54% |
| Net income | 236 | 162 | 284 | 46% | -17% | 236 | 284 | -17% |
| Net income of controlling interest | 221 | 148 | 280 | 49% | -21% | 221 | 280 | -21% |
| Net income of minority interest | 15 | 15 | 4 | 0% | 275% | 15 | 4 | 275% |

(*) 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 the 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 1Q 2019 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 | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|---|------------|------------|------------|------------|-------------|------------|------------|---------------|
| Sales revenue | 1,388 | 1,378 | 1,465 | 1% | -5% | 1,388 | 1,465 | -5% |
| EBIT | 162 | 170 | 269 | -5% | -40% | 162 | 269 | -40% |
| Adjusted EBITDA* | 355 | 343 | 457 | 4% | -22% | 355 | 457 | -22% |
| Non-operating income | (21) | (73) | (20) | 71% | -7% | (21) | (20) | -7% |
| Net income | 126 | 70 | 198 | 80% | -36% | 126 | 198 | -36% |
| Net income of controlling interest | 126 | 68 | 198 | 84% | -36% | 126 | 198 | -36% |
| Net income of minority interests | 0 | 2 | (0) | -85% | 392% | 0 | (0) | 392% |

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

1Q19
1Q18

Arauco posted net income of US\$126 million in 1Q19, US\$72 million down YoY. That was mainly due to a US\$107 million drop in operating income, related to lower revenue in the pulp business, due to a 12.2% price decrease, partly offset by a 4.4% increase in volume. This is in line with the global pulp price trend. There were also higher unit production costs of hardwood and bleached softwood.

Non-operating income dropped US\$1 million, explained by higher financial expenses from the adjustments of IFRS 16. That was offset by greater other revenues, due to the positive effect of the revaluation of biological assets.

1Q19
4Q18

Net income in 1Q19 was US\$57 million up QoQ. That was due to a US\$52 million increase in non-operating income, explained by higher other revenues from adjustments of the revaluation of biological assets made in 4Q18. There was also an increased income from associates and joint ventures, mainly due to the higher income of Sonae, and other expenses dropped, due to the wildfires, write-offs and provisions of fixed assets recorded the previous quarter.

Operating income dipped US\$8 million, due to a 10.9% pulp price decrease and higher administration expenses. That was partly offset by a 9.4% increase in pulp volumes, lower unit production costs, and a positive effect of the adjustments of IFRS 16.

SALES

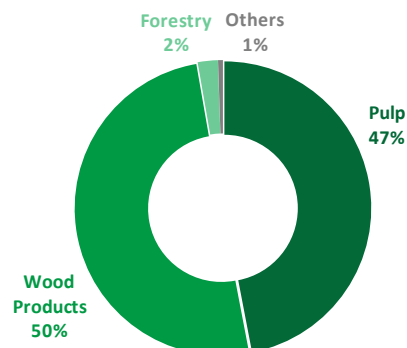
by segment

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. |
|-----------------------|--------------|--------------|--------------|-----------|------------|
| Pulp (*) | 652 | 677 | 733 | -4% | -11% |
| Wood Products (*)(**) | 698 | 661 | 693 | 6% | 1% |
| Forestry (*) | 31 | 30 | 30 | 2% | 2% |
| Others | 7 | 9 | 9 | -15% | -19% |
| Total | 1,388 | 1,378 | 1,465 | 1% | -5% |

(*) Sales include energy

(**) Include panels and timber

Total 1Q19: US\$1,388 million





PULP

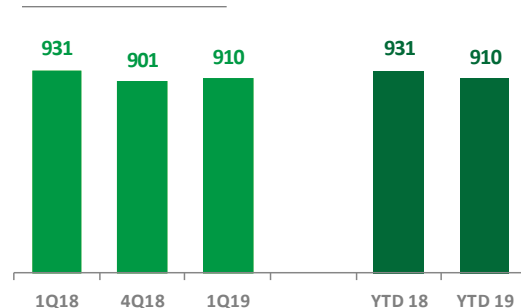
In the first quarter of 2019, there was a more stable scenario in the pulp market compared to the downward trend late last year. Demand improved in March, mainly in Asia, and global inventories started to drop to 48 days, which is still high in comparison with the long-term averages. No new capacity entered the market and there were no events that might have hit supply.

In Asia, although China has shown signs of recovery, it has still not reached the levels of six months ago. There is lingering uncertainty about the tariff negotiations with the United States, causing lower demand from paper producers and price decreases. There were paper mill stoppages in February, to reduce inventories during the celebration of the Chinese New Year. Prices started to recover as of March, increasing 3% for softwood and 4.5% for hardwood, but the scenario remains complex.

The change has been less pronounced in Europe than in China, but paper demand remains low. This has affected the tissue market, in which some companies have not been able to produce at full capacity. There are still no signs of recovery and inventory levels continue high.

PRODUCTION

Thousands of Adt



PANELS

Panel sales in 1Q19 dropped QoQ, with a 1.3% decrease in volume, offset slightly by a 1.6% average price increase.

Demand remained very buoyant in the Latin American market in the quarter, particularly for MDF, and a positive first half of the year is expected on the Pacific coast.

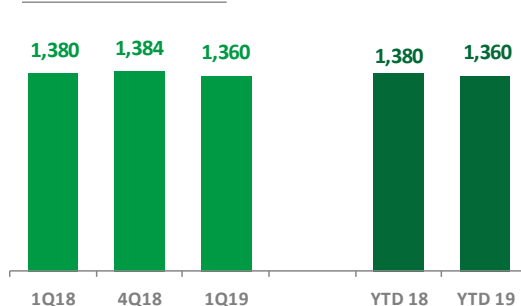
The scenario in Brazil was affected by a more sluggish economy than forecasted, along with greater MDF supply.

Although demand has stabilized in Argentina, prices in dollars continue to drop due to the depreciation of the Argentine peso.

Regarding the North American market, panel sales have increased in the United States and Canada due to the seasonality.

PRODUCTION

Thousands of m³



SAWN TIMBER

Plywood prices continued to fall in 1Q19, due to high inventories and greater supply from South America and Asia. The price scenario is expected to improve, related to the positive seasonality in the northern hemisphere.

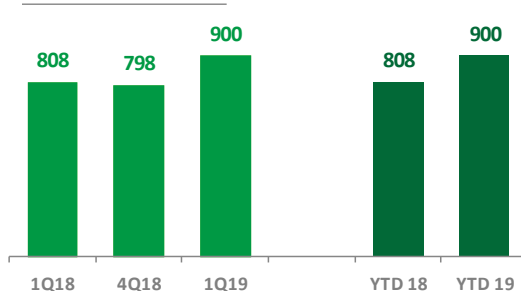
Sawn timber prices continued to drop in Asia and the Middle East, on account of the greater supply from Europe, Canada and Brazil. A moderate price adjustment is expected because of lower demand from China and Europe.

Supply and demand for remanufactured products are at an equilibrium in the United States, due to the positive seasonality of that market.

Nevertheless, there is still uncertainty about the tariff issue in China and the lower growth of the construction of houses in North America.

PRODUCTION

Thousands of m³



COPEC CONSOLIDATED

| Millions of Chilean Pesos | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|---|----------------|----------------|---------------|-------------|------------|----------------|---------------|---------------|
| Sales | 2,821,140 | 2,965,936 | 2,393,059 | -5% | 18% | 2,821,140 | 2,393,059 | 18% |
| EBIT | 75,109 | 65,429 | 70,546 | 15% | 6% | 75,109 | 70,546 | 6% |
| EBITDA | 116,879 | 111,073 | 96,212 | 5% | 21% | 116,879 | 96,212 | 21% |
| Non-operating income | (1,996) | 15,331 | (16,506) | -113% | 88% | (1,996) | (16,506) | 88% |
| Net Income | 51,109 | 59,298 | 37,682 | -14% | 36% | 51,109 | 37,682 | 36% |
| Copec Chile's physical sales (thousands of m ³) | 2,598 | 2,576 | 2,508 | 1% | 4% | 2,598 | 2,508 | 4% |
| Copec Chile's market share | 58.2% | 57.0% | 56.6% | 2% | 3% | 58.2% | 56.6% | 3% |
| MAPCO's Sales (US\$ million) | 398 | 437 | 413 | -9% | -4% | 398 | 413 | -4% |
| MAPCO's EBITDA (US\$ million) | 13 | 24 | 2 | -46% | 550% | 13 | 2 | 550% |
| MAPCO's physical sales (thousands of m ³) | 507 | 516 | 499 | -2% | 2% | 507 | 499 | 2% |

1Q19
1Q18

Copec posted net income of Ch\$51,109 million in 1Q19, Ch\$13,427 million up YoY.

Operating income rose Ch\$4,563 million, due to sales volumes increasing 11.6%, 3.6% and 1.6% at Terpel, Copec and MAPCO, respectively. That was partly offset by lower margins of Copec, due to a negative effect of the revaluation of inventories, and higher distribution costs.

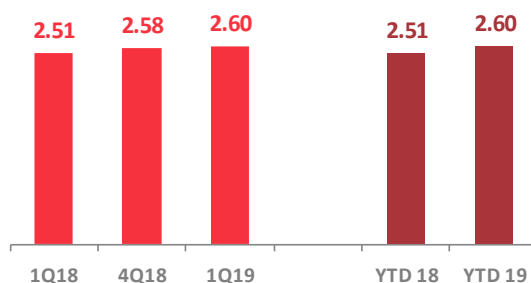
Non-operating income was Ch\$14,510 million less negative, because of higher other net revenues at Copec, from the sale of real estate assets in Chile, and lower financial expenses of Terpel, after the acquisition of ExxonMobil's assets in the first quarter of 2018. There was also greater income from monetary correction, partly offset by lower exchange rate differences.

1Q19
4Q18

Net income in the quarter was Ch\$8,189 million down QoQ. That was due to non-operating income decreasing Ch\$17,327 million, on account of the sale of ExxonMobil's gas station business in Colombia and real estate assets in Chile, registered on the prior quarter. There was also lower exchange rate difference income and an increase in other expenses.

Operating income rose Ch\$9,680 million, due to a higher amortization expense registered on the previous quarter, from the incorporation of ExxonMobil's operations in Colombia, Ecuador and Peru. There were also higher liquid fuel margins at Terpel, partly offset by lower margins in Chile, from a negative effect of the revaluation of inventories.

COPEC CHILE FUEL SALES

 Millions of m³


ORGANIZACIÓN TERPEL CONSOLIDATED

| Millions of Colombian Pesos | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|--|----------------|----------------|----------------|-------------|---------------|----------------|----------------|---------------|
| Sales | 5,098,210 | 5,329,366 | 4,112,533 | -4% | 24% | 5,098,210 | 4,112,533 | 24% |
| EBIT | 145,604 | 27,603 | 111,873 | 427% | 30% | 145,604 | 111,873 | 30% |
| EBITDA | 222,116 | 152,575 | 157,653 | 46% | 41% | 222,116 | 157,653 | 41% |
| Non-operating income | (53,740) | 44,416 | (86,709) | -221% | 38% | (53,740) | (86,709) | 38% |
| Net income of controlling interest | 62,255 | 101,264 | (3,479) | -39% | 1,889% | 62,255 | (3,479) | 1,889% |
| Net income of minority interest | (3) | (7) | - | 61% | - | (3) | - | - |
| Physical sales of Terpel (thousands of m³) | | | | | | | | |
| Colombia | 1,850 | 1,935 | 1,794 | -4% | 3% | 1,850 | 1,794 | 3% |
| Panama | 268 | 256 | 228 | 5% | 18% | 268 | 228 | 18% |
| Ecuador | 302 | 341 | 146 | -11% | 107% | 302 | 146 | 107% |
| Dominican Republic | 56 | 51 | 58 | 10% | -3% | 56 | 58 | -3% |
| Peru | 20 | 18 | 12 | 11% | 67% | 20 | 12 | 67% |
| Physical sales of Gazel (thousands of m³) | | | | | | | | |
| Colombia | 60 | 58 | 65 | 3% | -8% | 60 | 65 | -8% |
| Peru | 21 | 21 | 20 | 0% | 5% | 21 | 20 | 5% |

1Q19
1Q18

Terpel's net income in 1Q19 rose COP\$65,734 million YoY.

Operating income increased 30%, because of the incorporation of ExxonMobil's operations in Colombia, Ecuador and Peru. Liquid fuel sales volumes rose 3.1% in Colombia, 17.8% in Panama, 107.1% in Ecuador and 65.2% in Peru. That was partly offset by a negative effect of the revaluation of inventories.

Non-operating income climbed COP\$32,969 million, due to lower financial expenses, related to the acquisition of ExxonMobil's assets in Colombia in the first quarter of 2018.

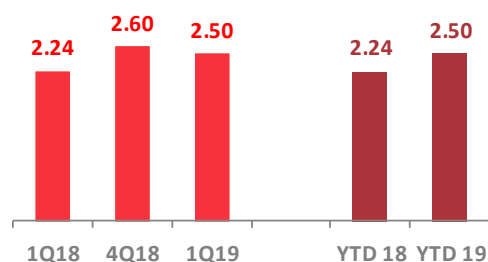
1Q19
4Q18

Net income in 1Q19 dropped COP\$39,009 million QoQ. That was due to a non-operating income decrease of COP\$98,156 million, from the sale of ExxonMobil's gas station business in the fourth quarter of 2018.

Operating income increased COP\$118,001 million, due to lower amortization expenses, because of the incorporation of ExxonMobil's operations in Colombia, Ecuador and Peru the prior quarter. There were also higher liquid fuel margins.

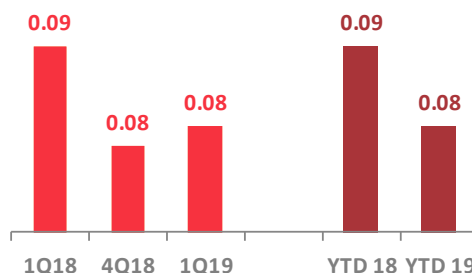
TERPEL FUEL SALES

Millions of m³



GAZEL FUEL SALES

Millions of m³



ABASTIBLE CONSOLIDATED

| Millions of Chilean Pesos | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|---|---------------|---------------|---------------|-------------|-----------|---------------|---------------|---------------|
| Sales | 182,435 | 220,705 | 169,231 | -17% | 8% | 182,435 | 169,231 | 8% |
| EBIT | 16,901 | 11,723 | 16,982 | 44% | 0% | 16,901 | 16,982 | 0% |
| EBITDA | 25,425 | 19,041 | 25,294 | 34% | 1% | 25,425 | 25,294 | 1% |
| Non-operating income | (52) | (3,231) | (3,115) | 98% | 98% | (52) | (3,115) | 98% |
| Net Income | 10,591 | 4,121 | 9,760 | 157% | 9% | 10,591 | 9,760 | 9% |
| Physical sales of LPG in Chile (thousands of tons) | 97 | 105 | 98 | -8% | -1% | 97 | 98 | -1% |
| Physical sales of LPG in Colombia (thousands of tons) | 48 | 51 | 49 | -6% | -2% | 48 | 49 | -2% |
| Physical sales of LPG in Peru (thousands of tons) | 136 | 162 | 119 | -16% | 14% | 136 | 119 | 14% |
| Physical sales of LPG in Ecuador (thousands of tons) | 109 | 118 | 107 | -8% | 2% | 109 | 107 | 2% |

1Q19
1Q18

Abastible posted net income of Ch\$10,591 million in 1Q19, which was Ch\$831 million up YoY. That was mainly due to a 98% increase in non-operating income, from higher other earnings because of the sale of real estate assets in Chile. There was also greater income in associates, on account of the better performance of Gasmar, Sonacol and Hualpén, and a positive effect of monetary correction on income. That was partly offset by higher financial expenses in Peru, related to the refinancing of debt.

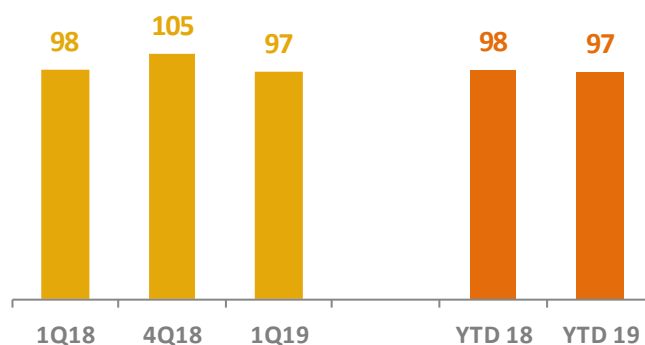
Operating income was in line with the first quarter of 2018 (-Ch\$81 million). There was greater income in Colombia, explained by higher margins, lower administration expenses and a drop in distribution costs, offset by lower income in Peru, from higher administration expenses.

1Q19
4Q18

Abastible's net income was Ch\$6,470 million up QoQ, due to higher operating and non-operating income. Operating income increased Ch\$5,178 million, mainly explained by lower administration expenses. That was partly offset by volume decreases of 7.8% in Chile, 6.1% in Colombia, 7.0% in Ecuador and 15.8% in Peru. Non-operating income was Ch\$3,179 million less negative, on account of higher income in associates and joint ventures, from the greater net income at Gasmar, Sonacol and Hualpén. There was also increased monetary correction income. That was partly offset by higher financial costs, from the refinancing of debt in Peru.

ABASTIBLE CHILE LPG SALES

Thousands of tons



EMPRESA PESQUERA EPERVA

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|--|------------|------------|------------|--------------|----------------|------------|------------|------------------|
| Sales | 88 | 88 | 99 | 0% | -11% | 88 | 99 | -11% |
| EBIT | (9) | (1) | 1 | -1,091% | -1,119% | (9) | 1 | -1,119% |
| EBITDA* | (2) | 6 | 8 | -132% | -125% | (2) | 8 | -125% |
| Non-operating income | (1) | (4) | (1) | 80% | 5% | (1) | (1) | 5% |
| Income (loss) from discontinued operations | - | - | - | - | - | - | - | - |
| Net income of controlling interest | (5) | (4) | (1) | -14% | -630% | (5) | (1) | -630% |
| Net income of minority interest | (3) | (1) | 0 | -226% | -1,114% | (3) | 0 | -1,114% |
| Physical Sales | | | | | | | | |
| Fishmeal & other protein foods (tons) | 80,075 | 78,616 | 100,197 | 2% | -20% | 80,075 | 100,197 | -20% |
| Fish oil (tons) | 3,457 | 2,855 | 2,157 | 21% | 60% | 3,457 | 2,157 | 60% |

(*) EBITDA = Gross earnings – Distribution cost – Administration expenses + Depreciation + Amortization of intangibles + Other revenues – Other expenses

1Q19
1Q18

Eperva posted a loss of US\$5 million in 1Q19 against a loss of US\$0.7 million YoY.

This change is explained by a US\$10.4 million drop in operating income, mainly due to the roll-back in 1Q18 of a provision charge for the fishmeal stock cost. There was also lower income at Corpesca, because of a closed fishing season in January and February 2019, along with fishmeal and fish oil price decreases of 13% and 15%, respectively.

Non-operating income was in line with that in 1Q18.

1Q19
4Q18

Net income in 1Q19 dropped US\$0.6 million QoQ.

Operating income was down US\$8.7 million, due to lower income at Corpesca, from a closed fishing season in the first few months of the year, which increased costs significantly. That was partly offset by lower administration expenses.

Non-operating income was US\$3.6 million less negative, on account of a higher share in associates, and a positive exchange rate difference effect. There was also a lower tax expense (+US\$2.4 million).

PESQUERA IQUIQUE-GUANAYE, IGMAR

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | Q-Q Var. | Y-Y Var. | YTD 2019 | YTD 2018 | Y-Y Acc. Var. |
|-----------------------|---------------|---------------|---------------|-------------|-------------|---------------|---------------|------------------|
| Sales | 42 | 43 | 42 | -3% | 0% | 42 | 42 | 0% |
| EBIT | 2 | (0) | 5 | 1,600% | -68% | 2 | 5 | -68% |
| EBITDA | 4 | 5 | 8 | -7% | -46% | 4 | 8 | -46% |
| Non-operating income | (6) | (15) | (6) | 61% | 7% | (6) | (6) | 7% |
| Net income | (2) | (12) | (1) | 88% | -15% | (2) | (1) | -15% |
| Physical Sales | | | | | | | | |
| Fishmeal (tons) | 4,352 | 7,026 | 3,952 | -38% | 10% | 4,352 | 3,952 | 10% |
| Fish oil (tons) | 1,031 | 1,370 | 991 | -25% | 4% | 1,031 | 991 | 4% |
| Canned fish (cases) | 733,875 | 716,390 | 712,826 | 2% | 3% | 733,875 | 712,826 | 3% |
| Frozen fish (tons) | 5,125 | 2,725 | 2,945 | 88% | 74% | 5,125 | 2,945 | 74% |
| Catch (tons) | 79,624 | 26,700 | 68,810 | 198% | 16% | 79,624 | 68,810 | 16% |

1Q19
1Q18

Igemar posted a loss of US\$1.5 million in 1Q19 against a loss of US\$1.3 million YoY. This change is mainly explained by a US\$3.2 million decrease in operating income, due to higher costs from closing the productive activities of the mussels business at Orizon. There was also a price decrease of all products, partly offset by higher physical sales. Non-operating income was US\$0.4 million less negative, because of lower expenses of non-operative plants and vessels (+US\$1.6 million). Other earnings also rose, due to the sale of non-core assets at Orizon (+US\$0.9 million). That was partly offset by lower income in associates and joint ventures (-US\$1.4 million), largely explained by Corpesca, and higher financial costs. There was also a lower tax expense.

1Q19
4Q18

Net income in 1Q19 rose US\$10.5 million QoQ. That was due to less negative non-operating income of US\$9.1 million, mainly because of lower other expenses by function, related with non-operating plants and vessels. Operating income climbed US\$1.6 million, explained by higher gross earnings and lower administration expenses. That was partly offset by greater distribution costs, and lower physical fishmeal and fish oil sales.



EMPRESAS COPEC ANNOUNCES ITS INVESTMENT PLAN 2019

- > The annual ordinary shareholders' meeting of Empresas Copec S.A. was held in April, during which the company officially announced its investment plan for 2019. This will amount to about US\$2,766 million and includes initiatives aimed at maintaining its activities and new businesses. About 74% of the investment will go to the forestry business, 18% to the fuels business, and the rest to other investments.
-

INAUGURATION OF THE GRAYLING MILL

- > The new particleboard mill at Grayling in Michigan, United States, was inaugurated on April 16. This project entailed an investment of about US\$450 million and it has a production capacity of 800,000 m³ a year.
 - > The mill is currently producing and the company has already started to market panels.
-

ARAUCO'S DISSOLVING PULP PROJECT CONTINUES TO MAKE PROGRESS

- > The dissolving pulp project continues its course, with progress of 75% as of late March 2019. The estimated investment is about US\$195 million.
 - > It is expected to start up in late 2019.
-

PROGRESS WITH THE MAPA PROJECT

- > In July 2018, the Arauco board approved the Arauco Mill Modernization and Expansion Project (MAPA, according to the Spanish acronym), with an estimated CapEx of US\$2,350 million.
 - > In October 2018, the company signed contracts with the suppliers Andritz and Valmet to purchase the main equipment of the MAPA project.
 - > In February 2019, the company started the earthworks. The equipment assembly will start in October.
 - > In April 2019, Arauco signed a financing agreement of €555 million with Finland's Export Credit Agency (ECA) Finnvera and the BNP Paribas, JP Morgan Chase & Co and Santander banks, to buy the principal equipment.
 - > MAPA is expected to start up in the second quarter of 2021.
-

SALE OF PUERTOS Y LOGÍSTICA

- > In April 2019, Arauco and Empresas Copec sold all their interests (20.3% and 3.0%, respectively) in Puertos y Logística S.A.
 - > The sale was made by means of a takeover bid of DP World Holding UK Ltd. amounting to US\$117 million.
-

PROGRESS WITH THE MINA JUSTA PROJECT

- > On April 23, 2018, Inversiones Alxar S.A. signed an agreement with the Peruvian mining company Minsur S.A. to develop the copper project of Mina Justa and its surrounding properties.
- > Alxar has a 40% interest in Mina Justa, which is its venture into the large scale copper mining industry. The project is located at Ica in Peru, and is expected to attain production of up to 150,000 tons of fine copper a year in the first few years of operation, with an average of 115,000 tons a year in its planned 16-year life.
- > The project had construction progress of over 30% at the close of April. More than 4,400 people are currently involved in its development, entailing an investment of around US\$1,600 million, and it is expected to start production by late next year.



BALANCE SHEET

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 |
|--|---------------|---------------|---------------|
| Cash and cash equivalents | 1,569 | 1,745 | 1,622 |
| Other current financial assets | 196 | 339 | 134 |
| Other current non-financial assets | 269 | 164 | 225 |
| Trade and other receivables, current | 2,029 | 1,971 | 2,222 |
| Related party receivables | 49 | 51 | 42 |
| Inventories | 1,847 | 1,743 | 1,597 |
| Current biological assets | 317 | 319 | 309 |
| Current tax assets | 112 | 109 | 72 |
| Non-current assets classified as held for sale | 17 | 18 | 10 |
| Total current assets | 6,406 | 6,459 | 6,231 |
| Other non-current financial assets | 477 | 421 | 536 |
| Other non-current non-financial assets | 158 | 153 | 138 |
| Non-current fees receivable | 26 | 28 | 36 |
| Non-current accounts receivable from related parties | 7 | 8 | 8 |
| Investments accounted for using the equity method | 1,241 | 1,203 | 1,060 |
| Intangible assets other than goodwill | 1,058 | 1,048 | 874 |
| Goodwill | 424 | 433 | 583 |
| Property, plant and equipment | 11,406 | 10,553 | 10,560 |
| Non-current biological assets | 3,366 | 3,336 | 3,473 |
| Investment property | 42 | 41 | 45 |
| Deferred tax assets | 380 | 343 | 321 |
| Total non-current assets | 18,584 | 17,568 | 17,633 |
| TOTAL ASSETS | 24,989 | 24,026 | 23,864 |
| Other current financial liabilities | 1,303 | 1,188 | 1,078 |
| Trade and other current payables | 1,787 | 1,745 | 1,587 |
| Related party payables | 11 | 9 | 14 |
| Other short-term provisions | 21 | 20 | 21 |
| Current tax liabilities | 182 | 177 | 74 |
| Current provisions for employee benefits | 11 | 11 | 11 |
| Other current non-financial liabilities | 538 | 432 | 483 |
| Total current liabilities | 3,853 | 3,583 | 3,268 |
| Other non-current financial liabilities | 6,924 | 6,455 | 6,579 |
| Other non-current accounts payable | 7 | 7 | 1 |
| Non-current account payable to related companies | - | - | - |
| Other long-term provisions | 90 | 90 | 72 |
| Deferred tax liabilities | 2,177 | 2,165 | 2,204 |
| Non-current provisions for employee benefits | 114 | 112 | 123 |
| Other non-current non-financial liabilities | 191 | 189 | 201 |
| Total non-current liabilities | 9,504 | 9,018 | 9,180 |
| Non-parent participation | 4,717 | 4,647 | 4,638 |
| Net equity attributable to owners of parent | 6,915 | 6,778 | 6,778 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 24,989 | 24,026 | 23,864 |

INCOME STATEMENT

| US\$ million | 1Q 2019 | 4Q 2018 | 1Q 2018 | YTD 2019 | YTD 2018 |
|---|------------|------------|------------|------------|------------|
| Sales revenue | 5,927 | 6,057 | 5,752 | 5,927 | 5,752 |
| Cost of sales | (5,007) | (5,150) | (4,772) | (5,007) | (4,772) |
| Gross Margin | 920 | 908 | 980 | 920 | 980 |
| Other income | 73 | 69 | 57 | 73 | 57 |
| Distribution costs | (350) | (332) | (312) | (350) | (312) |
| Administration expenses | (262) | (290) | (242) | (262) | (242) |
| Other expenses | (31) | (47) | (29) | (31) | (29) |
| Other income (loss) | 2 | 10 | (1) | 2 | (1) |
| Net financial expenses | (85) | (83) | (96) | (85) | (96) |
| Share of profit (loss) of associates and joint ventures | 4 | (14) | 10 | 4 | 10 |
| Exchange rate differences | 10 | (1) | 4 | 10 | 4 |
| Income (loss) before tax | 282 | 219 | 372 | 282 | 372 |
| Income tax expense | (48) | (48) | (89) | (48) | (89) |
| Income (loss) from continuing operations | 233 | 170 | 283 | 233 | 283 |
| Income (loss) from discontinued operations | - | - | - | - | - |
| Income (loss) attributable to owners of parent | 132 | 96 | 169 | 132 | 169 |
| Income (loss) attributable to minority interests | 102 | 75 | 114 | 102 | 114 |
| Net Income | 233 | 170 | 283 | 233 | 283 |



CONSOLIDATED CASH FLOW

| US\$ million | YTD 2019 | YTD 2018 |
|--|--------------|--------------|
| Cash received from sale of goods and service provision | 6,339 | 5,620 |
| Cash received from premiums and claims, annuities and other policy benefits | 0 | 0 |
| Other cash received from operating activities | 95 | 113 |
| Payments to suppliers for goods and services | (5,723) | (5,141) |
| Payments to and on behalf of employees | (295) | (282) |
| Payment for premiums and claims, annuities and other policy obligations | (5) | (4) |
| Other cash payments for operating activities | (60) | (66) |
| Dividends received | 0 | 1 |
| Interest paid | (51) | (49) |
| Interest received | 12 | 8 |
| Income tax rebates (paid) | (51) | (16) |
| Other cash inflows (outlays) | 0 | (43) |
| Net cash flow from (used in) operating activities | 263 | 141 |
| Cash flows used in obtaining control of subsidiaries or other business | (151) | (506) |
| Cash flows used in the purchase of non-controlling interests | (22) | (0) |
| Other cash receipts from the sale of equity or debt instruments of other entities | - | - |
| Other cash payments to acquire an interest in joint ventures | - | - |
| Loans to related parties | - | (0) |
| Proceeds from the sale of property, plant and equipment | 50 | 3 |
| Purchase of property, plant and equipment | (252) | (167) |
| Proceeds from the sale of intangible assets | - | - |
| Purchase of intangible assets | (10) | (16) |
| Proceeds from other long-term assets | 2 | 0 |
| Purchase of other long-term assets | (74) | (70) |
| Cash advances and loans to third parties | (0) | (0) |
| Charges to related parties | - | 0 |
| Dividends received | 7 | 2 |
| Interest received | 0 | 0 |
| Other cash inflows (outlays) | 148 | 52 |
| Net cash flow from (used in) investing activities | (301) | (742) |
| Amounts paid for equity stakes | - | - |
| Proceeds from long-term borrowings | 7 | 937 |
| Proceeds from short-term borrowings | 254 | 165 |
| Loans from related parties | - | 3 |
| Payment of borrowings | (334) | (327) |
| Payments of financial leasing liabilities | (27) | (1) |
| Dividends paid | (19) | (9) |
| Interest paid | (37) | (16) |
| Other cash inflows (outlays) | (0) | (1) |
| Net cash flow from (used in) financing activities | (148) | 751 |
| Net increase (decrease) in cash and cash equivalents before the exchange rate change effect | (187) | 150 |
| Effect of exchange rate changes on cash and cash equivalents | 11 | 15 |
| Cash and cash equivalents at the beginning of the year | 1,745 | 1,456 |
| Cash and cash equivalents at the end of the year | 1,569 | 1,622 |