

antarchile



CORPORATE PRESENTATION

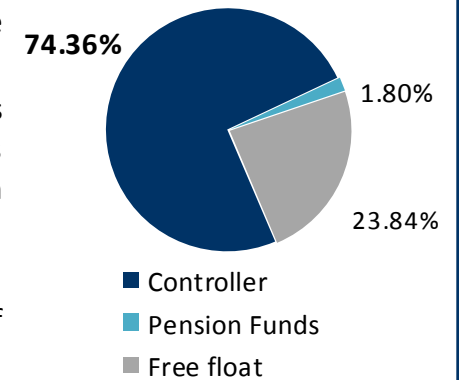
April 2017



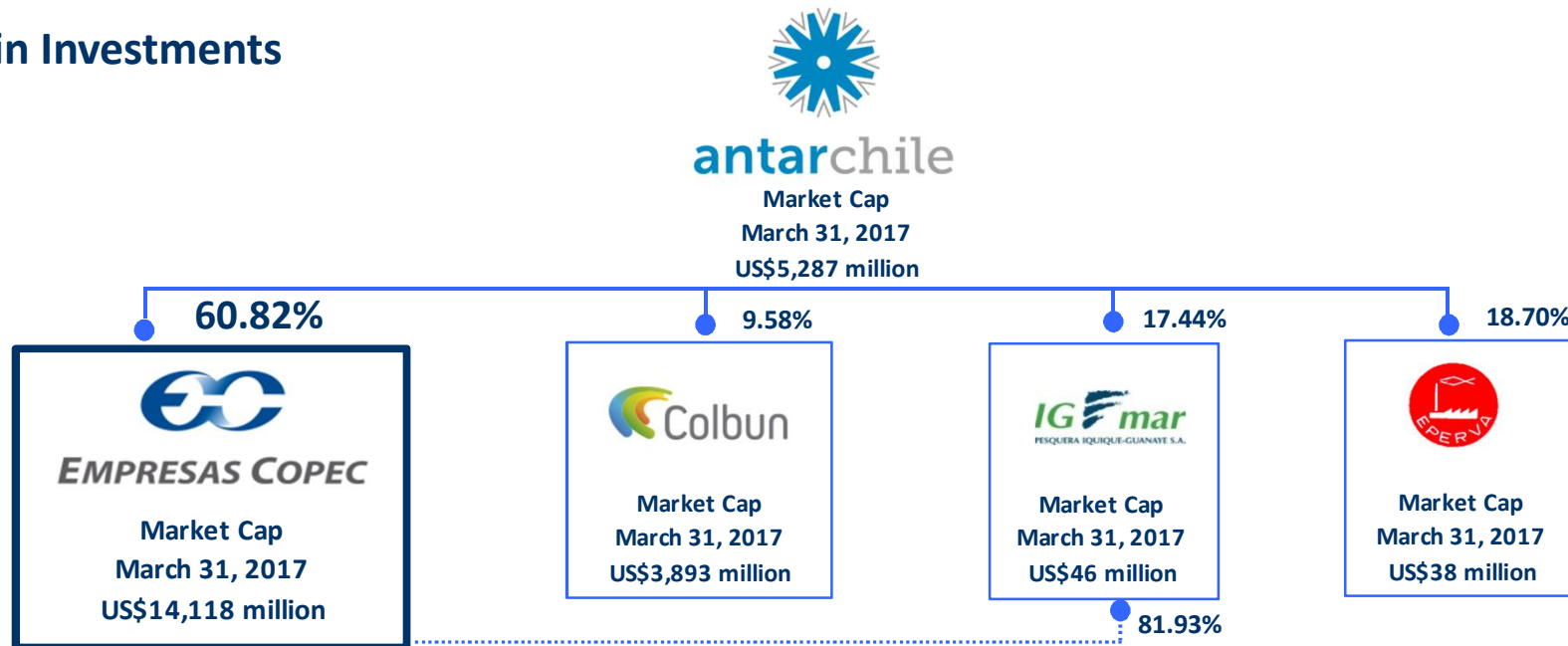
## Background Review

- “ AntarChile was organized in 1989, to be a holding company of the Angelini Group, who controls the company by owning 74.36% of its share capital.
- “ Its main investment is the shareholding interest of 60.82% of Empresas Copec, which grants AntarChile control thereof and represents approximately 92.1% of its consolidated assets. Empresas Copec is counted among the most important and of highest market capitalization companies in Chile.
- “ **As of December, 2016, AntarChile’s asset portfolio amounts to US\$ 22 billion.**
- “ AntarChile’s investment policy is implemented through Empresas Copec, comprising a variety of business areas where the main investments segments are forestry and fuel distribution.

Ownership Structure  
Dec. 2016



## Main Investments

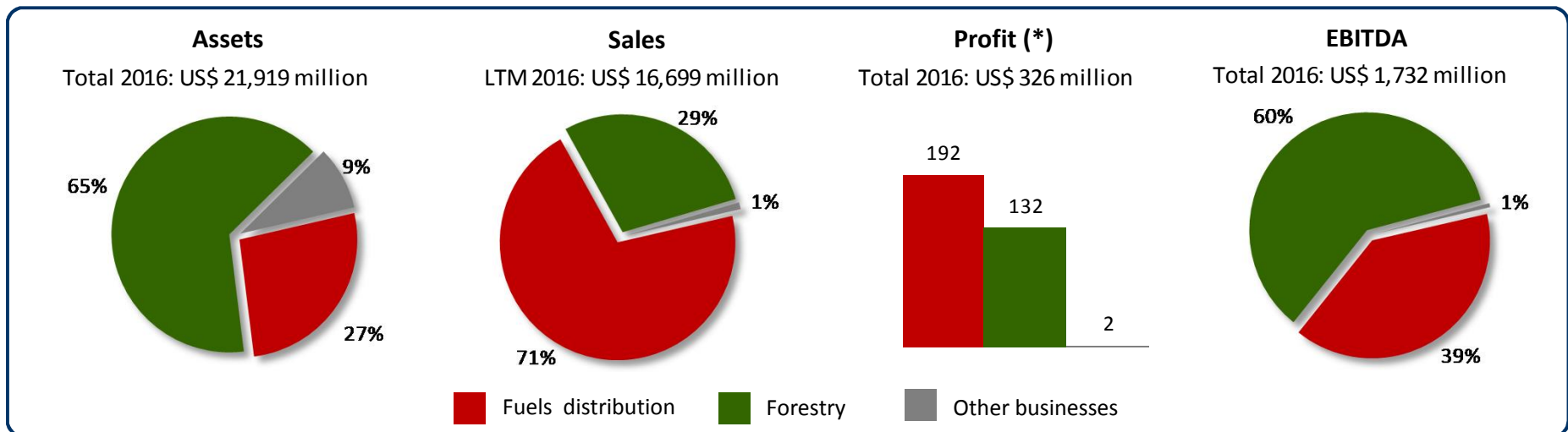




## Financial Indicators as of December 2016



EMPRESAS COPEC





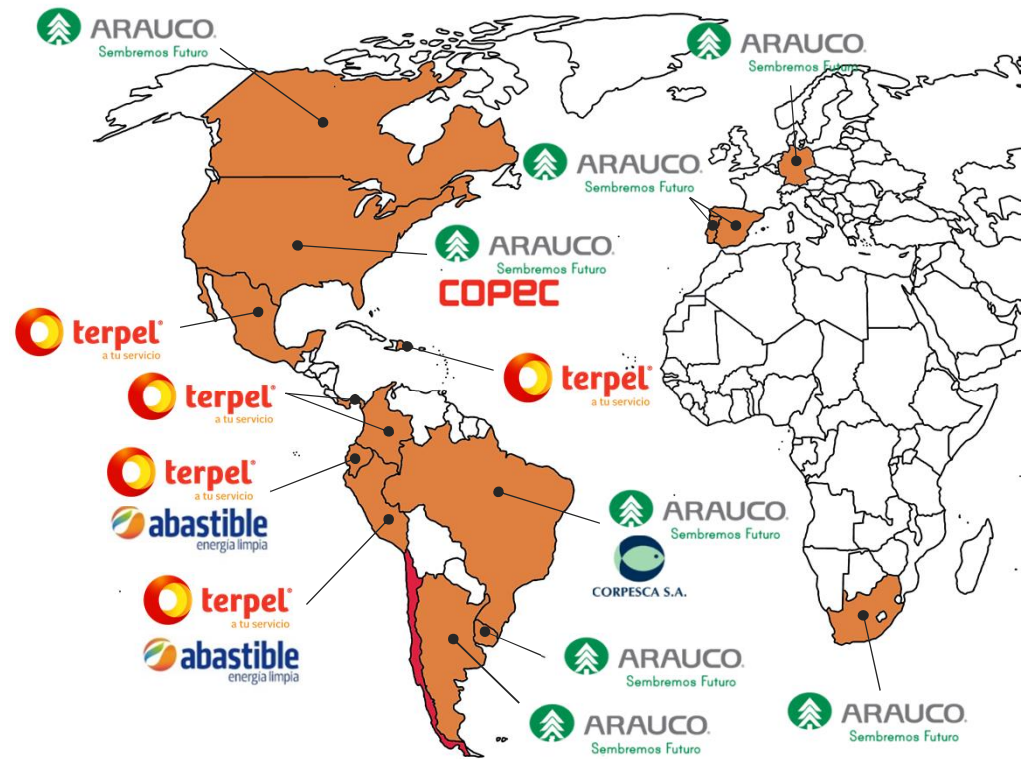
Empresas Copec has evolved from an export company to become a multinational firm

2006



Total Assets : **US\$ 10,239 million**  
 Total Sales : **US\$ 8,257 million**  
 Sales originated in foreign subsidiaries : **13%**

2016



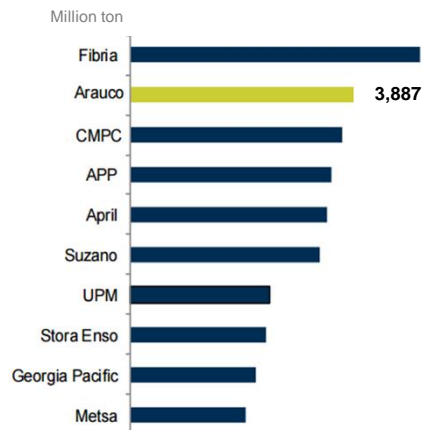
Total Assets : **US\$ 21,919 million**  
 Total Sales : **US\$ 16,699 million**  
 Sales originated in foreign subsidiaries : **46%**



Arauco is one of the main players in all of the markets in which it participates

**2<sup>nd</sup>**

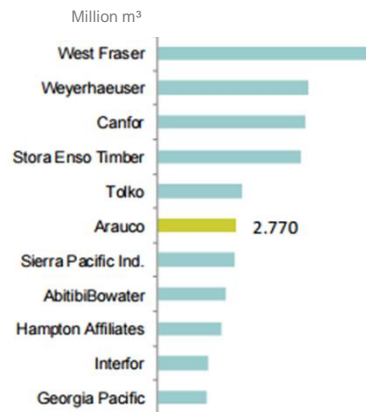
Largest market pulp producer in the world



Installed capacity includes 50% of Montes del Plata  
Source: Hawkins Wright, Risi, Arauco, Empresas Copec, 2015

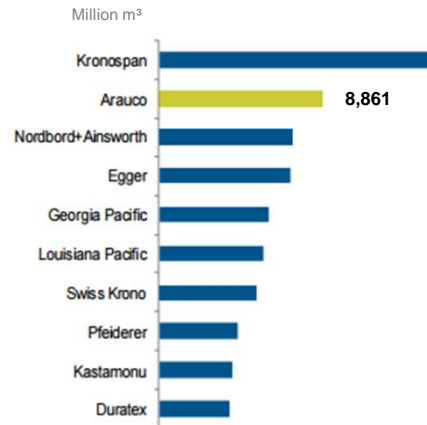
**1<sup>st</sup>**

Producer of sawn timber in Latin America

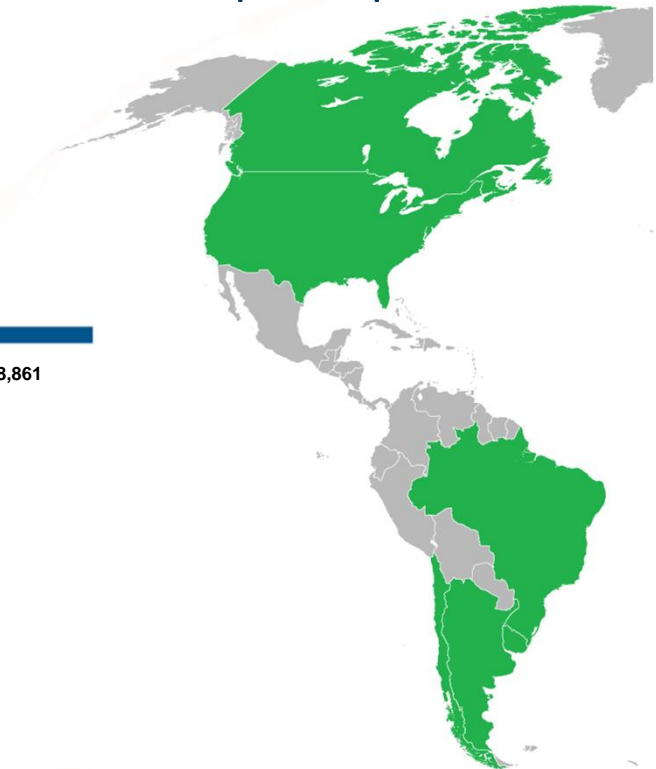


**2<sup>nd</sup>**

Largest panel producer in the world



Installed capacity includes 50% of Sonae-Arauco



**Competitive Advantages**

Largest owner of forestry land in the Southern cone (1 m hectares).

Location of forests allows fast growth rate and short harvest cycle.

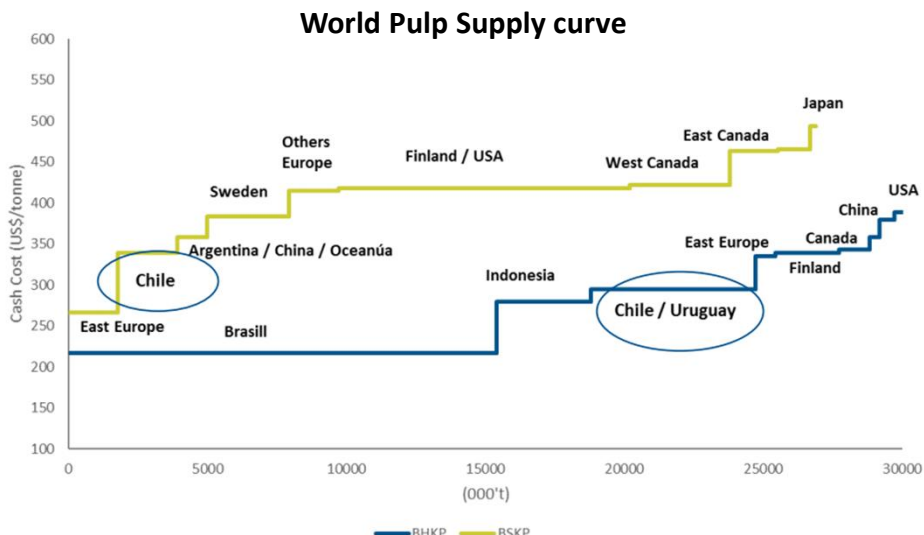
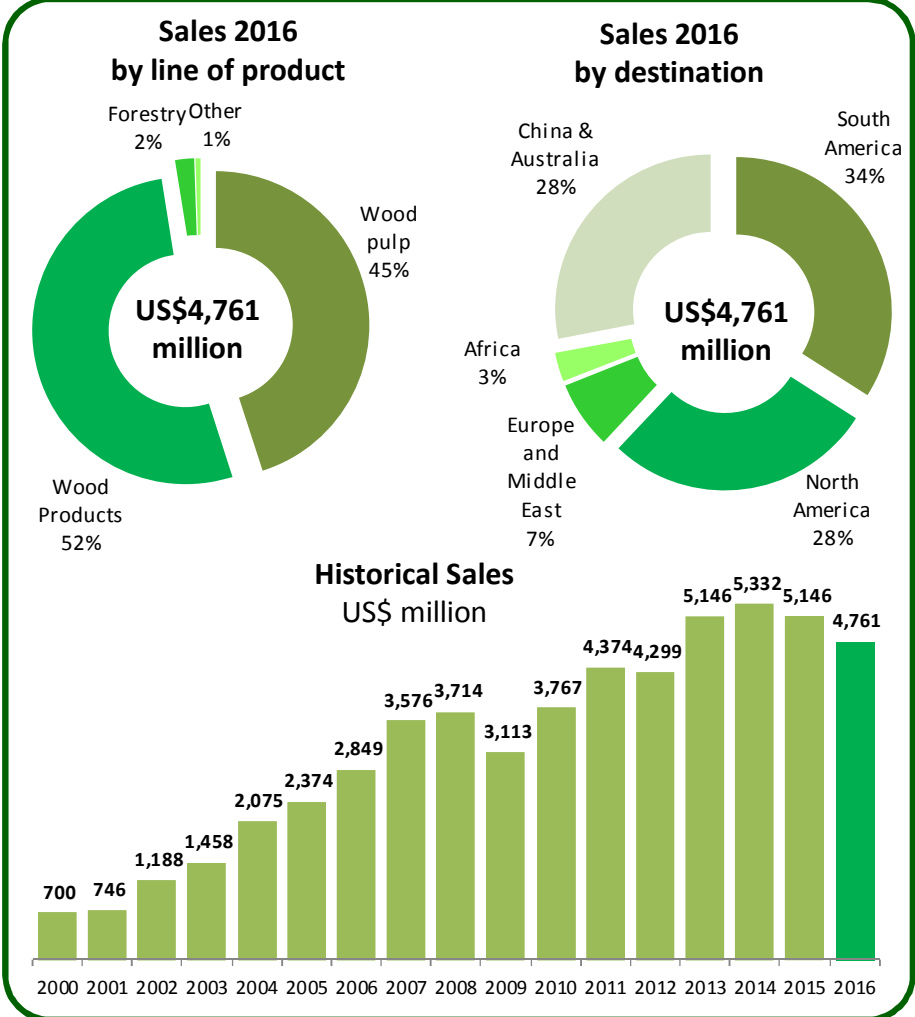
Logistic competitiveness due to short distance from forest - mills - ports.

Product offering allows value maximization of forest base: Pulp, panels, timber, energy.



## Arauco: currently sells its products in over 80 countries, in 5 continents

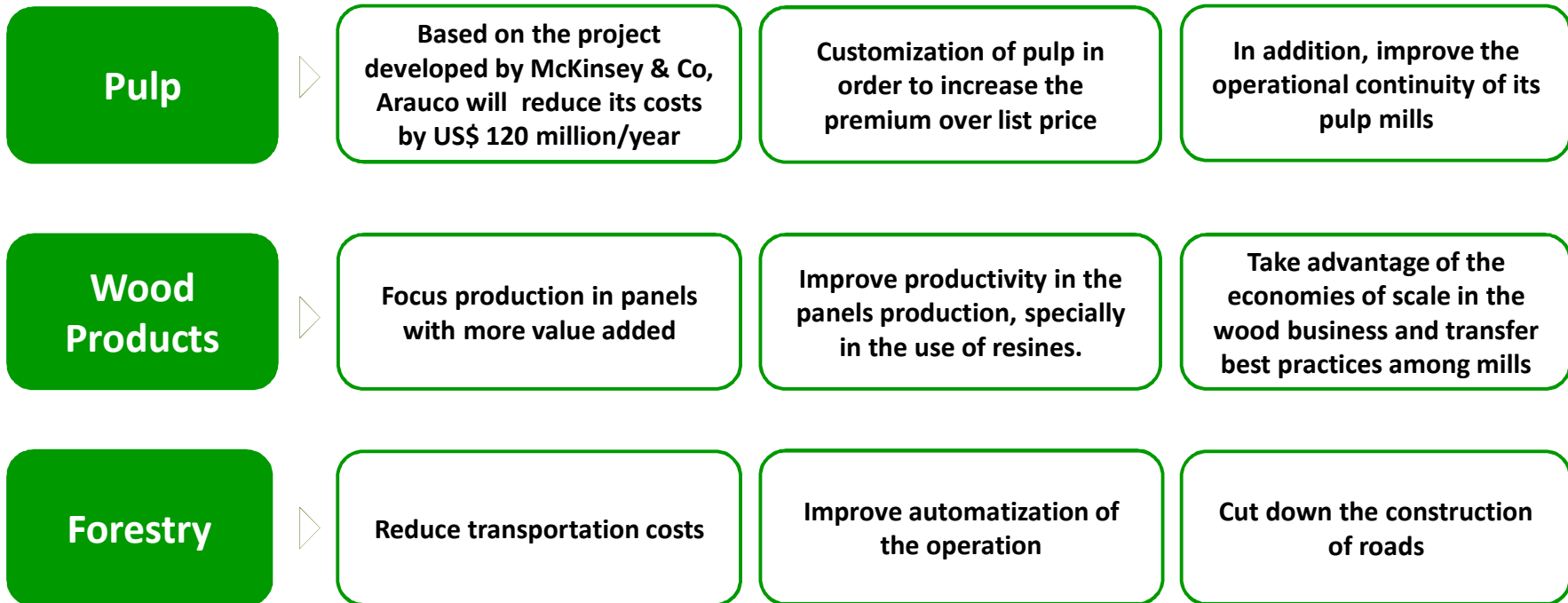
- ▶ Arauco produces cellulose, panels, and sawn and processed timber, among other products; it owns and operates industrial plants in Chile, Argentina, Brazil, Uruguay, the U.S.A. and Canada.
- ▶ In the pulp market, Arauco has low cash costs due its pulp mills located in Chile, Uruguay and Argentina.
- ▶ Total sales have grown with a CAGR of 13% from 2000 to 2016.



(\* Source: Empresas Copec



Arauco developed a plan to improve the efficiency and reduce costs in all of its business lines





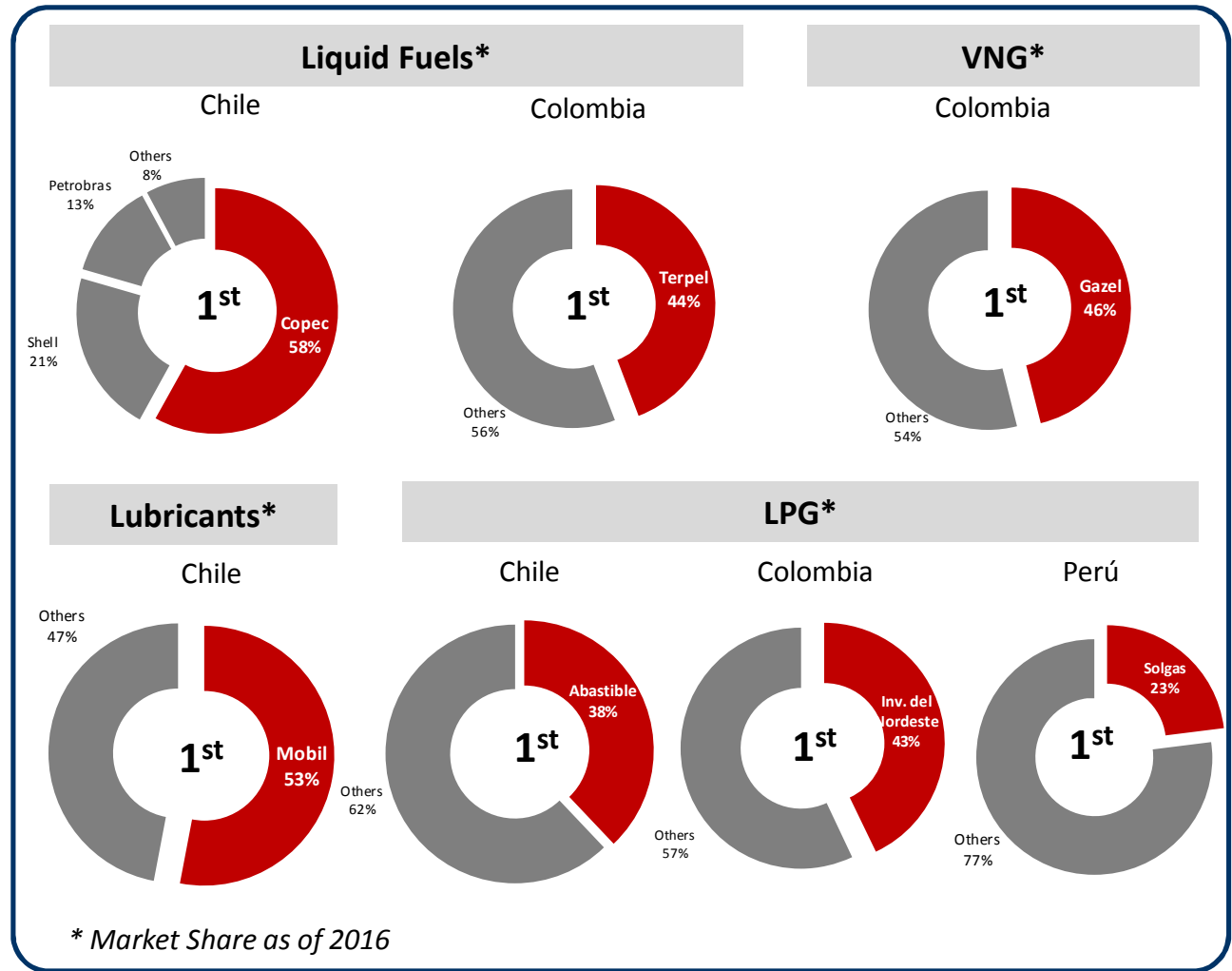
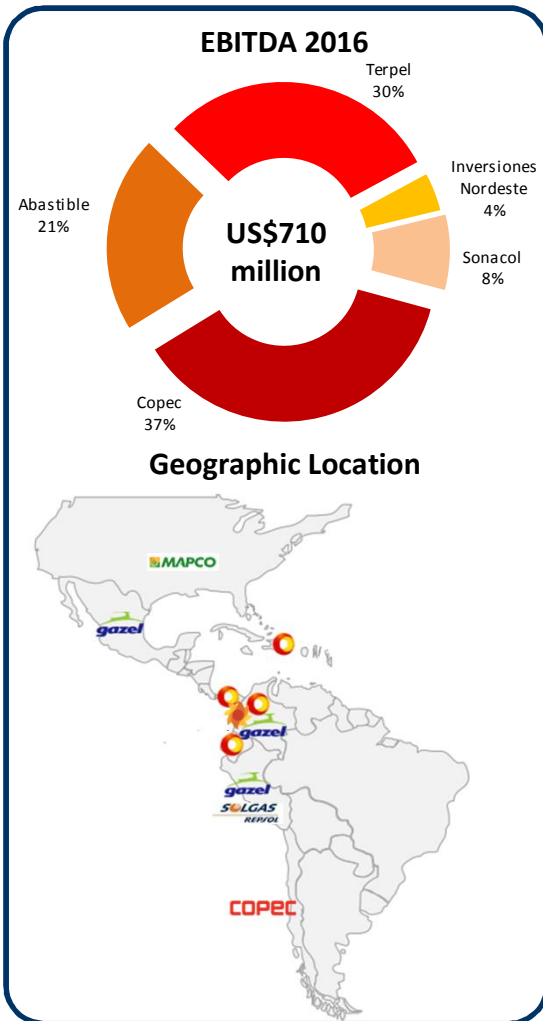
## Arauco has 3 future projects

	Grayling	Valdivia	MAPA
Highlights	<p>It is located near to the US's mid-west demand of wood products, while other mills are close to the coast.</p> <p>Michigan is a zone with an important offer of forestry supply.</p> <p>It is expected that melamine products will represent 30% of total production.</p>	<p>The project will transform the Valdivia mill into a dissolving pulp mill.</p> <p>This kind of pulp competes with cotton, and it has a premium up to US\$ 400/ton over hardwood.</p> <p>The production of dissolving pulp will not affect the current production levels of the mill.</p>	<p>Modernization and enlargement of the Arauco pulp mill.</p> <p>The total forestry resources of Arauco in Chile can supply a mill with a capacity of 1,5 million tons.</p> <p>70% of the wood that MAPA project will use will be from Arauco.</p> <p>The distance between the plant and forests is 60 km, and 30 km from the shore.</p>
Investment	<p>The total investment is US\$ 400 million.</p>	<p>The investment will be around US\$ 185 million.</p>	<p>Total investment is US\$ 2.5 billion.</p>
Capacity	<p>Capacity of 800,000 m<sup>3</sup> of which 300,000 m<sup>3</sup> will be coated with melamine paper.</p>	<p>The capacity is 550,000 ADt/year</p>	<p>The output of this industrial complex will be increased by 1 million tons of hardwood per year.</p>





Empresas Copec's strategy is to be the leader in the **fuel distribution** business in the countries where it participates





## Fuel Distribution

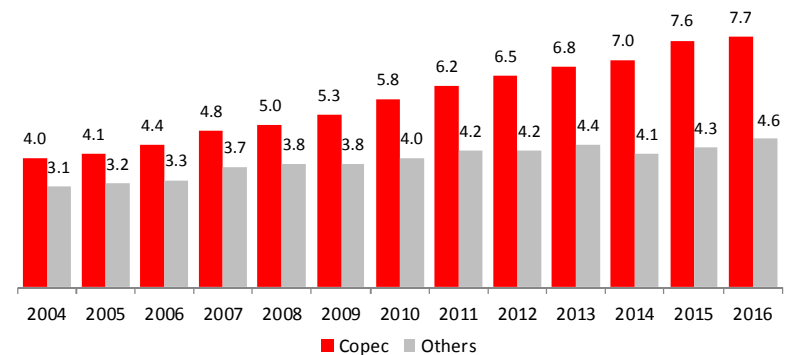


### COPEC

The long term approach of low margins, good location, innovation and client oriented strategy, has allowed Copec to sustain its leadership in this industry.

- “ Copec has the largest and most extended **Network** (634 gas stations), with strategic locations that allows to have 60% of sales with 38% of gas stations.
- “ Largest **Convenience Store Network** on Chile, with more than 300 stores and an average of 485 Th. clients per day.
- “ Strong **Brand** recognition: throughput of Copec gas stations is 50% higher than its competitors.
- “ Constant focus on **innovation** in product offering, technology, service and image.
- “ Strength in **industrial segment**: Comprises 60% of sales, with 3.500 industrial clients including mining companies to airlines.
- “ Leader manufacturer and distributor of **lubricants**. This business is a joint venture with ExxonMobil.
- “ Copec’s **leadership position** represents advantages in the fuel procurement.

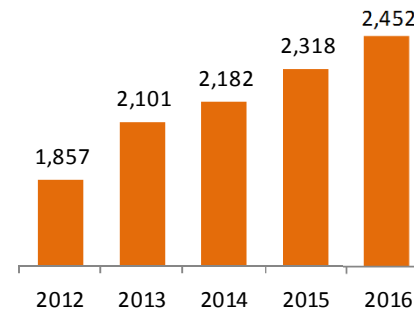
Fuel Sales by Service Station  
(Th. m<sup>3</sup>)/year



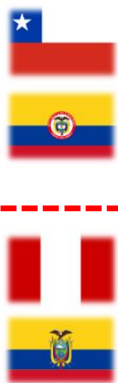
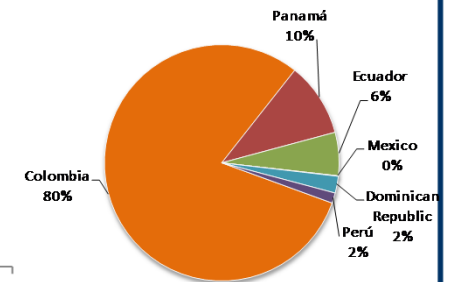


- “ Has the largest Network in Colombia with a 44% market share (2,115 gas stations).
- “ Terpel is one of the most recognized and respected Brand.
- “ One of the most important growth potential for Terpel, comes of Copec’s business model in this market.
- “ Terpel participates in markets with high growth prospects due to the lack of infrastructure and potentially higher market share in the industrial segment.

**Sales**  
(Millions of Gallons)



**Sales by Country**  
2016



**Abastible is the third largest LPG player in South America**

- “ More than 1.5 million clients and more than 1,200 distributors.
- “ Even though Chilean LPG consumption grows at very low rates, growth shall come from market gain against high-polluting firewood, which currently has a 40% penetration in residential homes.

Abastible purchased Repsol’s LPG businesses in Peru and Ecuador.

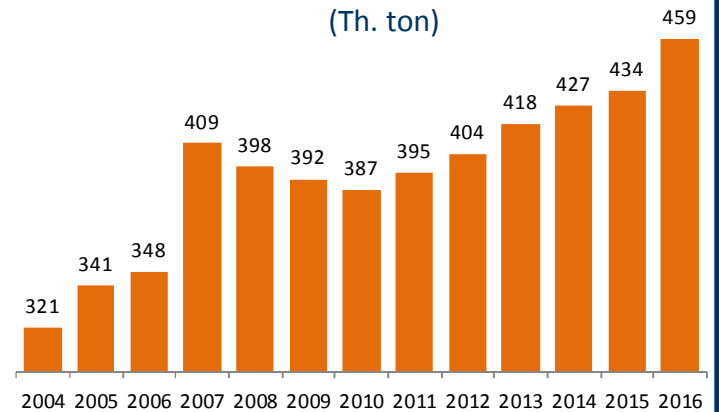


- “ 26% Market Share
- “ Sells 570 th. tons a year
- “ The price paid was US\$ 264 million



- “ 37% Market Share
- “ Sells 405 th. tons a year
- “ The price paid was US\$ 33 million

**LPG sales in Chile**  
(Th. ton)





## MAPCO Presence in United States

- “ On November 14<sup>th</sup>, COPEC acquired 100% of the share capital and interests in five different companies that operate 348 gas stations in the U.S. and supplies 142 gas stations operated by third parties.
- “ The gas stations operate under different brands, chief among them MAPCO. They are located mostly in Tennessee, and also in Alabama, Georgia, Arkansas, Virginia, Kentucky and Mississippi.
- “ The purchase price for the companies, free of debt, is US\$ 535 million and a working capital adjustment on the closing date amounting to US\$ 16.3 million.





## MAPCO as an Strategic Investment

- “ The acquisition allows Copec to enter the most stable, developed and unregulated market in the world, which has more than 140 thousand gas stations and a fragmented supply.
- “ Conveniences stores in the U.S. service stations have a higher relative value compared with the service stations operated by Copec in other countries, where the fuel selling business is much more relevant.
- “ The chilean and colombian markets should move towards U.S. model, where selling fuel is the booster of other businesses. Learn from the U.S. business model based on convenience stores will be a key step to create future value in these markets.

### Acquisition criteria

- “ Right scale to be the platform for growing in the U.S. market.
- “ Accessible investment size for Copec.
- “ Strategic location for the operation.
- “ The company has a significant number of own service stations.
- “ Growth opportunities are accessible in coincident markets.
- “ Opportunities for improving the operation in both, fuel selling and convenience stores.

### Opportunities in the future

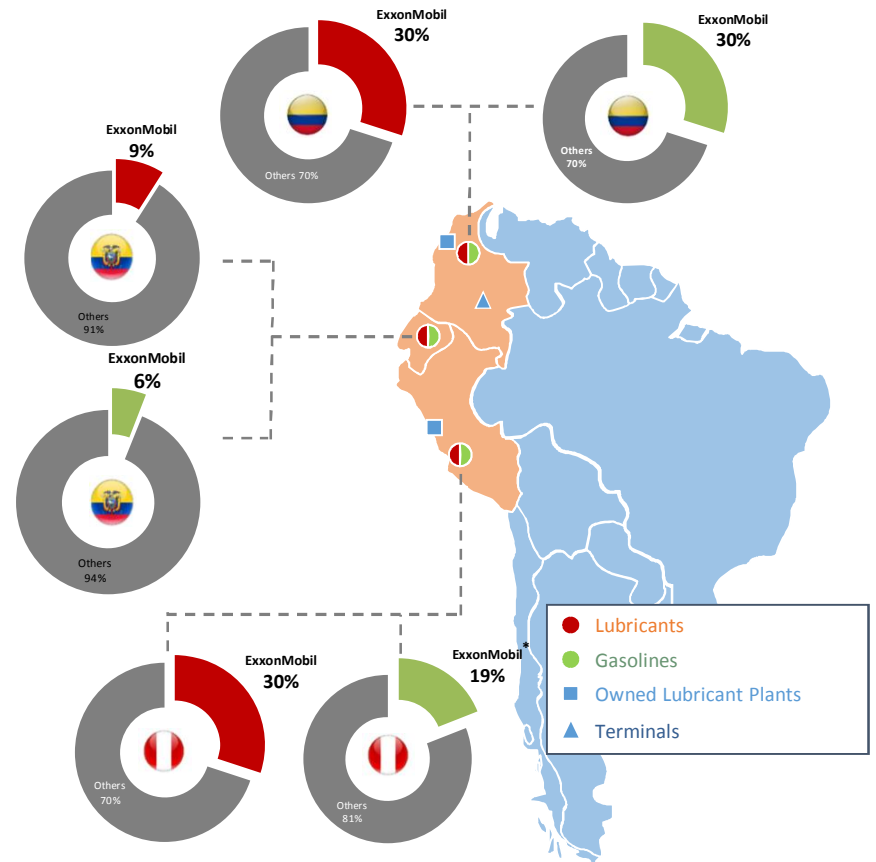
- “ Development in the industrial fuel market.
- “ Improvement in the fuel procurement.
- “ Acquisition of near by networks taking full advantage in overhead synergies.
- “ Unify the brands of the convenience stores and gas stations.



## Acquisition of ExxonMobil Downstream Assets in the Andean Region

- “ On November 16<sup>th</sup> 2016, Copec structured a regional agreement with ExxonMobil for the production and distribution of Mobil lubricants in Colombia, Ecuador and Peru, and also the renewal of the agreement between ExxonMobil and Copec for the Chilean market.
- “ The agreements also cover the operation and commercialization of fuels for Jorge Chavez International Airport of Lima, Peru, as well as the fuels distribution business that ExxonMobil currently operates in Colombia and Ecuador.
- “ Total investment is approximately US\$ 747 million, of which US\$ 235 million correspond to cash that this companies are expected to hold at the closing date. It is estimated that the deal could go through in the third quarter of 2017.
- “ Copec will transfer the ExxonMobil’s business to Terpel, so the company could take advantage of the potential synergies of overhead to operate its assets in Colombia, Peru and Ecuador.
- “ On Dec. 15<sup>th</sup> 2016, Terpel’s shareholders meeting approved the transfer of the agreement.
- “ On Dec. 27<sup>th</sup> 2016, Terpel asked for approval to the Colombia antitrust authority. Estimated date of approval: August.

**Approximated Market share (2015)**



(\*) Of the aviation market in Peru



# ExxonMobil Downstream Assets as Strategic Investment

## Position of Copec Business

- “ The agreement allows Copec to:
  - ▷ Integrate the lubricant operation in a regional level under one brand with worldwide acknowledgment, and...
  - ▷ ... consolidate the company as a leader fuel and lubricant player in the Pacific coast, through...
  - ▷ ... the acquisition of high quality assets with leadership position and with experienced employees.
- “ Furthermore, depending on the antitrust authorities in Colombia, it will be necessary to sell the ExxonMobil’s operations and assets acquired in that country to the downstream fuel business.

## Opportunities for Terpel

**Colombia**

Terpel would triplicate its lubricants volume in Colombia and would have the opportunity to extend its lubricants offer in that country, and capture new industrial clients with more specific and valuable needs.

**Peru**

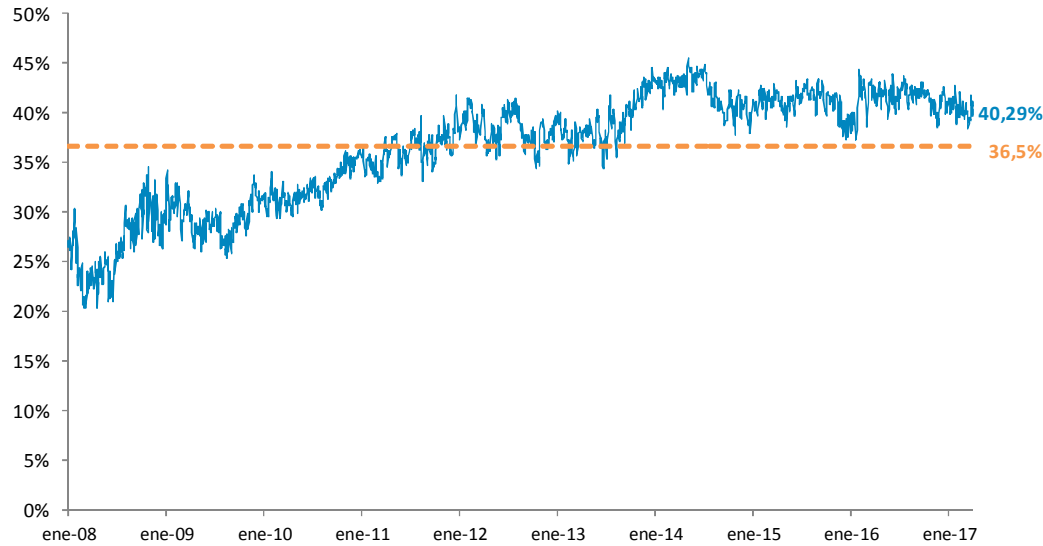
The acquisition would allow Terpel to develop the fuel business in Peru, through aviation as an initial platform.

**Ecuador**

The new operation in Ecuador would increase Terpel market share in the fuel business and have a significant potential in lubricants.

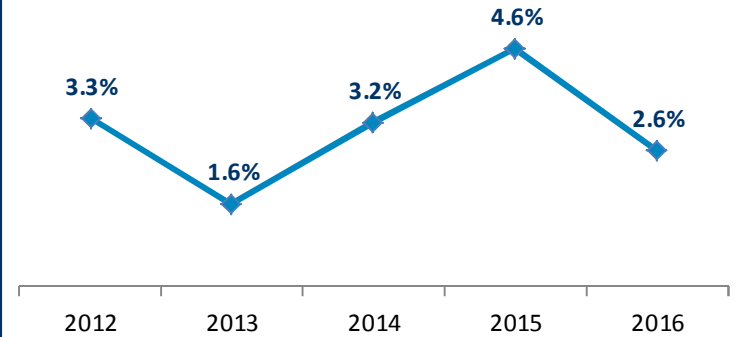


### AntarChile's NAV as of March 31<sup>st</sup>, 2017

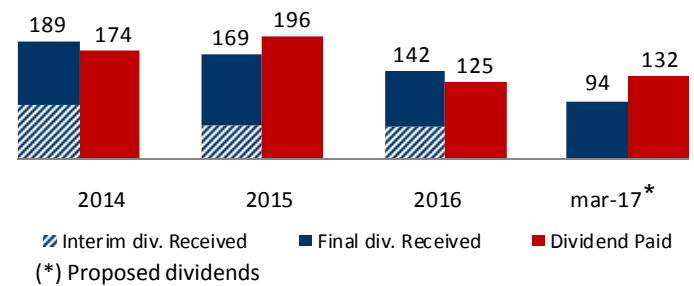


<b>NAV:</b>	<b>US\$8.9 billion</b>
<b>Market Cap:</b>	<b>US\$5.3 billion</b>
<b>Discount:</b>	<b>40,3%</b>

### Historical Dividend Yield



### Cash Generation and Profit Distribution

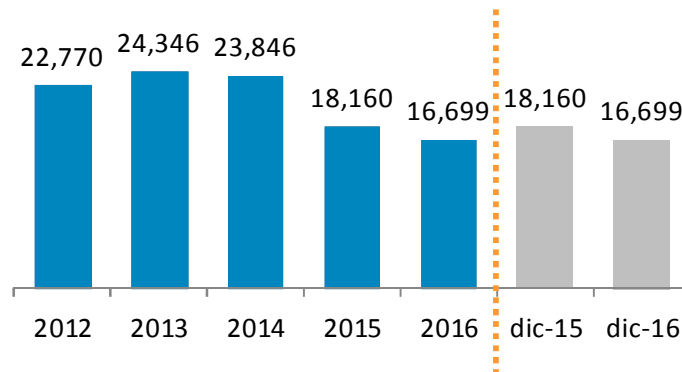




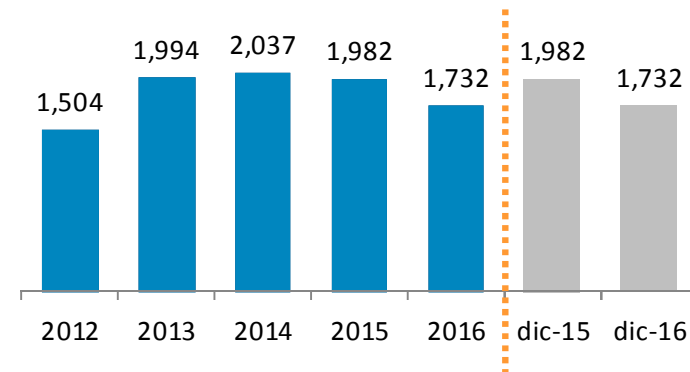


## Financial Information

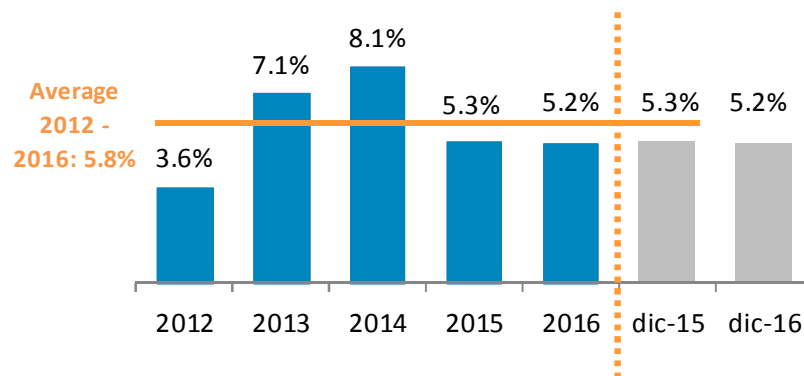
**Revenue**  
(US\$ million)



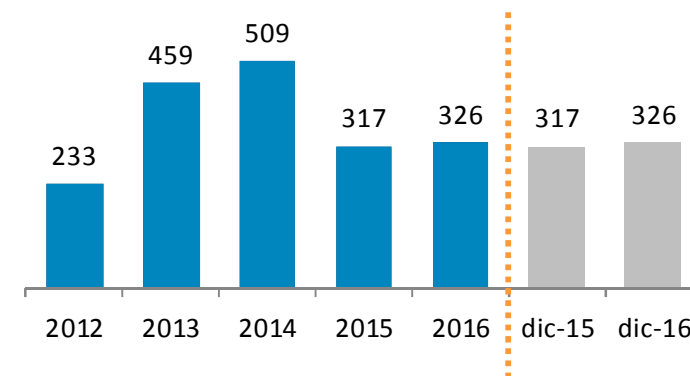
**EBITDA**  
(US\$ million)



**Return on Equity (annual)**  
(%)



**Profit**  
(US\$ million)





## CONSOLIDATED BALANCE SHEET

US\$ million	dic-15	dic-16
<b>Assets</b>		
Current assets	5,233	5,010
Non-current assets	15,229	16,909
<b>Total assets</b>	<b>20,462</b>	<b>21,919</b>
<b>Liabilities and net equity</b>		
<b>Liabilities</b>		
Current Liabilities	2,011	2,729
Non-current liabilities	8,324	8,503
<b>Total liabilities</b>	<b>10,335</b>	<b>11,232</b>
<b>Net equity</b>		
Paid-in capital	1,391	1,391
Retained earnings	5,841	6,019
Other reserves	(1,225)	(1,117)
<b>Equity attributable to owners of parent</b>	<b>6,007</b>	<b>6,294</b>
Equity of minority interests	4,120	4,393
<b>Total equity</b>	<b>10,127</b>	<b>10,687</b>
<b>Total liabilities and net equity</b>	<b>20,462</b>	<b>21,919</b>

## CONSOLIDATED INCOME STATEMENT

US\$ million	dic-15	dic-16
Sales revenue	18,160	16,699
Cost of sales	(15,098)	(13,937)
<b>Gross Margin</b>	<b>3,062</b>	<b>2,763</b>
Other income (expenses)	154	164
Distribution costs	(1,159)	(1,197)
Administrative expenses	(826)	(785)
Net interest expense	(269)	(289)
Others	(213)	92
<b>Income (loss) before taxes</b>	<b>748</b>	<b>748</b>
Income tax expense	(185)	(156)
<b>Income (loss) from continuing operations</b>	<b>563</b>	<b>591</b>
Income (loss) from discontinued operations	-	-
<b>Net Income</b>	<b>563</b>	<b>591</b>
<b>Income (loss) of owners of parent</b>	<b>317</b>	<b>326</b>
Income (loss) of minority interests	246	266



## Contact Information

CEO  
Head of Investor Relations

Andrés Lehuedé [alehuede@antarchile.cl](mailto:alehuede@antarchile.cl)  
José Luis Arriagada [jarrigada@antarchile.cl](mailto:jarrigada@antarchile.cl)





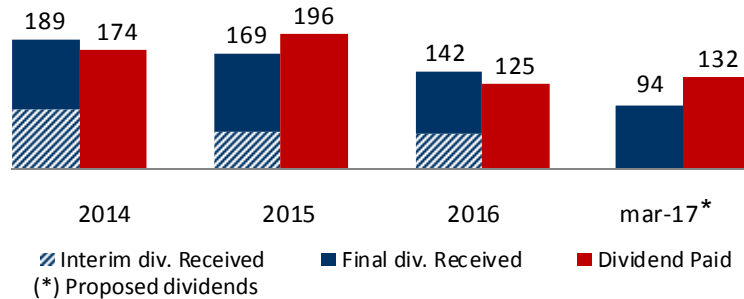
## Appendices

I.	Parent Level Information	21
II.	Consolidated Debt	28
III.	Forestry industry	29
IV.	Fuel distribution	35
V.	Fisheries	42
VI.	Power Generation	46
VII.	Mining	47



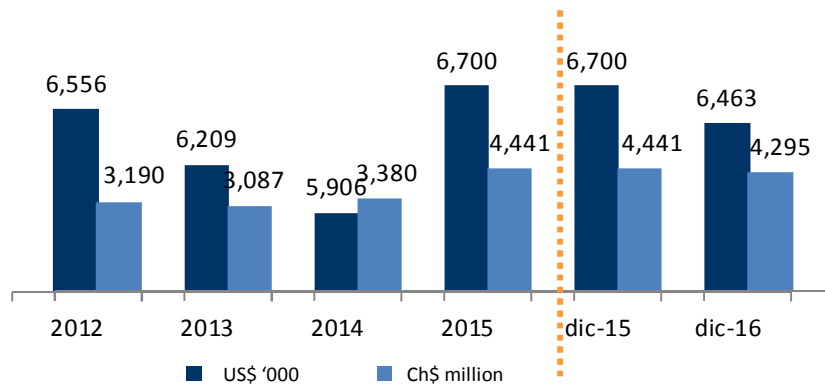
## Parent Level Information

### AntarChile's Cash Generation and Profit Distribution



- ~ Cash in AntarChile comes mainly from dividends paid out by its subsidiaries.
- ~ Its dividend policy mandates distribution of 40% of yearly net profit.
- ~ AntarChile's dividend policy mirrors that of Empresas Copec, thus avoiding accumulation of cash at holding company level.
- ~ Empresas Copec pays out an interim dividend in December and a definitive dividend in May, whereas AntarChile only pays out a definitive dividend in May.

### SG&A Expenses – AntarChile (individual)

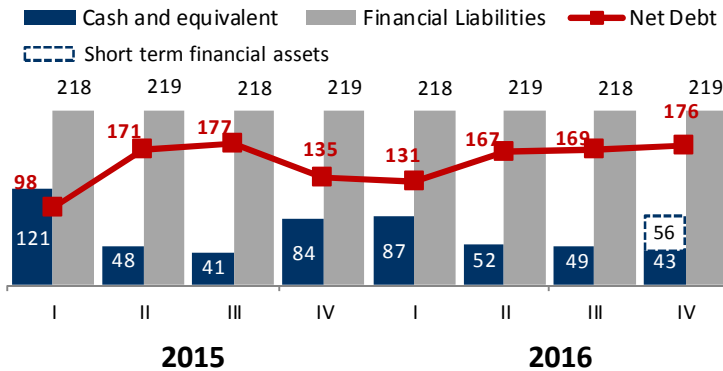


- ~ AntarChile's administration expenses (individual) in 2015 were higher than in 2016 due a non recurring effect associated with compensations payments.



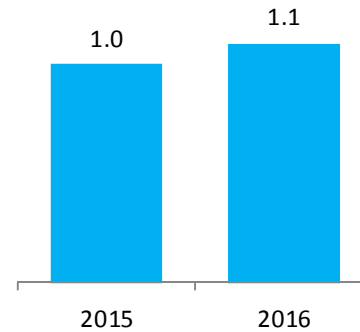
## Parent Level Information Credit rating and Indebtedness

**Individual Net Debt**  
(US\$ million)

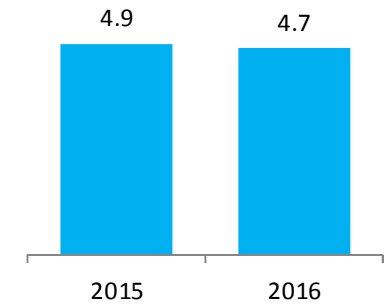


**Consolidated Financial Indicators as of 2016**

**Indebtedness**  
(Current liabilities/(net equity + minority shareholding))



**Financial Expenses Coverage**  
(EBITDA LTM/financial expenses)



- AntarChile maintains financial liabilities at a constant rate of over time.
- The increase in cash in each fourth quarter corresponds to the interim dividend paid out by Empresas Copec.

AntarChile Local  
Credit Ratings:



**Shares**

First Class, tier 2

First Class, tier 2

**Debt**

N1 / AA-

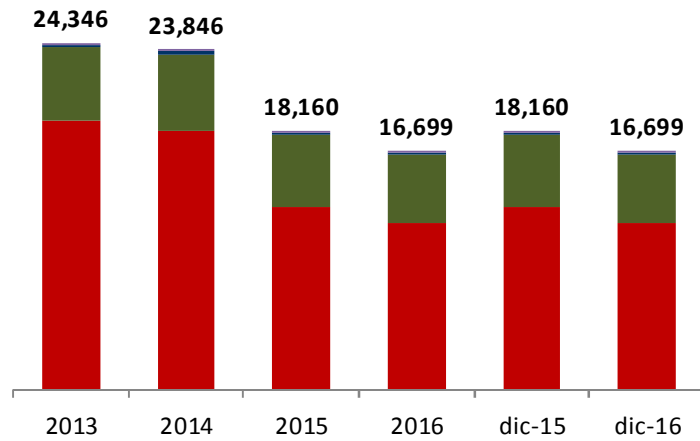
A+



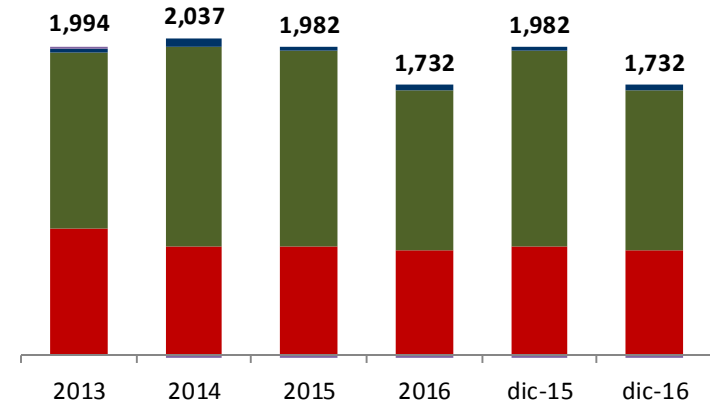
Parent Level Information

Financial Indicators by Line of Businesses as of December, 2016

**Consolidated Sales**  
(US\$ million)



**Consolidated EBITDA**  
(US\$ million)



■ Fuels distribution    
 ■ Forestry    
 ■ Fishing    
 ■ Other businesses



## Parent Level Information

# AntarChile's Asset Portfolio Variation

	Ownership	Book Value of Investments 2016 US\$ million	2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2016													
			2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Empresas Copec	60.82%	6,055	[Solid blue bar]													
CSAV	0.00%	N.A.	[Solid blue bar]													
Eperva	18.70%	39	[Solid blue bar]													
Igemar	17.44%	38	[Solid blue bar]													
Astilleros Arica	0.00%	N.A.	[Solid blue bar]													
Colbún	9.58%	331	[Solid blue bar]													
Red to Green	30.00%	2	[Solid blue bar]													
SerCor	20.00%	0	[Solid blue bar]													

**Up until the sale of Astilleros Arica, AntarChile's investment portfolio had not suffered any variations since 2006.**

- In 2003 Compañía de Petróleos de Chile S.A. (Copec) was restructured so as to move the fuel distribution business into a subsidiary -Copec remaining as parent company-, and change the company name to Empresas Copec.
- In 2005 AntarChile sold 15.42% of Compañía Sudamericana de Vapores.
- In 2006 AntarChile acquired 9.5% of Colbún; by December, 2015, the price of the Colbun stock had increased by 48%.
- In 2015 AntarChile sold its subsidiary Astilleros Arica to Corpesca, a subsidiary of Eperva.



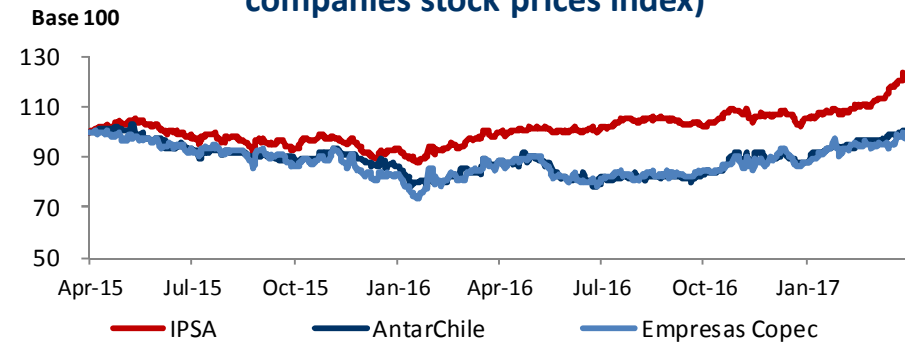


## Parent Level Information Stock Market Information

As of December 31th, 2016

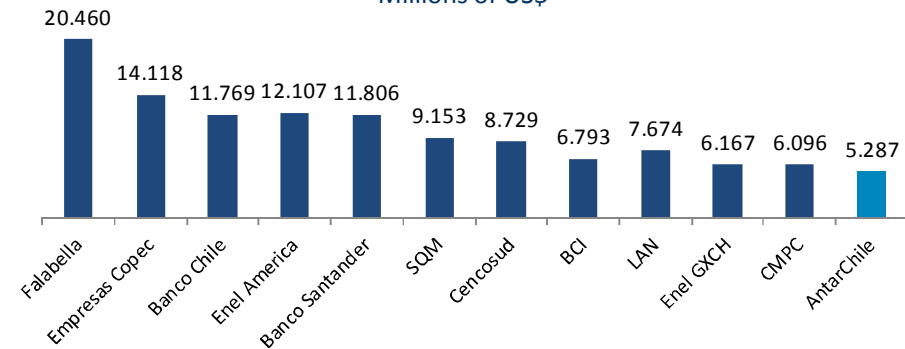
Shares	
Currency	Ch \$
Last Price	7,650
Maximum LTM	7,676
Minimum LTM	5,951
Market Cap.	US\$5,287 million

Stock Price v/s IPSA (chilean select companies stock prices index)



Market Capitalization of Chilean Companies

As of December 31th, 2016  
Millions of US\$



- “ AntarChile S.A. has a weight of 1.96% in the IPSA; its market capitalization rate is one of the highest in the country.
- “ Behavior of AntarChile’s stock is closely correlated to that of its main investment, Empresas Copec S.A.



## Parent Level Information

## Leadership in all businesses in which it participates



**2nd**

Largest market pulp producer in the world

**1st**

Producer of sawn timber in Latin America

**2nd**

Largest panel producer in the world



**58.1%**

Fuel distribution in Chile\*

**53.3%**

Lubricant distribution in Chile\*

**44%**

Fuel distribution in Colombia\*



**38%**

LPG distribution in Chile\*

**43%**

LPG distribution in Colombia\*

**23%**

LPG distribution in Perú\*

**34%**

LPG distribution in Ecuador\*

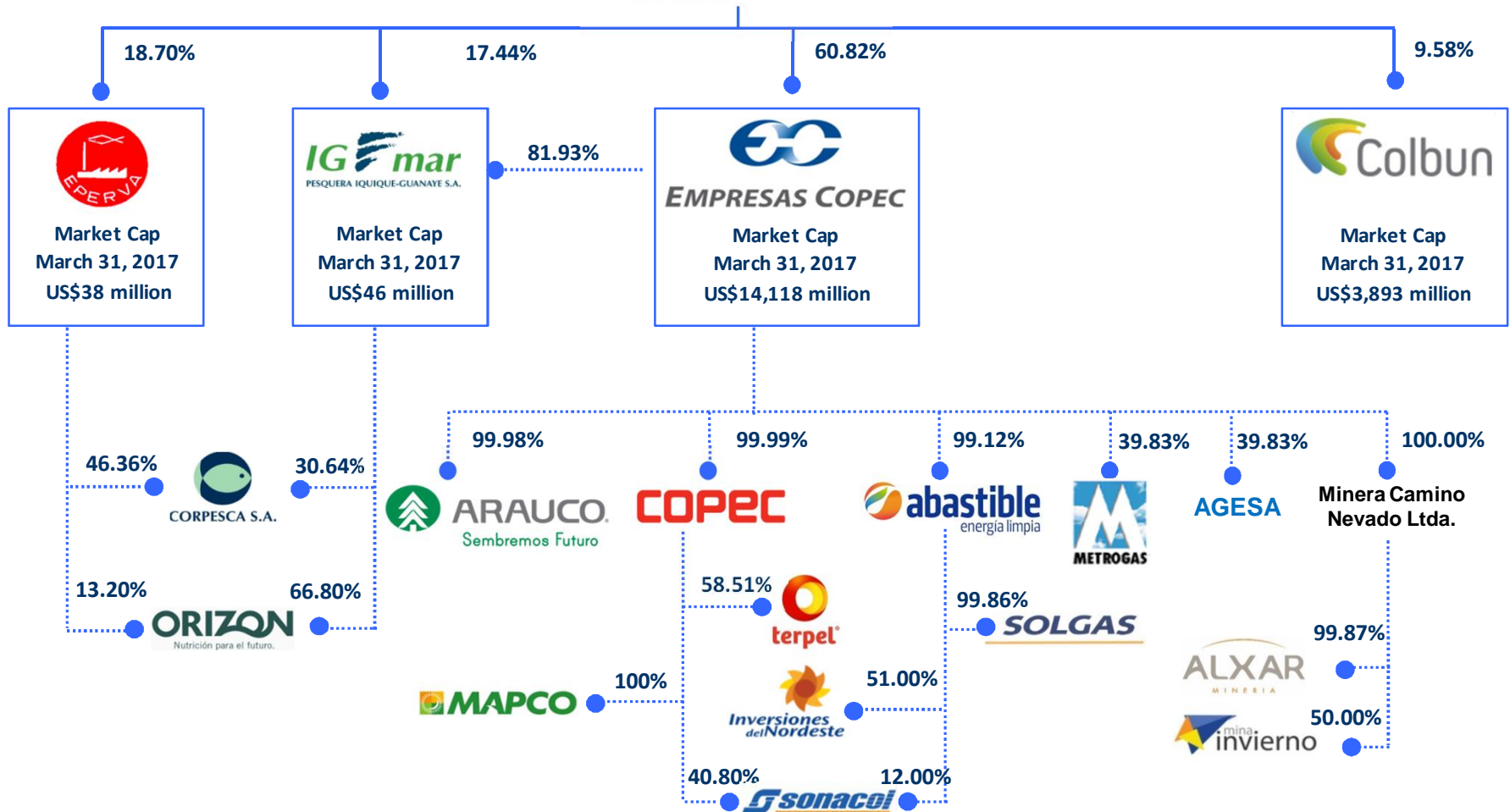
\* Market Share as of 2016



Parent Level Information



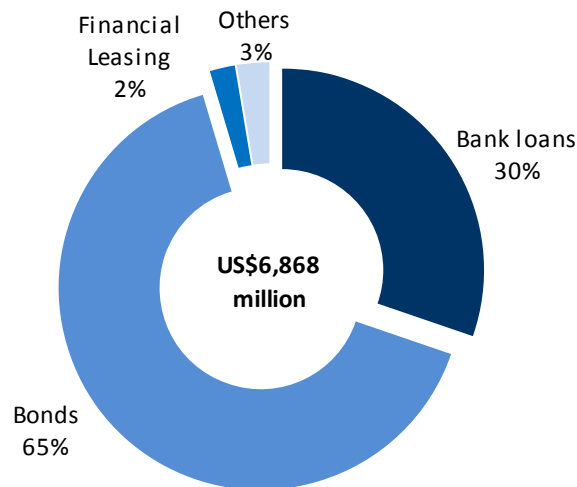
antar Chile



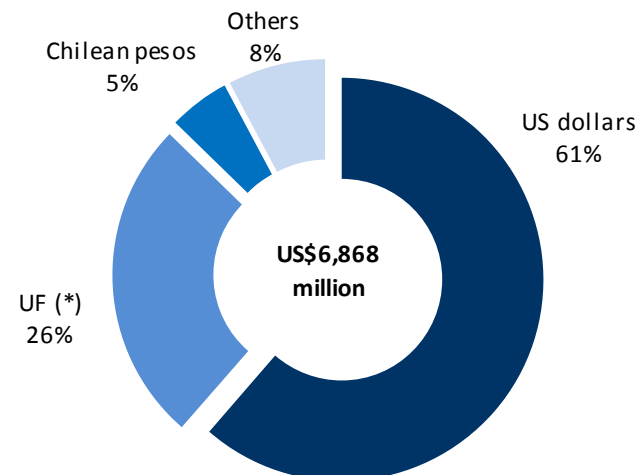


## AntarChile's consolidated financial debt

Breakdown by instrument



Breakdown by currency



(\*) "Chilean currency unit indexed according to inflation."  
Source: Ministry of Finance, Gobierno de Chile

US\$ million	Net Financial Debt			Net Debt/EBITDA LTM		
	4Q 2016	3Q 2016	4Q 2015	4Q 2016	3Q 2016	4Q 2015
Current financial liabilities	978	1,059	464	3.06 x	2.89 x	2.29 x
Non-current financial liabilities	5,890	5,604	5,910			
<b>Total financial liabilities</b>	<b>6,868</b>	<b>6,663</b>	<b>6,374</b>			
Cash and cash equivalents	1,332	1,425	1,669			
Current financial assets	242	257	175			
<b>Net financial debt*</b>	<b>5,295</b>	<b>4,982</b>	<b>4,531</b>			

\*Net debt = current financial liabilities + non-current financial liabilities - cash and cash equivalents  
- other current financial assets.

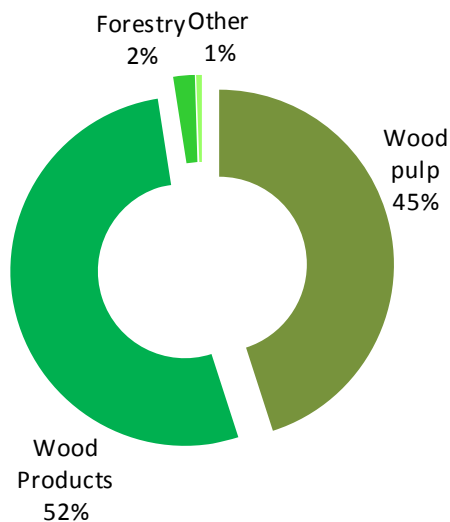


## Forestry Industry

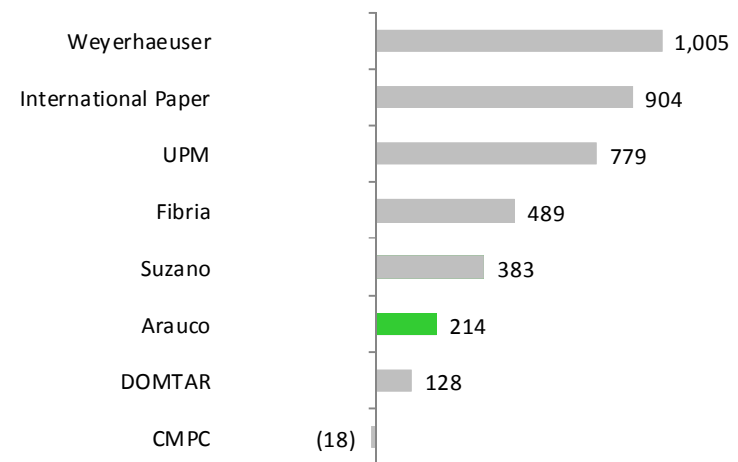
# Forestry

- ~ AntarChile, through Empresas Copec, controls 99.98% of Arauco, one of the world's largest industrial forestry groups.
- ~ Arauco is formed by a collection of industrial, forestry and commercial companies organized under the ownership of Celulosa Arauco y Constitución.
- ~ Arauco currently sells its products in over 80 countries, in all 5 continents.
- ~ Arauco produces cellulose, panels, and sawn and processed timber, among other products; it owns and operates industrial plants in Chile, Argentina, Brazil, Uruguay, the U.S.A. and Canada.

**Sales by Line of Product**  
Total 2016: US\$ 4,761 million



**Net Earnings**  
Total 2016: US\$ 214 MM





## Forestry Industry

# Arauco: Forest Areas and Industrial Mills as of December, 2016

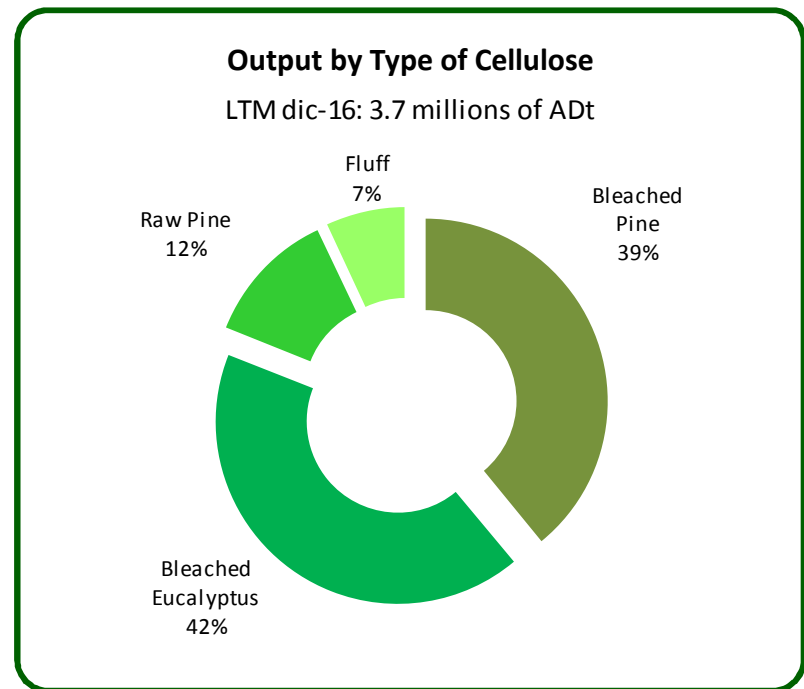
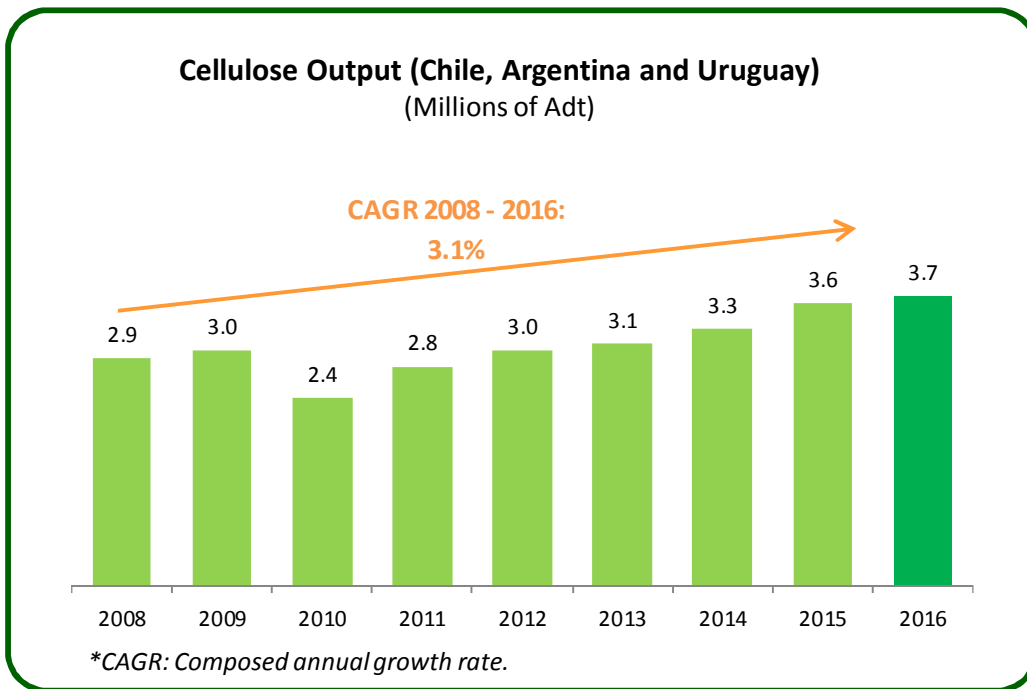
	FORESTRY	WOOD PULP	TIMBER	PANELS	ELECTRIC POWER
	710,005 Hectares	5 pulp mills 2,887,000 Adt	8 saw mills 2,704,190 m <sup>3</sup>	5 wood mills PB: 300,000 m <sup>3</sup> Plywood: 710,000 m <sup>3</sup> MDF: 515,000 m <sup>3</sup> HB: 60,000 m <sup>3</sup>	10 power plants Capacity: 606 MW
	132,351 Hectares	1 pulp mill 350,000 Adt	1 saw mill 317,982 m <sup>3</sup>	2 wood mills MDF: 300,000 m <sup>3</sup> PB: 260,000 m <sup>3</sup>	2 power plants Capacity: 78 MW
	99,671 Hectares			2 wood mills MDF: 1,255,000 m <sup>3</sup> PB: 310,000 m <sup>3</sup>	
	73,112 Hectares *	1 pulp mill 650,000 Adt *			1 power plant Capacity: 82 MW *
				8 wood mills MDF: 1,470,000 m <sup>3</sup> PB: 1,416,000 m <sup>3</sup>	
			1 saw mills*** 50,000 m <sup>3</sup>	10 wood mills*** MDF: 725,000 m <sup>3</sup> PB: 1,135,000 m <sup>3</sup> OSB: 230,00 m <sup>3</sup>	
<b>TOTAL</b>	<b>1,015,139 Hectares</b>	<b>7 pulp mills 3.89 Million Adt</b>	<b>10 saw mills 3.07 M m<sup>3</sup></b>	<b>16 wood mills 8.7 M m<sup>3</sup></b>	<b>13 power plants Capacity: 766 MW</b>



## Forestry Industry

# Arauco: Pulp Production

- “ Celulosa Arauco y Constitución was organized in 1976 through the merger of Celulosa Arauco and Celulosa Constitución. Its cellulose production plants are strategically located near forests and ports, equipped with the latest technologies and maintain competitive production costs.
- “ **Celulosa Arauco y Constitución is the world’s third largest producer of cellulose.** It makes bleached, raw, long-fiber pine cellulose, and raw, short-fiber eucalyptus cellulose, used for the manufacturing tissue paper, packaging material, filters and other products.

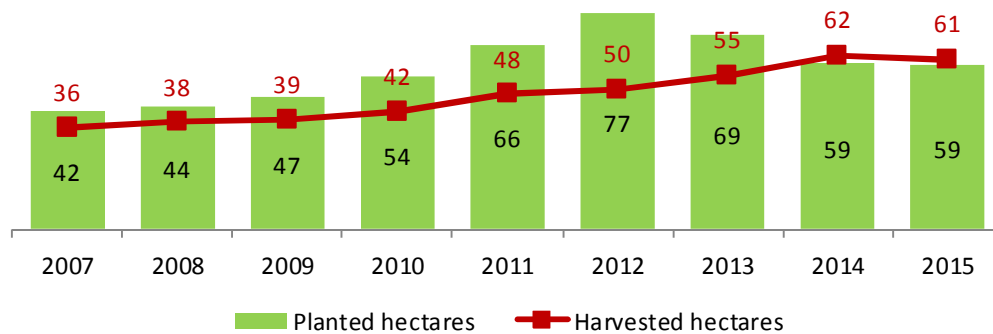




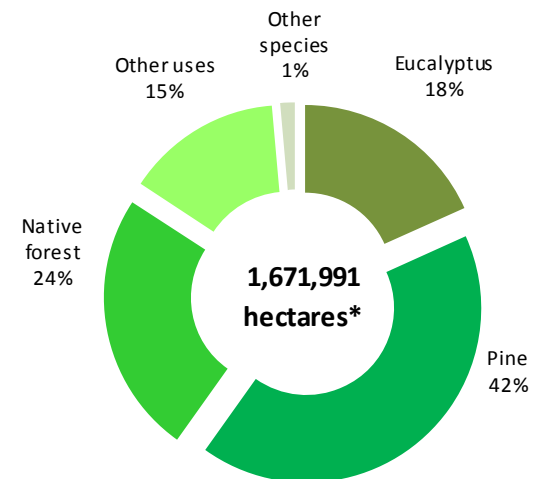
## Forestry Industry Forestal Arauco

- ~ Forestal Arauco was organized in 1989 to be the parent company of the forestry subsidiaries of the Arauco group, so as to better coordinate the operation and development policies of this line of business.
- ~ Forestal Arauco is the largest holder of forestry area in South America, distributed between Chile, Argentina, Uruguay and Brazil. Arauco's forestry plantations are located in zones that provide excellent conditions for the forestry business, i.e., high growth rates and short cutting cycles, thus affording significant competitive advantages.
- ~ Arauco maintains an efficient-management policy of its forests, which ensures operation sustainability at low cost.
- ~ It also maintains a well-defined sustainability policy, as well as environmental protection processes that protect the native forests. The latter currently represent 25% of Arauco's forestry areas (in hectares).

**Arauco's Forests: Chile, Argentina, Brazil and Uruguay  
(Thousands of hectares)**



**Distribution of Forestry Assets**



\* Heritage distribution at december 2016.





## Forestry Industry Wood Products

### Paneles Arauco

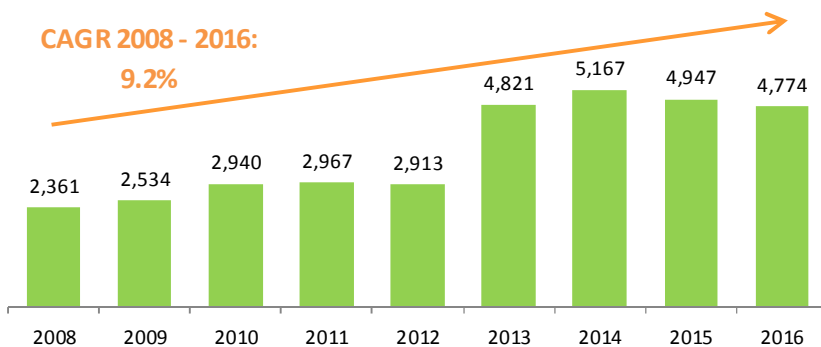
- “ Paneles Arauco was organized in 1995, looking to make better use of the timber produced by Arauco’s own forests and diversify its offer of forestry-derived products.
- “ This company has become a key player in the industry; **it is today the world’s second producer of wood panels.**
- “ It operates 16 industrial plants in 5 countries in America, and has diversified its production to an array of different kinds of panels.

### Aserraderos Arauco

- “ Aserraderos Arauco was organized in 1993 with the purpose of managing the sawmills and manufacture plants, and of commercializing the output thereof. The company is leader in timber production in the Southern Hemisphere.
- “ Aserraderos Arauco holds 9 sawmill plants (8 in Chile and 1 in Argentina); 6 manufacture facilities and 2 plywood plants.
- “ Its installed capacity goes up to 3,0 million m<sup>3</sup> of sawn timber. Its products are commercialized in around 50 countries.

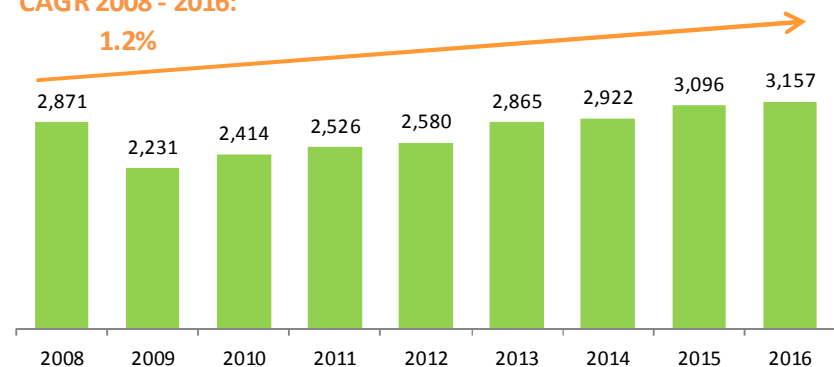
**Arauco Paneles Output**  
(Chile, Argentina, Brazil and North America)  
(Thousands of m<sup>3</sup>)

CAGR 2008 - 2016:  
9.2%



**Aserraderos Arauco Output**  
(Chile and Argentina)  
(Thousands of m<sup>3</sup>)

CAGR 2008 - 2016:  
1.2%












## Fuel Distribution

# Fuel Distribution

AntarChile is involved in the fuel distribution industry through seven different subsidiaries: Compañía de Petróleos de Chile (Copec), Organización Terpel, Abastible, Inversiones del Nordeste, Sonacol, Sonamar and Metrogas.

							
<b>FUEL</b>	Liquid fuels, Lubricant	Liquefied Petroleum Gas (LPG)	Natural Gas	Liquid Fuels, Lubricant	Liquid fuels	Liquefied Petroleum Gas (LPG)	Oil
<b>COUNTRY</b>	Chile	Chile	Chile	Colombia	USA	Colombia	Chile
<b>SALES VOLUME 2016</b>	9.8 million m <sup>3</sup>	459 thousand tons	1,078 million m <sup>3</sup>	8.7 million m <sup>3</sup>	1.9 million m <sup>3</sup>	205 thousand tons	Transported 9.9 million m <sup>3</sup>
<b>MARKET SHARE 2016</b>	58%	38%	-	44%*	-	43%*	-
<b>SHAREHOLDING</b>	Empresas Copec 100%	Empresas Copec 99.05%	Empresas Copec 39.83%	Copec S.A. 58.51%	Empresas Copec 100% (indirect)	Abastible 51.00%	Empresas Copec 52.8% (indirect)

\*Share in Colombia.

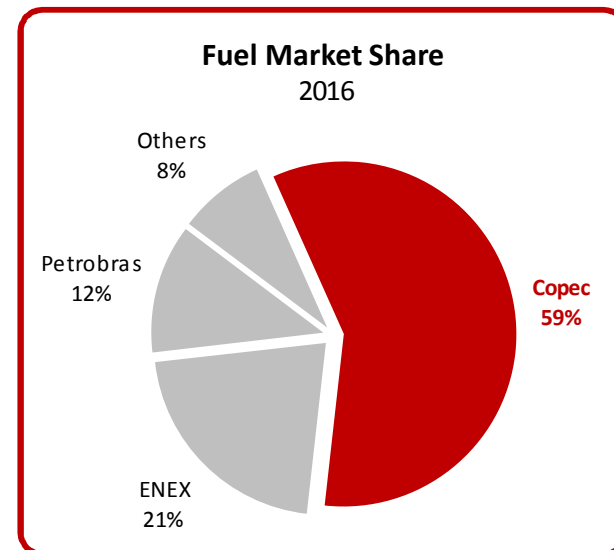
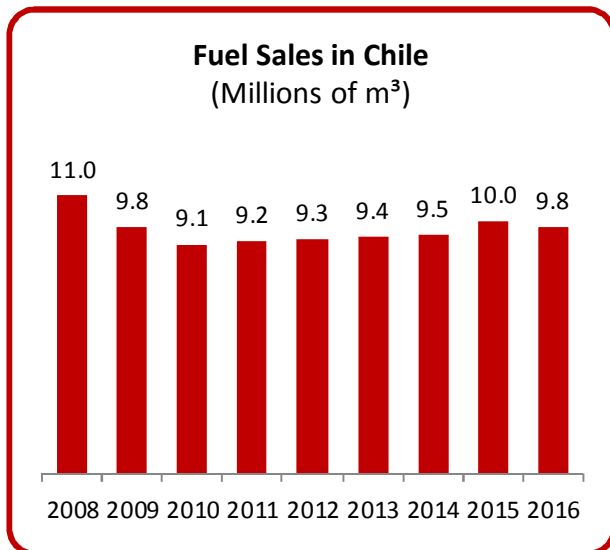
GDS: Filling Stations; IND: Industrial Customer; GNV: Natural Gas Vehicle.



## Fuel Distribution

# Compañía de Petróleos de Chile (Copec)

- “ Compañía de Petróleos de Chile, Copec, was organized in 2003 as a subsidiary of Empresas Copec, with the purpose of commercializing and distributing fuel of both household and industrial use in Chile, using the parent company’s existing assets in liquid fuels and lubricants. In 2010, Copec commenced a process of international expansion by taking over the Colombian fuel distribution company Organización Terpel.
- “ By December, 2016, Copec was operating 634 gas stations, located across the country, and which are tied to 91 Pronto convenience stores and 248 Punto mini-stores. All these make up the largest chain of service stations in Chile.
- “ In addition, the company owns 19 storage plants, with capacity to hold an aggregate 543 thousand m<sup>3</sup>.
- “ In 2013 the company began its operations in the vehicular gas distribution market, implementing service stations for the segment.



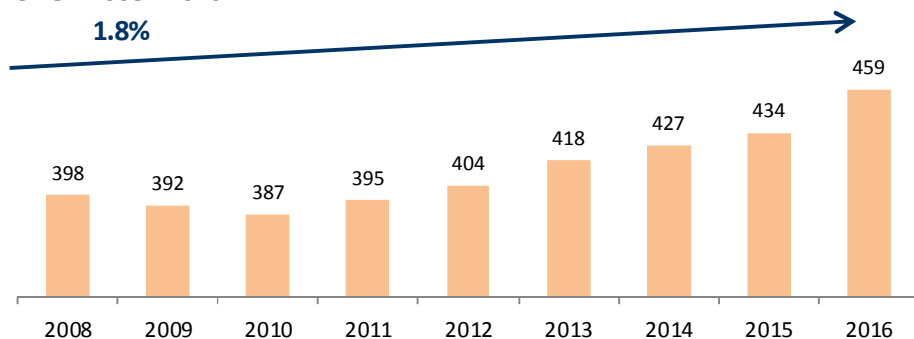


## Fuel Distribution Abastible

- Abastible was organized in 1956 with the purpose of commercializing liquefied gas for household, commercial and industrial use.
- Nowadays, Abastible covers the region of Arica y Parinacota (northernmost), and then continuously from the Atacama to the Magallanes regions. It also operates in Colombia, through Inversiones del Nordeste S.A., of which Abastible owns 51%.
- Abastible owns the complete infrastructure necessary for its operation as a key supplier and distributor of liquefied gas; it counts 23 sales offices, 10 storage and fueling plants, approximately 6 million cylinders and 55 thousand tanks.
- Additionally, the company owns a port terminal for re/de fuelling, and a storage plant of 40 thousand m<sup>3</sup>, both located in Bahía de San Vicente (Southern Center Chile).
- In Colombia, Abastible owns 5 companies for commercializing and distributing liquefied gas; one cylinder and tank building company; and one transportation company for distribution of both bottled and bulk gas. The sales volume of the group in Colombia is of approximately 205 thousand tons (2016).

**Domestic Liquefied Petroleum Gas Sales**  
(Thousands of tons)

**CAGR 2008 - 2016:**  
1.8%



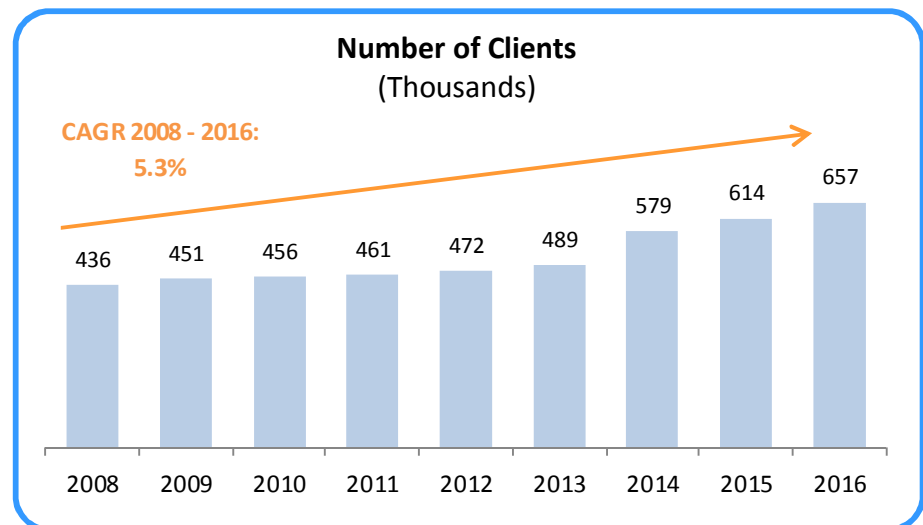
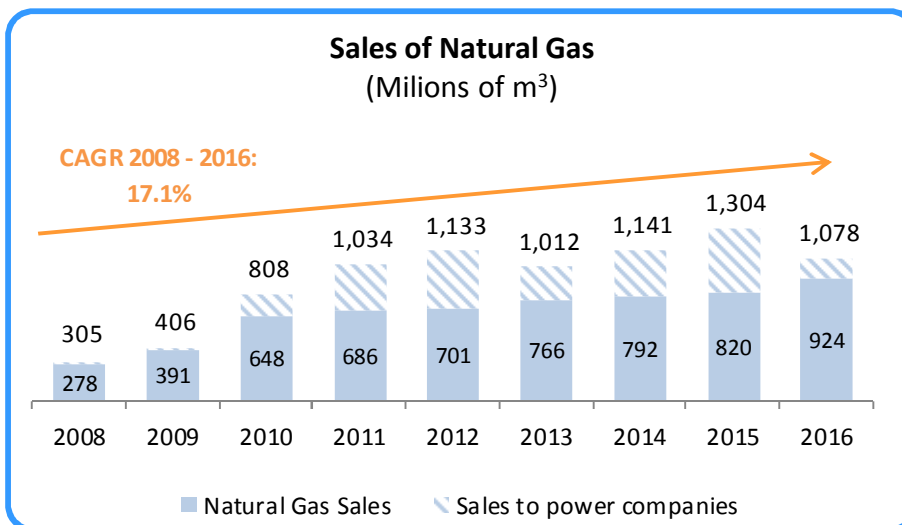
**Market Share, Liquefied Petroleum Gas in Chile**  
2016





## Fuel Distribution Metrogas

- “ Metrogas was organized in 1994 with the purpose of commercializing natural gas in Chile. Since then, it has performed a key role in the domestic energy market, ensuring the supply of natural gas in the central zone of Chile.
- “ Metrogas currently supplies over 657 thousand clients, of all industrial, commercial and household segments in the Metropolitan and Libertador Bernardo O’Higgins regions. Its pipelines currently sum up over 5,000 km., and are projected to reach over 12,000 km.
- “ Together with Aguas Andinas, Metrogas operates the sewage sludge and wastewater treatment plant La Farfana, in Santiago. The plant is currently undergoing the last phase of a mechanization process that will allow the conversion of biogas into biomethane, to be injected into the grid.



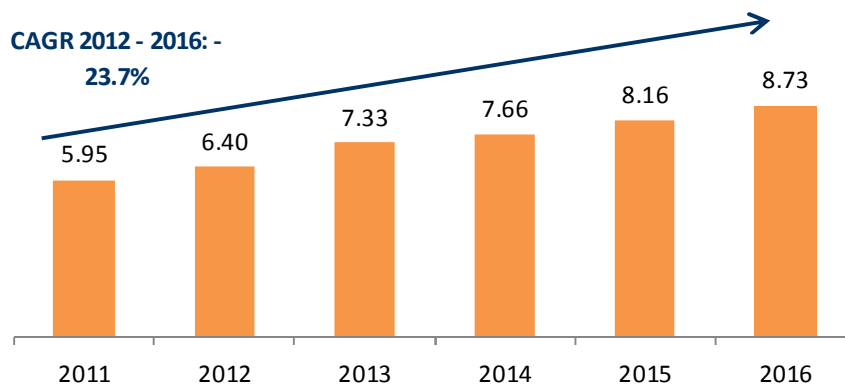


## Fuel Distribution

# Organización Terpel

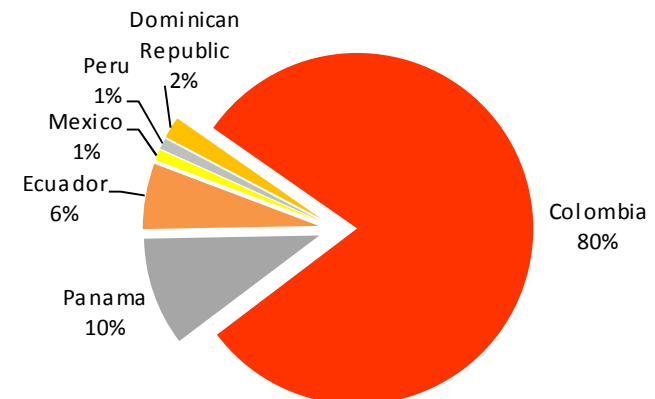
- “ Organización Terpel was organized in 1968, looking to solve the fuel distribution issues that existed in the Santander region of Colombia. Since its inception the company followed a development plan that positioned it among the most important fuel distribution companies in Colombia.
- “ Through various acquisitions and reorganizations, Copec owns indirectly 58.51% of Terpel.
- “ Currently, Terpel deals in fuel commercialization in Colombia, Ecuador, Panama, Peru, Dominican Republic and Mexico. Its distribution network counts 2,217 service stations of liquid fuels, of which 329 compressed natural gas for the vehicle market.
- “ In 2014 Terpel underwent a corporate restructuring and simplification process, whereby Sociedad de Inversiones en Energía (SIE), Proenergía Internacional and Organización Terpel were merged into one company. The latter went public in the Colombian stock exchange.

**Fuel Sales**  
(Millions of m<sup>3</sup>)



**Fuel Sales by Country**

Total 2016: 8.7 millions of m<sup>3</sup>





## Fuel Distribution Inversiones del Nordeste

- “ Inversiones del Nordeste was organized in 2004 with the purpose of supplying liquefied gas to households and industries in Colombia.
- “ It owns five regional companies for the commercialization and distribution of liquefied gas (Asogas, Gasan, Norgas, Colgas de Occidente y Gases de Antioquia), thus covering practically the entire Colombian territory. It also owns 33.33% of Montagas, a distributing company.
- “ Inversiones del Nordeste has two subsidiaries; one dedicated to manufacture of cylinders and tanks, and one for transportation of bottled and bulk gas.
- “ In May, 2011, Abastible finalized the acquisition of 51% of Inversiones del Nordeste.
- “ Inversiones del Nordeste is today the leading company in Colombia, with a market share of 34.7% and sales amounting to 205 thousand tons in 2015.



## Fuel Distribution Sonacol

- “ In 1957, Copec, ENAP and Esso Chile joined to establish Sociedad Nacional de Oleoductos S.A. (Sonacol), with the purpose of creating a network of pipelines for the transportation of fuel and other oil derivatives.
- “ In 2004, Sonacol came to be a subsidiary of Empresas Copec, which owns 52.8% of the former through Compañía de Petróleos de Chile Copec and Abastible.
- “ Today, Sonacol owns 465 km. of pipelines, located between Quintero and San Fernando, which it operates to supply fuel to the Metropolitana region.
- “ In 2016, Sonacol’s pipelines moved 9.9 million m<sup>3</sup> of liquid fuels.

## Sonamar

- “ In 2005, Sonacol decided to separate its land operations from the maritime ones, which were taken under the new Sociedad Nacional Marítima S.A. (Sonamar).
- “ In 2006, Sonamar welcomed the Ultragas group as a new shareholder in addition to the existing Copec, Abastible, ENAP and Shell.
- “ Empresas Copec indirectly owns 35.6% of Sonamar.
- “ Sonamar owns a fleet of 4 tank vessels, which together can transport 180 thousand m<sup>3</sup> of oil.
- “ El 2016 Sonamar transported 2.0 million m<sup>3</sup> of oil.





## Fisheries

# Fisheries

AntarChile is involved in the fishery industry through two companies, Corpesca and Orizon, which operate Northern and Central-South Chile, respectively. Each of these companies also owns 35% of Golden Omega, a company producing Omega 3 concentrates from fish oil.

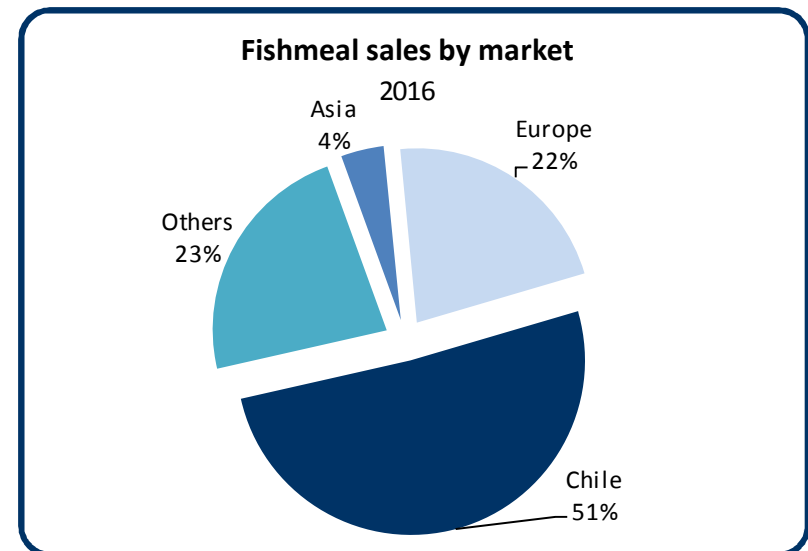
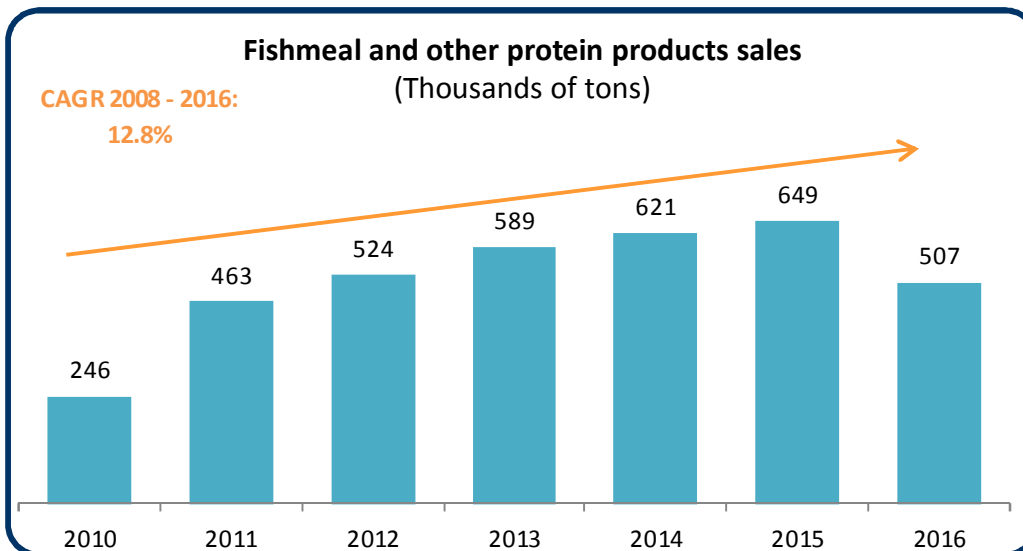


GEOGRAPHIC AREA	Northern Chile	Central-north, Central and Southern Chile
VESSELS	47 vessels	8 vessels
FLEET'S STORAGE CAPACITY	21,000 m <sup>3</sup>	Aprox. 11,000 m <sup>3</sup>
PROCESSING PLANTS	<ul style="list-style-type: none"> <li>" 5 fishmeal and fish oil</li> <li>" 1 canning plant</li> <li>" 1 freezer plant</li> </ul>	<ul style="list-style-type: none"> <li>" 3 fishmeal and fish oil</li> <li>" 2 canning plants</li> <li>" 3 freezer plants</li> </ul>
SHAREHOLDING	<ul style="list-style-type: none"> <li>" Empresa Pesquera Eperva: 46.36%</li> <li>" Pesquera Iquique-Guanaye (Igemar): 30.64%</li> </ul>	<ul style="list-style-type: none"> <li>" Empresa Pesquera Eperva: 13.2%</li> <li>" Pesquera Iquique-Guanaye (Igemar): 66.8%</li> </ul>



## Fisheries Corpesca

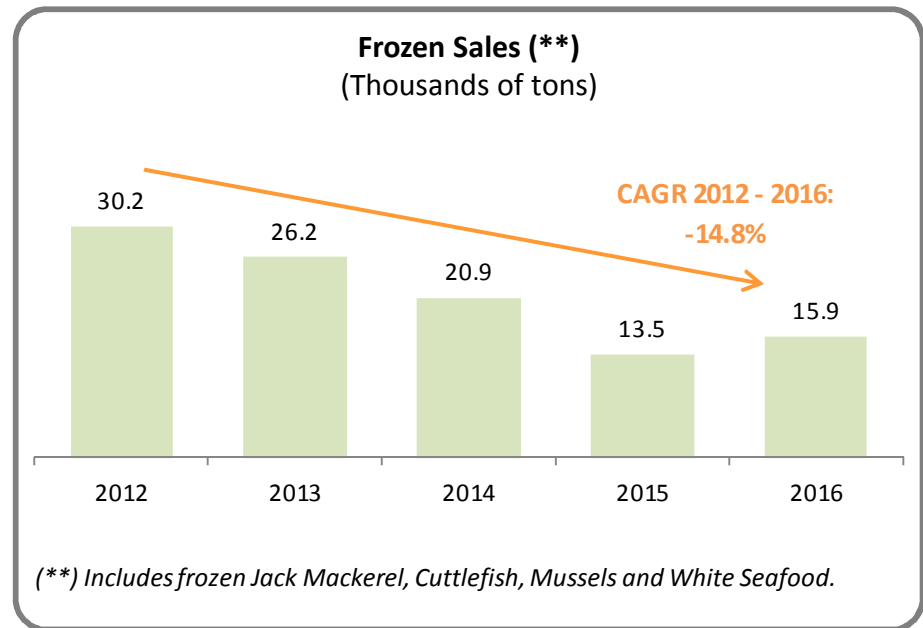
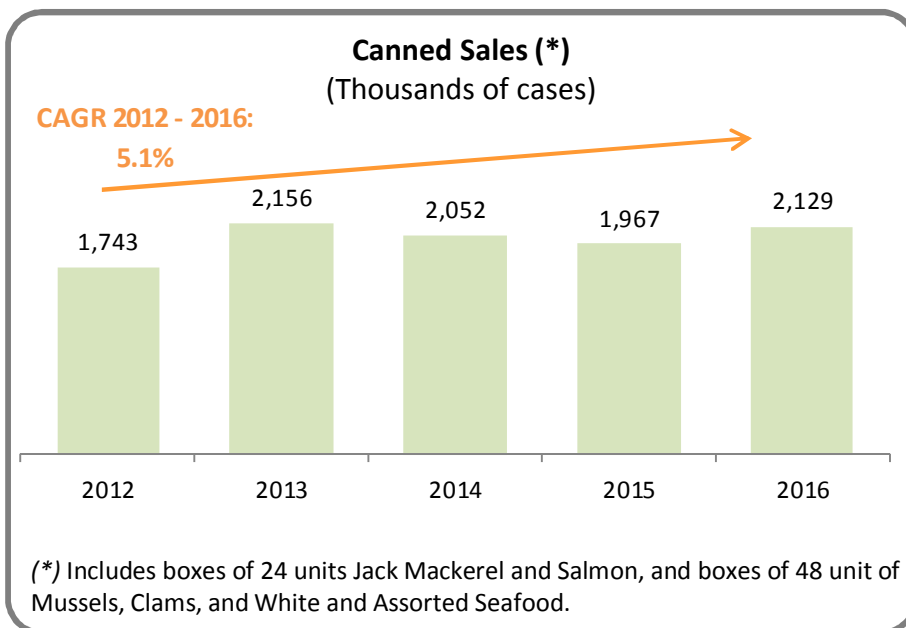
- ~ Corpesca was organized in 1999, resulting from the merger of the operating assets that Empresa Pesquera Eperva, Pesquera Iquique-Guanaye, and Sociedad Pesquera Coloso owned in Northern Chile at the time.
- ~ Corpesca is the largest fishery company in Chile and one of the most important in the world in the line of fishmeal and fish oil.
- ~ It owns processing plants for fishmeal and fish oil in the ports of Arica, Iquique and Mejillones, which are able to process a combined 640 tons of raw material per hour. In Iquique Corpesca also owns a freezer plant and a canning plant.
- ~ In 2013, Corpesca acquires 60% of the Brazilian company Sementes Selecta S.A., which produces soy protein concentrates (SPC), consolidating Corpesca's position as a protein supplier. In 2015, Corpesca bought an additional 10% stake in Sementes Selecta S.A.





## Fisheries Orizon

- Orizon was organized in 2010 as a result of the merger of the operating assets of SouthPacific Korp (SPK) and Pesquera San José. The company carries out its fishing activities in all Northern, Central and Southern Chile.
- It owns two industrial plants for the production of fishmeal and fish oil, one in the Coquimbo region and one in the Bio-Bio region. These plants process a combined 290 tons of raw material per hour.
- Another plant, located in Coronel, produces canned mackerel, and frozen mackerel and cuttlefish; and one other plant processes mussels. In Puerto Montt, Orizon owns a freezer plant.
- Orizon's fleet comprises 8 vessels, with a total capacity of approximately 11,000 m<sup>3</sup>.





## Fisheries



# Golden Omega

- “ In 2008, Corpesca and Orizon started a strategic joint venture for the production of Omega 3 concentrates from fish oil, with an output capacity of 2,000 tons of finished product per year. The project entailed a US\$ 80 million investment.
- “ The plant commenced its operations in 2012, making Golden Omega the world’s first Omega 3 concentrate producer that is vertically integrated to the fish catches it utilizes. This feature allows Golden Omega to select the best raw material, and to keep complete track of the production chain.
- “ Currently, the facilities produce 10 varieties of Ethyl-Ester (EE), and 10 varieties of Triglycerides (TG), with different concentrations of EPA and DHA.
- “ Orizon’s operation follows the U.S. FDA standards. It elaborates products with an Omega 3 fatty acids concentration of up to 60%, which are commercialized in the U.S., Europe, Australia, New Zealand and Japan.
- “ In 2014 the company opened phase II of the industrial complex for the production of Omega 3-concentrates, with an output capacity of 700 tons per year of products that shall carry a fatty acid concentration of over 85%.



## Power Generation



- “ AntarChile’s affiliates involved in the power generation market are Colbún and Arauco Bioenergía, both of which utilize conventional energy as well as renewable non-conventional energy sources.
- “ Colbún has an installed capacity of 3,278 MW, being the second largest generator of the Chilean Interconnected Central System (SIC), with a market share of 21.3%. The SIC supplies 92% of Chile’s power demand.
- “ Arauco Bioenergía, consistent with its environmental sustainability policies, generates power out of biomass. Its installed capacity is of 766 MW, providing SIC with a surplus of 253 MW.

	 <b>HYDRO and THERMAL</b>	 <b>BIOMASS</b>
<b>INSTALLED CAPACITY BY TECHNOLOGY</b>	<ul style="list-style-type: none"> <li>“ 1,597 MW Hydroelectric (41.5%)</li> <li>“ 2,255 MW Thermolectric (58.5%)</li> <li>“ 3,852 MW Total</li> </ul>	<ul style="list-style-type: none"> <li>“ 766 MW</li> </ul>
<b>POWER OUTPUT 2016</b>	<ul style="list-style-type: none"> <li>“ 11,275 GWh Chile</li> <li>“ 3,582 GWh Perú</li> </ul>	<ul style="list-style-type: none"> <li>“ 2,500 GWh domestic consumption (76%)</li> <li>“ 1,089 GWh sold (24%)</li> <li>“ <b>3,589 GWh Total</b></li> </ul>
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>“ 16 Hydroelectric plants</li> <li>“ 8 Thermolectric plants</li> <li>“ 4 NCRE plants</li> </ul>	<ul style="list-style-type: none"> <li>“ 8 Co-generating plants</li> <li>“ 2 Backup turbine plants</li> <li>“ 2 Biomass plants in Argentina</li> </ul>
<b>SHAREHOLDING</b>	<ul style="list-style-type: none"> <li>“ AntarChile: 9.58%</li> </ul>	<ul style="list-style-type: none"> <li>“ Arauco: 100%</li> </ul>



## Mining

- “ AntarChile participates in different mining projects through its subsidiary Sociedad Minera Camino Nevado, established in 2011 and which counts among its operations 50% of Mina Invierno S.A. and 99.87% of Alxar Minería.
- “ Alxar Minería is involved in mining of gold, silver and copper, with sites in the regions of Arica y Parinacota, Antofagasta, Atacama and Valparaíso (Northern and Center Chile).
- “ Empresas Copec and Inversiones Ultraterra (of the Von Appen group) jointly developed the Mina Invierno project, which exploits coal fields in the Magallanes region in southern Chile.

	 <b>ORE</b>	 <b>COAL</b>
<b>RESERVES</b>	Gold, silver, copper	389 million tons sub-bituminous coal
<b>CURRENT OPERATIONS</b>		<ul style="list-style-type: none"> <li>“ Extractive operations in Mina Invierno</li> <li>“ Maritime terminal</li> </ul>
<b>PROJECTS UNDER ANALYSIS</b>	<ul style="list-style-type: none"> <li>“ Diego de Almagro (pre-feasibility)</li> <li>“ El Bronce de Petorca (exploration)</li> <li>“ Bota de Oro (exploration)</li> </ul>	<ul style="list-style-type: none"> <li>“ Estancia Invierno</li> </ul>
<b>SHAREHOLDING</b>	Empresas Copec: 99.87% (indirect)	Empresas Copec: 50% (indirect)