


antar**chile**

---

MEMBER OF

**Dow Jones**  
**Sustainability Indices**

In Collaboration with RobecoSAM 

---

# CORPORATE PRESENTATION

September 2018

## BACKGROUND review

AntarChile was organized in 1989, to be a holding company of the Angelini Group, who controls the company by owning 74.7% of its share capital.

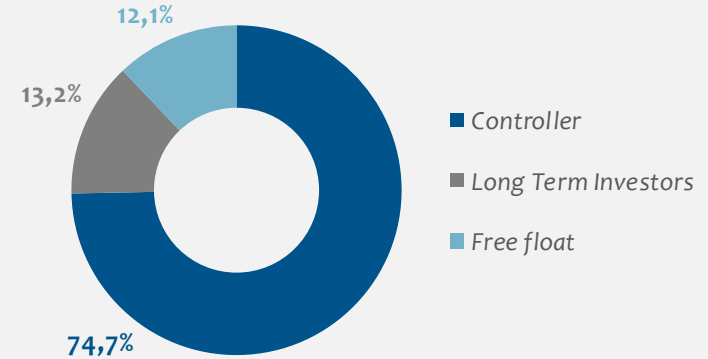
Its main investment is the shareholding interest of 60.82% of Empresas Copec, which grants AntarChile control thereof and represents approximately 92.8% of its consolidated assets. Empresas Copec is counted among the most important and of highest market capitalization companies in Chile.

### As of June 2018, AntarChile's asset portfolio amounts to US\$ 23 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

August 2018

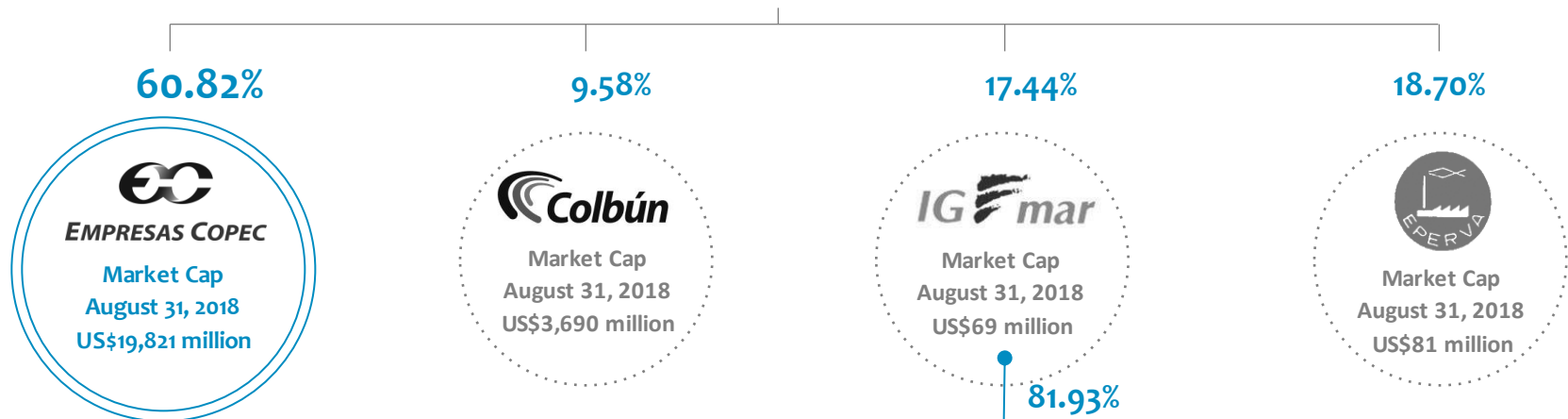


## MAIN investments



antarchile

Market Cap / August 31, 2018 / US\$ 7,264 million





## FUELS DISTRIBUTION



## FORESTRY

**arauco**

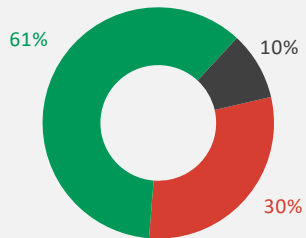
PULP  
FORESTRY  
PANELS  
SAWNTIMBER  
ENERGY

## OTHER BUSINESSES



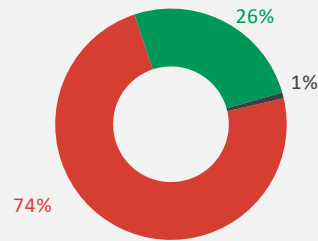
### ASSETS

As of jun-18: US\$ 23,396 million



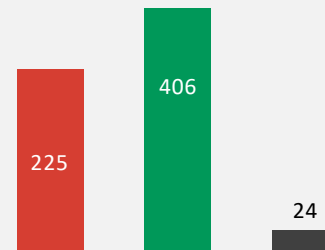
### SALES

LTM jun-18: US\$ 22,396 million



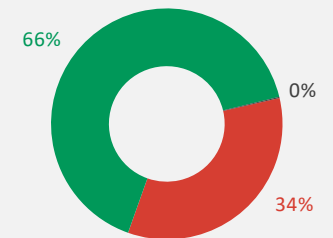
### NET INCOME

LTM jun-18: US\$ 655 million



### EBITDA

LTM jun-18: US\$ 2,648 million



● Fuels distribution ● Forestry ● Other businesses

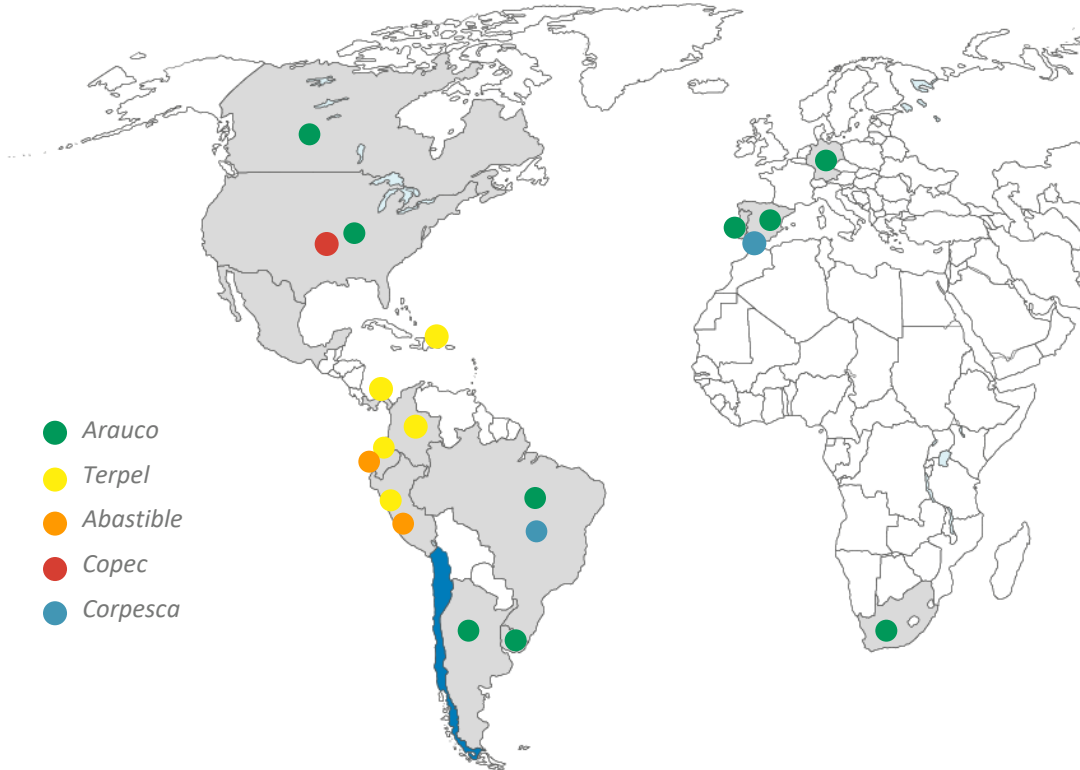
# Empresas Copec has evolved from an export company to a multinational firm

2006



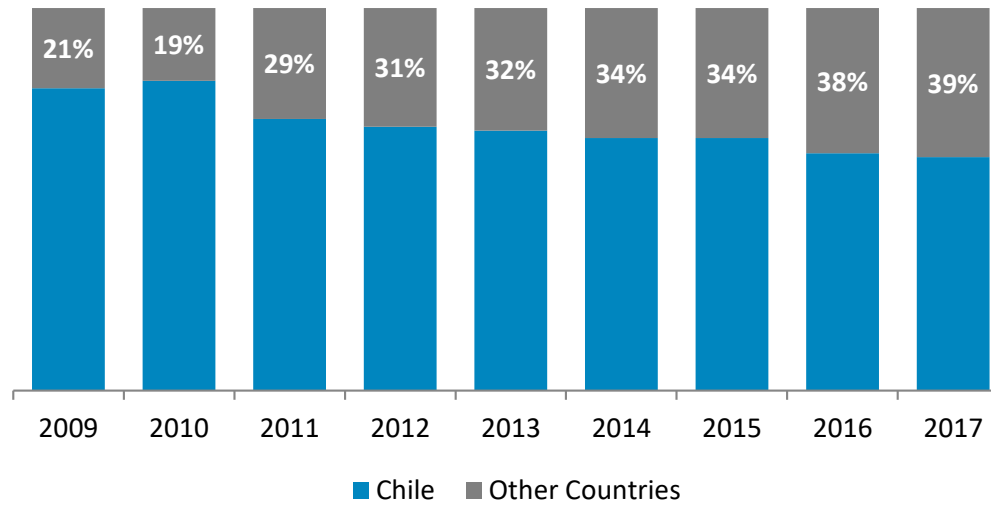
**TOTAL ASSETS** US\$ 10,239 million  
**TOTAL SALES** US\$ 8,257 million  
**SALES ORIGINATED IN FOREIGN SUBSIDIARIES** 13%

2017



**TOTAL ASSETS** US\$ 22,728 million  
**TOTAL SALES** US\$ 20,353 million  
**SALES ORIGINATED IN FOREIGN SUBSIDIARIES** 47%

## NON CURRENT ASSETS HISTORY – LOCAL VS FOREIGN

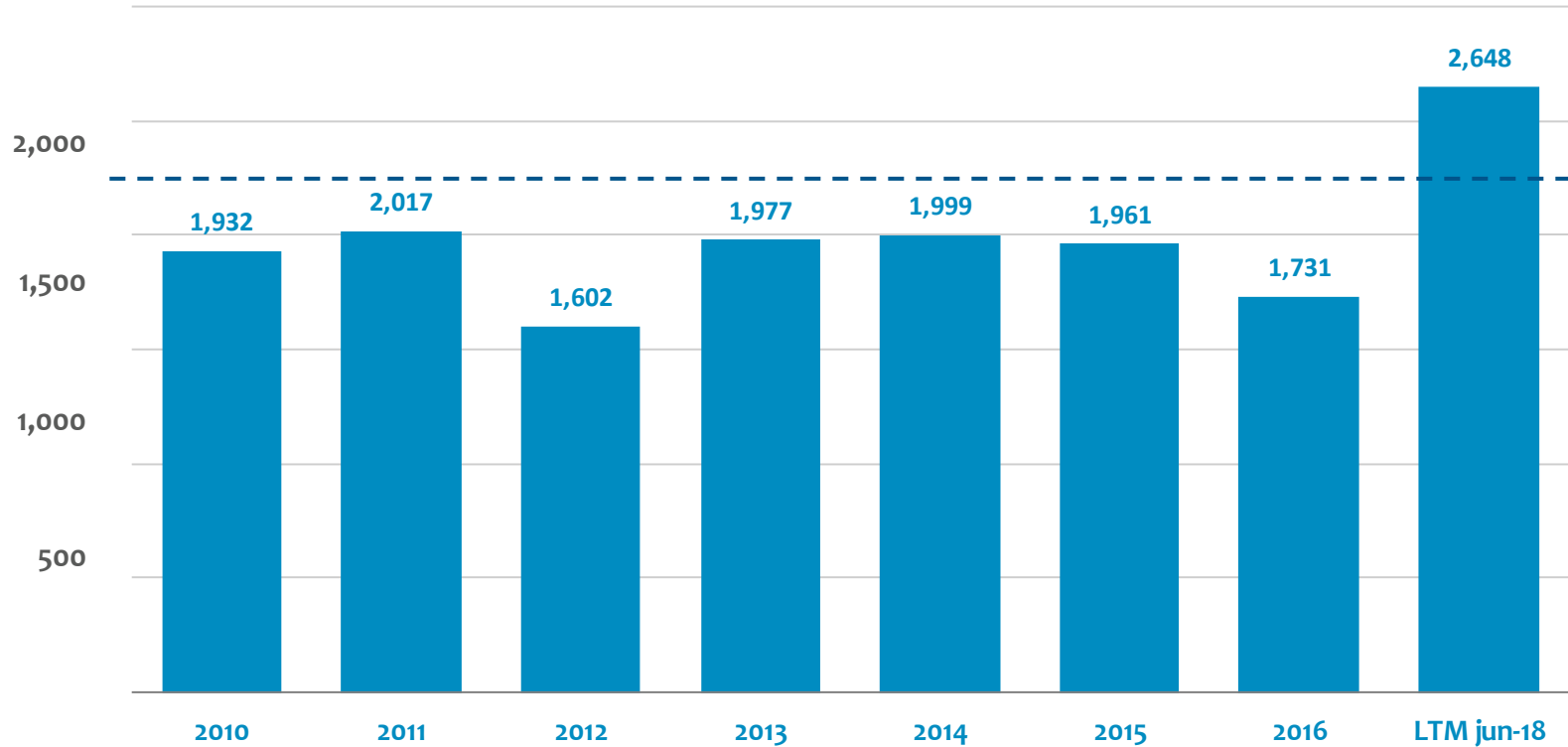


Source: Empresas Copec



The average of AntarChile's Ebitda of the last 7 years is around US\$ 1,800 million

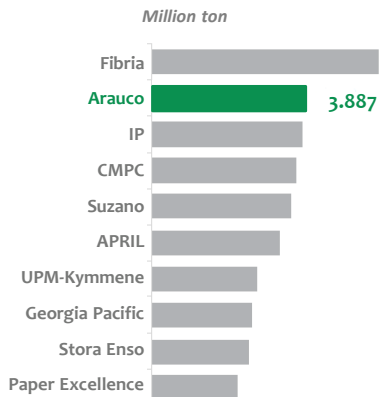
MM US\$



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

2<sup>ND</sup>

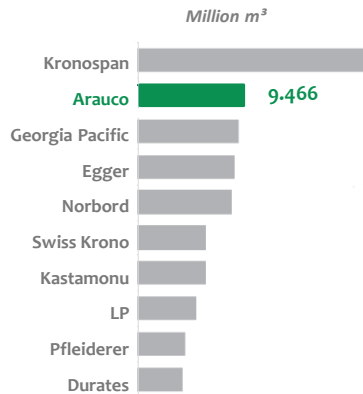
Largest market pulp producer in the world



Installed capacity includes 50% of Montes del Plata  
Source: Hawkins Wright, Risi, Arauco, Empresas Copec, 2017

2<sup>ND</sup>

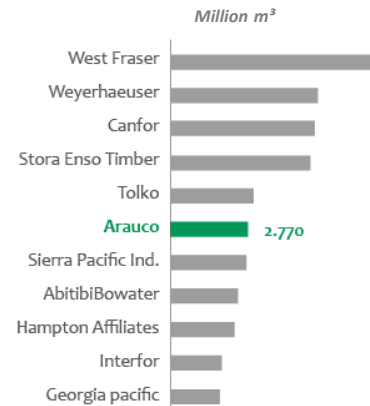
Largest panel producer in the world



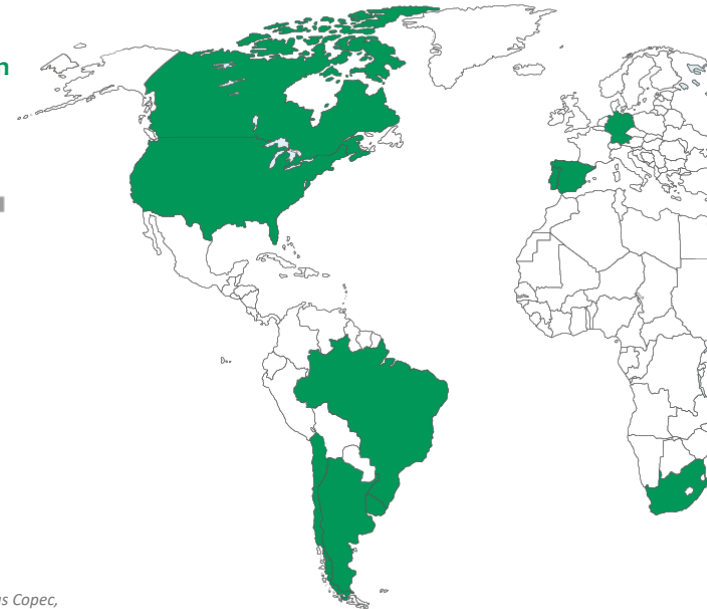
Installed capacity includes 50% of Sonae-Arauco  
Considers the acquisition of Masisa Brasil

1<sup>ST</sup>

Producer of sawn timber in Latin America and 6th in the world



Source: Hawkins Wright, Risi, Arauco, Empresas Copec, 2015





## Competitive Advantages

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

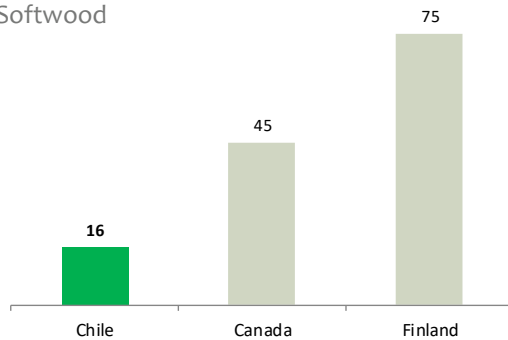
Largest owner of forestry land in the southern cone (1 m hectares).

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

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

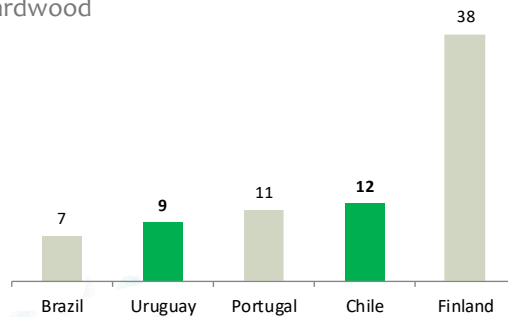
### SHORT HARVESTING CYCLE (YEARS)

Softwood



Source: Empresas Copec

Hardwood



Source: Empresas Copec

### EFFICIENT LOGISTICS BETWEEN FOREST > MILLS > PORTS



Average distance forest to mill



Average distance mill to port\*



Source: Arauco



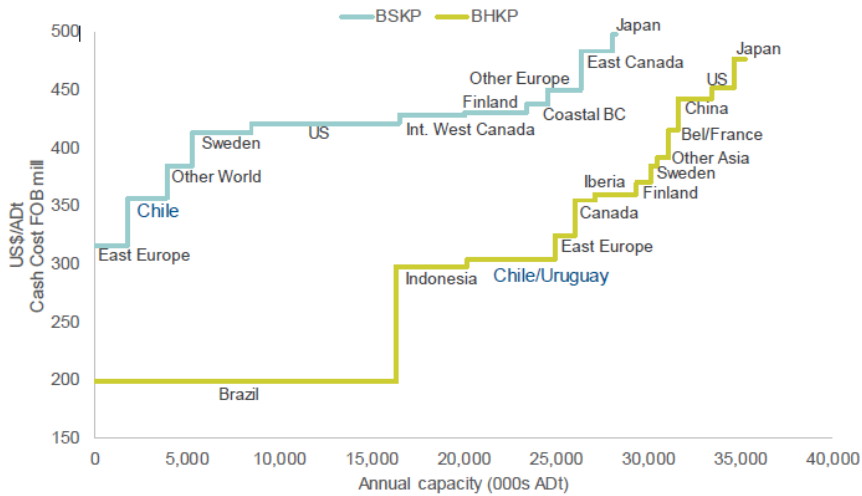
123 km  
(weighted average)



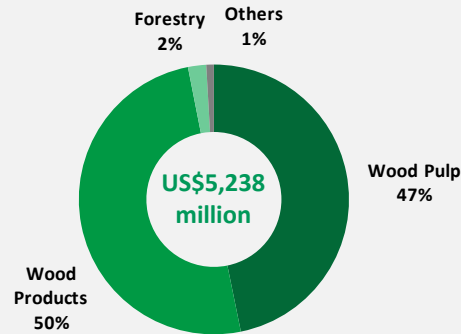
## Arauco currently sells its products in over 80 countries, in 5 continents

- > **Arauco produces** pulp, 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 2017.

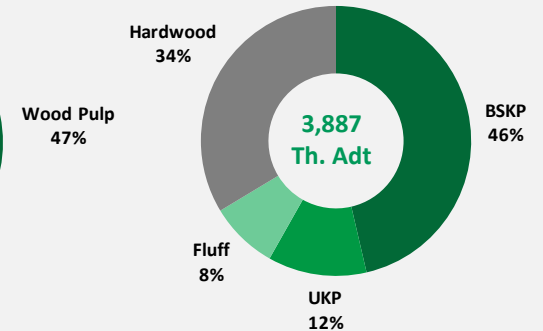
### WORLD PULP SUPPLY CURVE



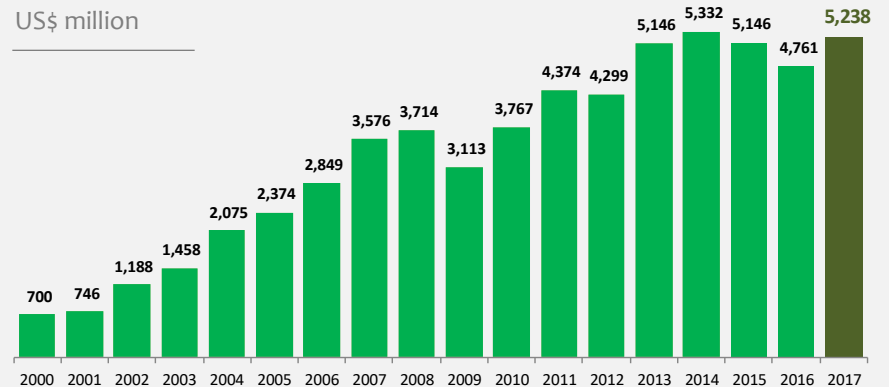
### SALES 2017 by line of product



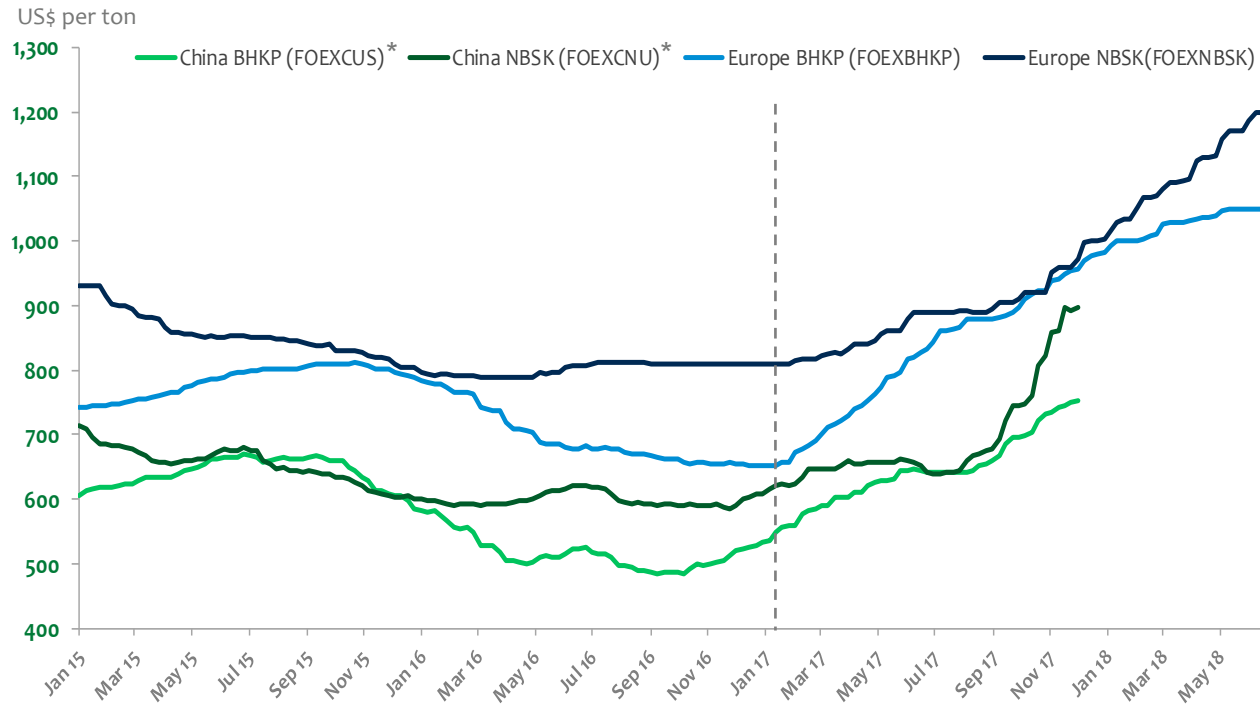
### Capacity 2017 by grade



### HISTORICAL SALES US\$ million



Since January 2017, pulp prices have increased around 49% in NBSK and 61% in BHKP. In the midterm, prices are expected to remain stable.



Source: Bloomberg

\* This index was discontinued in December 2017

## Supply

- Global capacity will increase in 2.3Mt in 2018 (+1.1 BSKP and +1.2 BHKP), mainly to Tres lagoas II, OKI and Metsa Fibre Aanekoski
- Consolidation of the industry
- Aside Mapa, there are no major investments confirmed in 2019 and beyond

## Demand

- Tissue consumption in China is expected to grow
- China's recycled paper ban will increase the demand of virgin fiber
- Low availability of Hardwood Chips in Asia will reduce pulp production in Japan and China, increasing the demand in these markets
- Low levels of inventories (paper and pulp producers)

## Arauco has 4 future projects

### Grayling

It is located near to the US's mid-west demand of wood products, while other mills are close to the coast. Michigan is a zone with an important offer of forestry supply. It is expected that melamine products will represent 30% of total production.

The total investment is US\$ 400 million.

Capacity of 800,000 m<sup>3</sup> of which 300,000 m<sup>3</sup> will be coated with melamine paper.

Under construction. As of June 2018, it had progress of 80%.

### Valdivia

The project will transform the Valdivia mill into a dissolving pulp mill. This kind of pulp competes with cotton, and it has a premium up to US\$ 400/ton over hardwood. The production of dissolving pulp will not affect the current production levels of the mill.

The investment will be around US\$ 185 million.

The capacity is 550,000 ADt/year.

Under construction. As of June 2018, it had progress of 31%.

### MAPA

Modernization and enlargement of the Arauco pulp mill. The total forestry resources of Arauco in Chile can supply a mill with a capacity of 1.56 million tons. 70% of the wood that MAPA project will use will be from Arauco. It includes an electric cogeneration plant based on biomass that will generate a surplus of approximately 132 MW.

Total investment is US\$ 2.35 billion.

The output of this industrial complex will be increased by 1.27 million tons of hardwood per year.

Already approved by the board. Expected start-up for 2Q21.

### Masisa Mexico

Arauco signed an agreement to buy Masisa's assets in Mexico.

Total investment is US\$ 245 million.

Includes three panel mills, capacity of 519,000 m<sup>3</sup> in PB and 220,000 m<sup>3</sup> in MDF a year.

It is estimated that the transaction will be completed during 2018.

#### Highlights

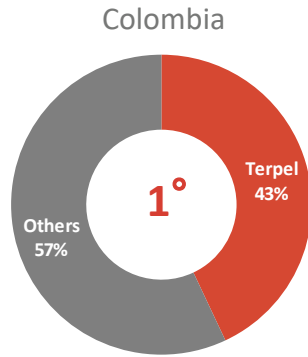
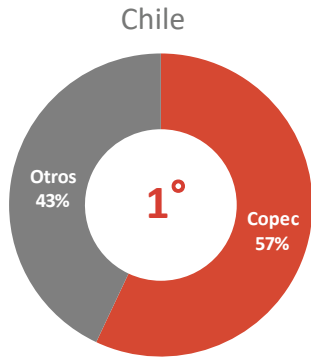
#### Investment

#### Capacity

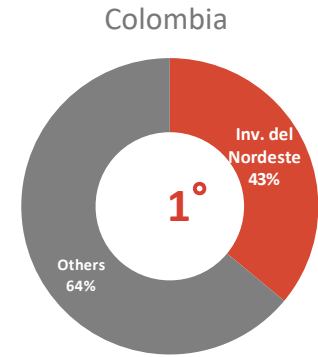
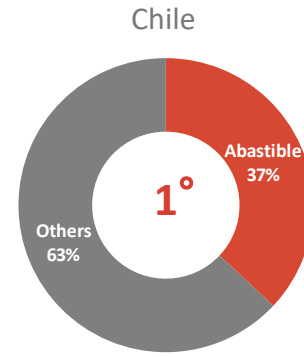
#### Status

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

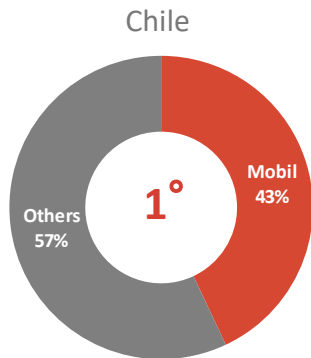
LIQUID FUELS\*



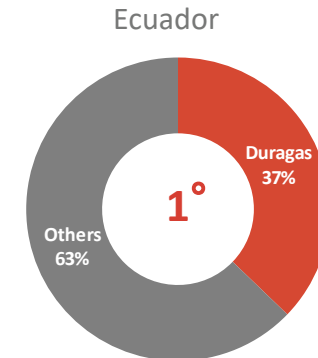
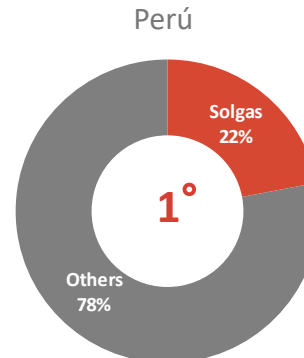
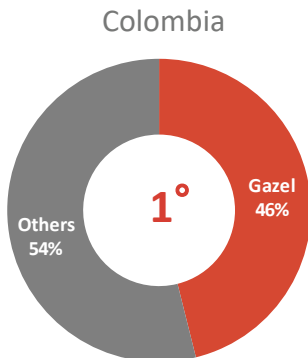
LPG\*



LUBRICANTS\*



VNG\*



\* Market share as of 2017

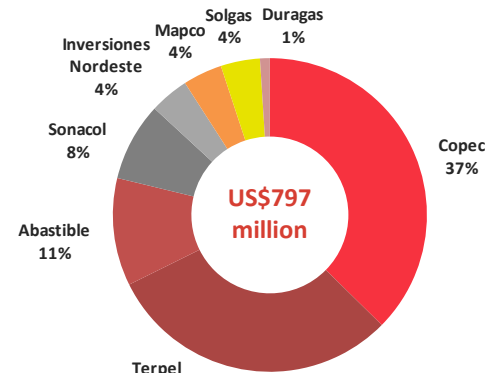


As of 2017, in the fuel distribution business, the Ebitda was US\$797 million

**GEOGRAPHIC LOCATION**

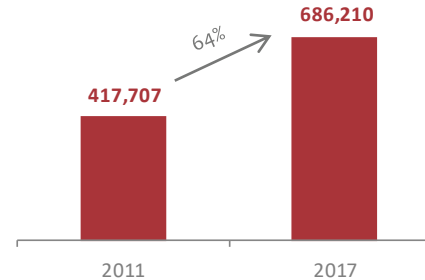


**EBITDA 2017**



**TERPEL**

**EBITDA TERPEL**  
(MM \$COP)



Source: Empresas Copec

¿Why Terpel?

- > High growth potential in the Colombian market:
  - Colombia's vehicular penetration is lower than in Chile
  - Low highway vehicular flows.
  - Low market penetration of convenience stores business.

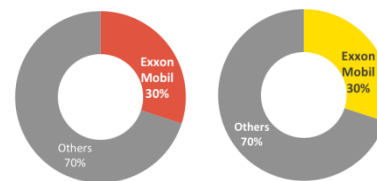




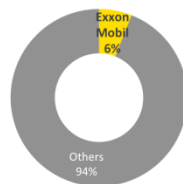
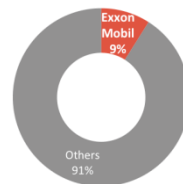
- > On November 16th 2016, Copec structured a regional agreement with ExxonMobil for the production and distribution of Mobil lubricants in Colombia, Ecuador and Peru, and also the renewal of the agreement between ExxonMobil and Copec for the Chilean market.
- > The agreements also cover the operation 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.
- > On March 15<sup>th</sup> 2018, Terpel acquired the operations of ExxonMobil in Colombia, Ecuador and Peru. Terpel paid US\$715 million, of which US\$230 million was the cash of the companies. The operation was initially financed through bank bridge loans, then a part was prepaid with cash and the remaining amount was refinanced with bonds.
- > According to the determination of the Colombia antitrust authority, the Colombian operation was transferred to an autonomus trust, in order to divide the lubricant from the fuels distribution business. While the operations in Peru and Ecuador are already consolidated in 2Q18 results.
- > On July 2018, Terpel materialized the incorporation of the lubricants business of ExxonMobil Colombia, whose results will be consolidated as of 3Q18.

## APPROXIMATED MARKET SHARE

2015

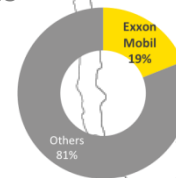
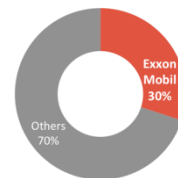


### ECUADOR



### COLOMBIA

### PERÚ



- *Lubricants*
- *Gasolines*
- *Owned Lubricants Plants*
- ▲ *Terminals*

(\*) Of the aviation market in Peru





## POSITION OF TERPEL BUSINESS

- > The agreement allows Terpel 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.

### PERÚ

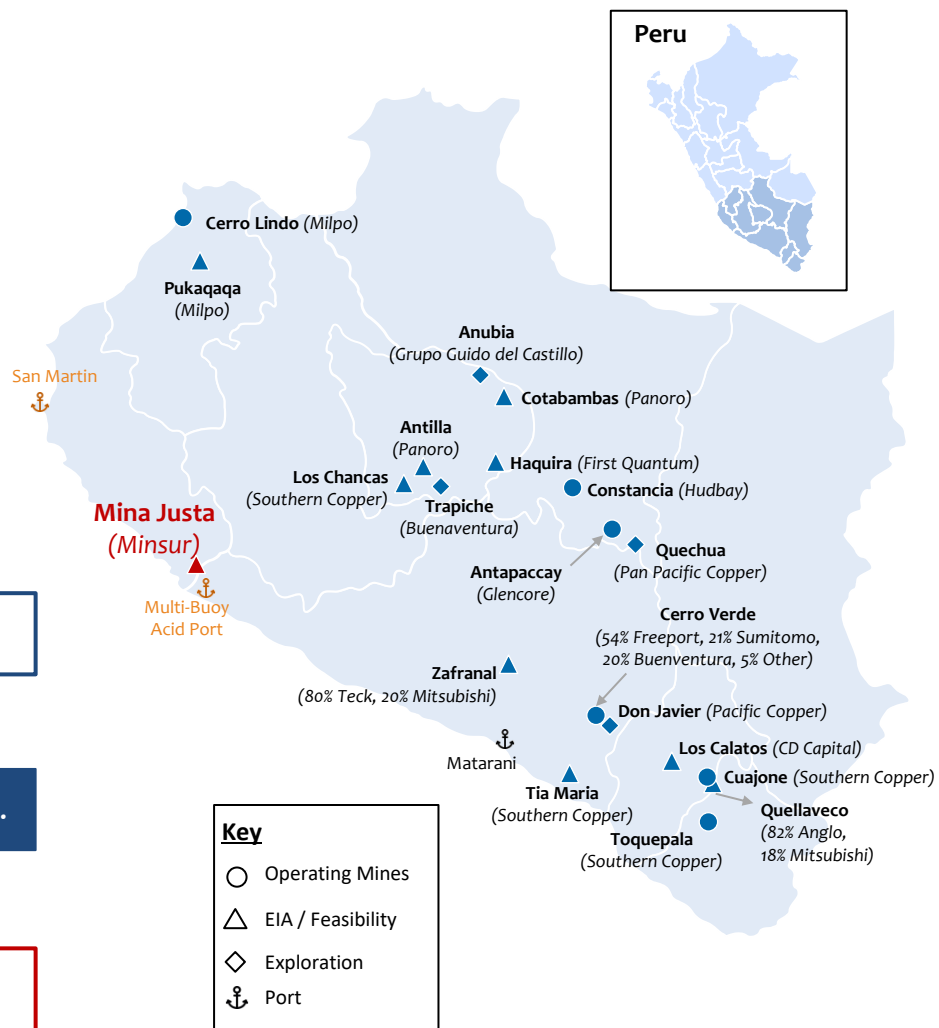
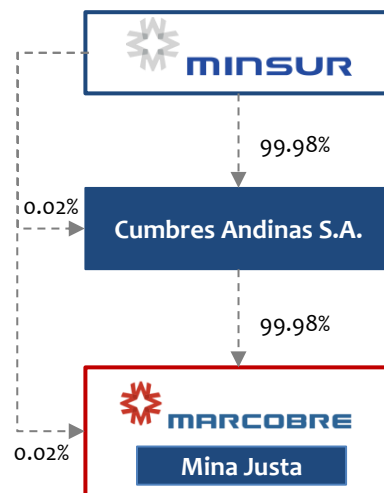
The acquisition would allow Terpel to develop the fuel business in Peru, through aviation as an initial platform.

### ECUADOR

The new operation in Ecuador would increase Terpel's market share in the fuel business and also implies a significant potential in lubricants.



- > On April 23rd 2018, Alxar and Empresas Copec signed the agreement to acquire 40% stake in Cumbres Andinas, subsidiary of Minsur.
- > The price paid was US\$ 182.4 million approximately.
- > Alxar and Minsur plan to invest US\$1,600 million in the construction of Mina Justa in the next three years. Project finance expected to finance US\$900 million and the remaining amount will be financed through capital contributions proportional to ownership percentage in three years.
- > Mina Justa is an open pit copper mining project located in Ica, Peru.
- > World class project:
  - Low cash cost
  - High grade
  - Low development risk
  - Significant exploration potential

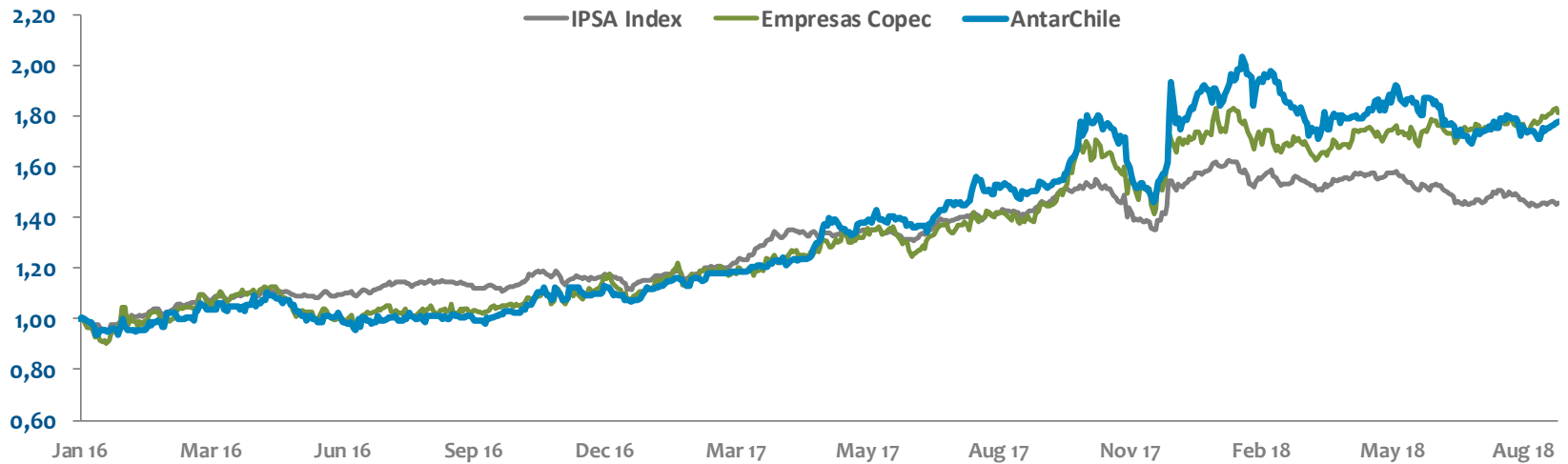


# The price of the stock of AntarChile has increased by 69% between January 2016 and August 31<sup>st</sup> 2018

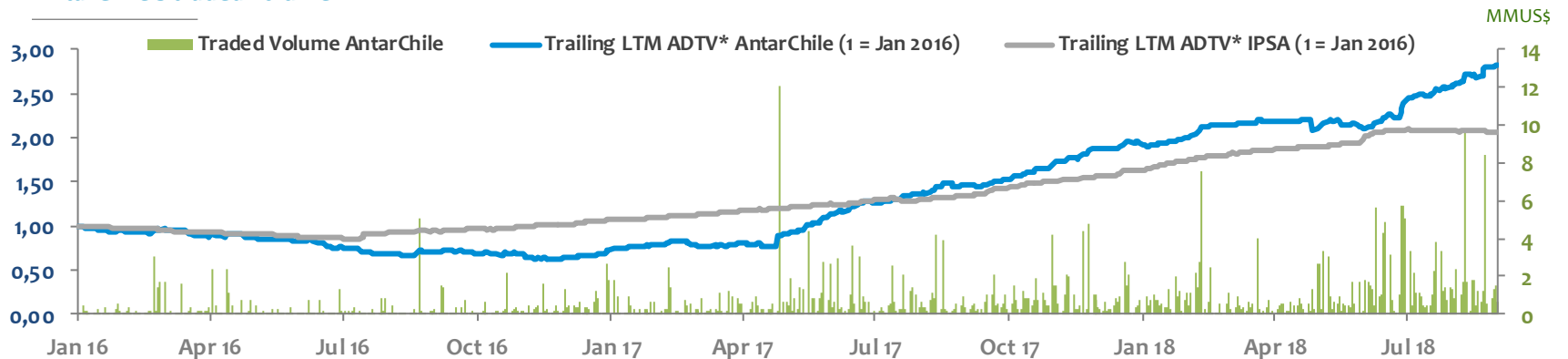


antarchile

## AntarChile's stock return



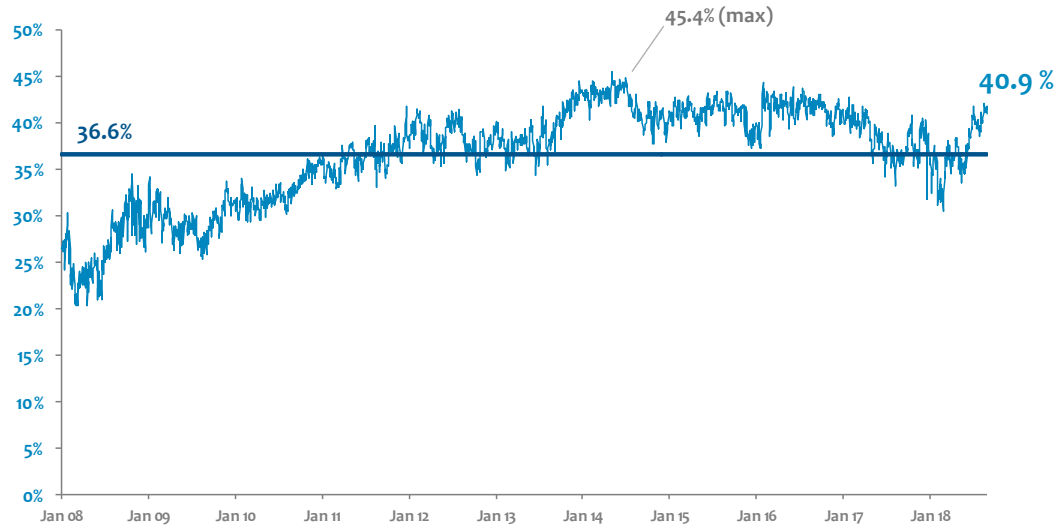
## AntarChile's traded volume



(\*) ADTV= Average daily traded volume

AntarChile's stock traded volume between January and August of 2018 increased by 91% compared with the same period of 2017, while the IPSA index increased by 62%.

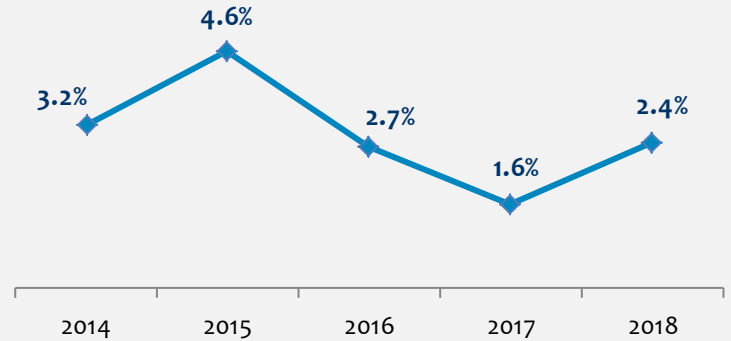
**ANTARCHILE HOLDING DISCOUNT**  
as of August 31<sup>st</sup>



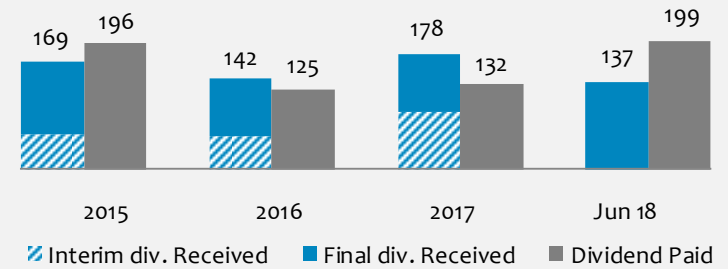
As of August 31<sup>st</sup>, 2018

**NAV** US\$12.3 billion  
**Market Cap** US\$7.3 billion  
**Discount** 40.9%

**HISTORICAL DIVIDEND YIELD**



**CASH GENERATION AND PROFIT DISTRIBUTION**



## AS OF AUGUST 31<sup>st</sup>, 2018

Shares	456,376,483
Currency	Ch \$
Last Price	11,095
Maximum LTM	12,399
Minimum LTM	8,921
Market Cap.	US\$7,264 million

- > Behavior of AntarChile's stock is closely correlated to that of its main investment, Empresas Copec S.A.

## ANTARCHILE

### MEMBER OF

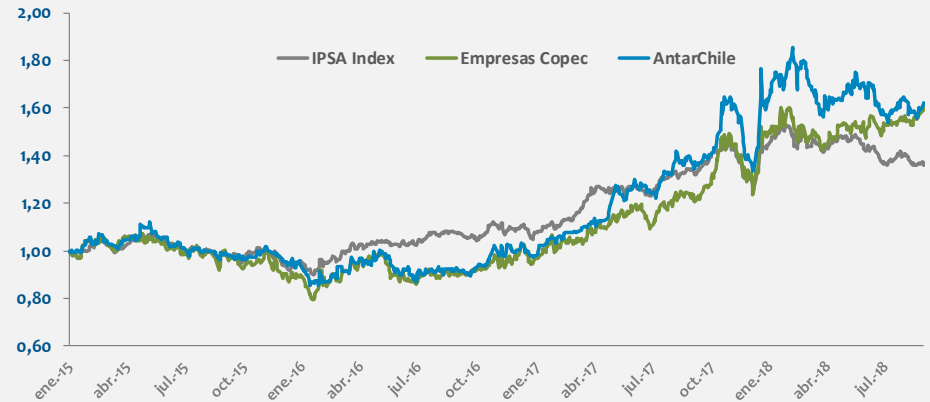
# Dow Jones Sustainability Indices

In Collaboration with RobecoSAM 

- > On September 2018, AntarChile SA has been selected as an index component of the Dow Jones Sustainability Indices (DJSI).
- > Dow Jones Sustainability Chile Index has 29 members.

## STOCK PRICE V/S IPSA

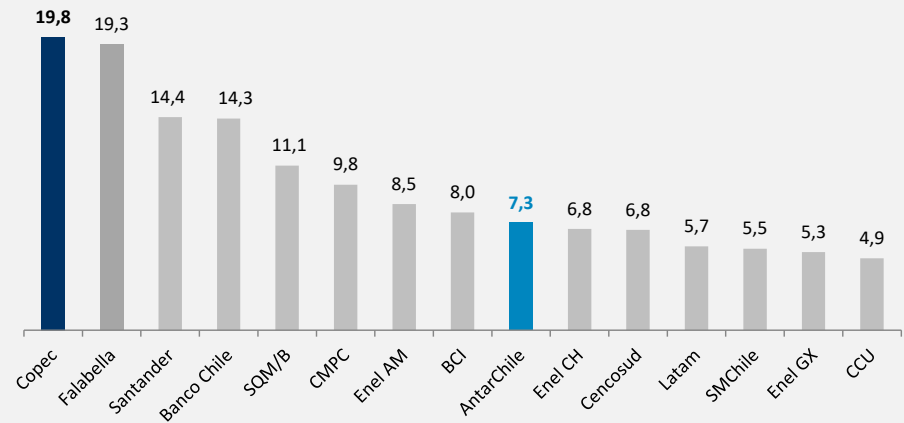
chilean select companies stock prices index



## MARKET CAPITALIZATION OF CHILEAN COMPANIES

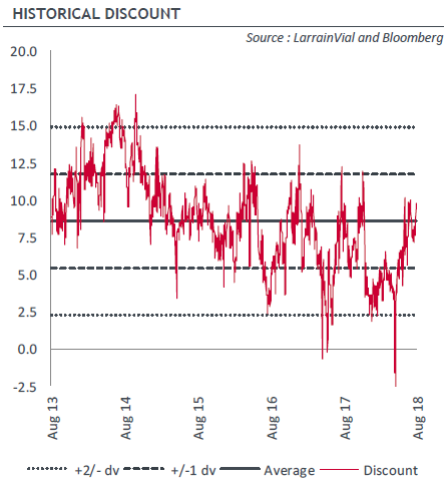
As of August 31<sup>st</sup>, 2018

Millions of US\$

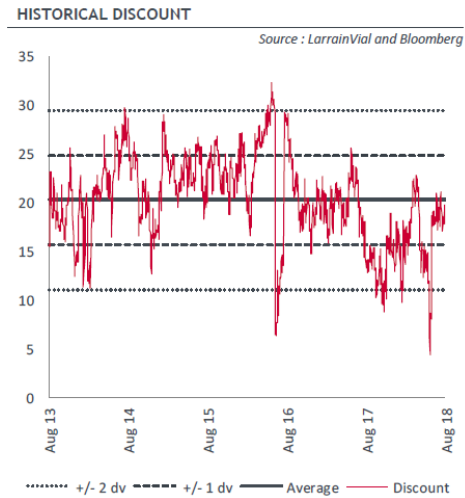


# Discount to NAV of main Chilean holding companies

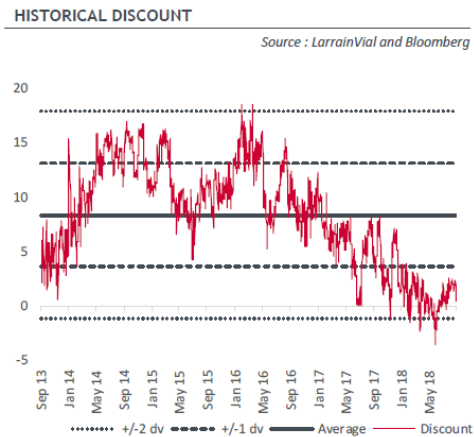
## IAM



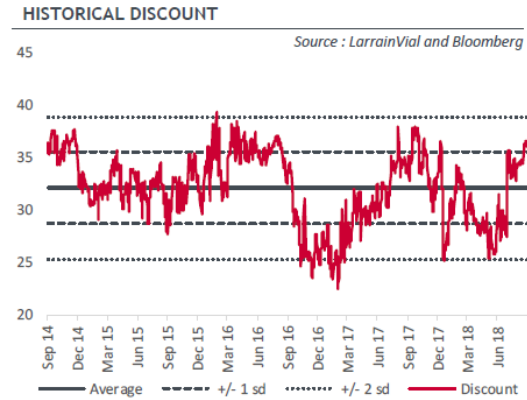
## ALMENDRAL



## SMCHILE

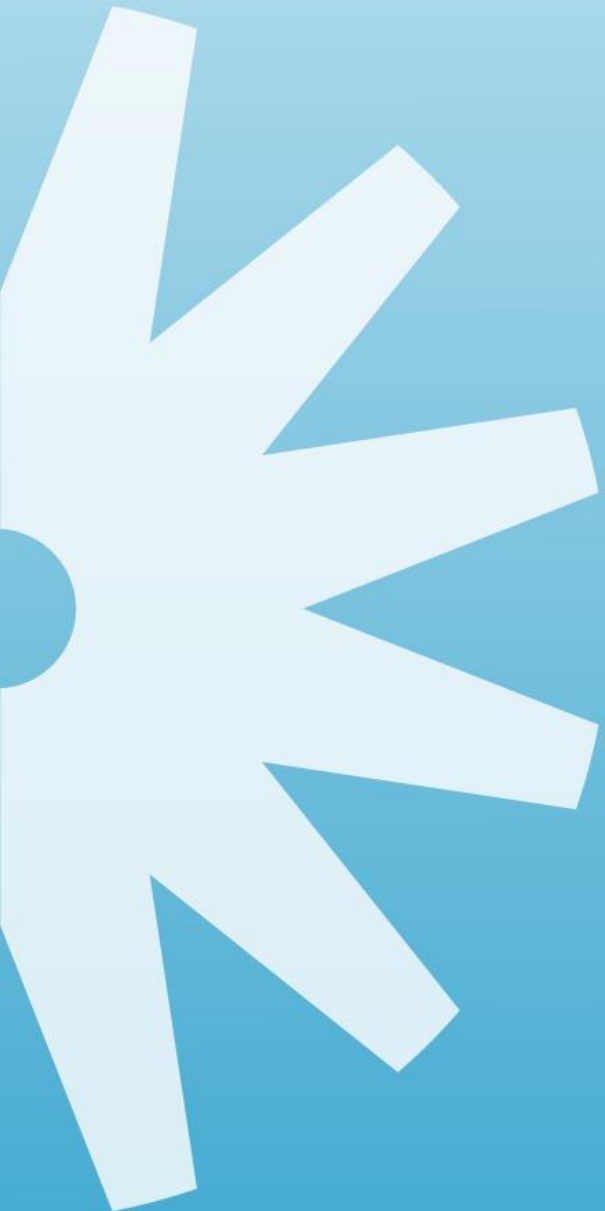


## QUIÑENCO



Source: Larrain Vial





CEO

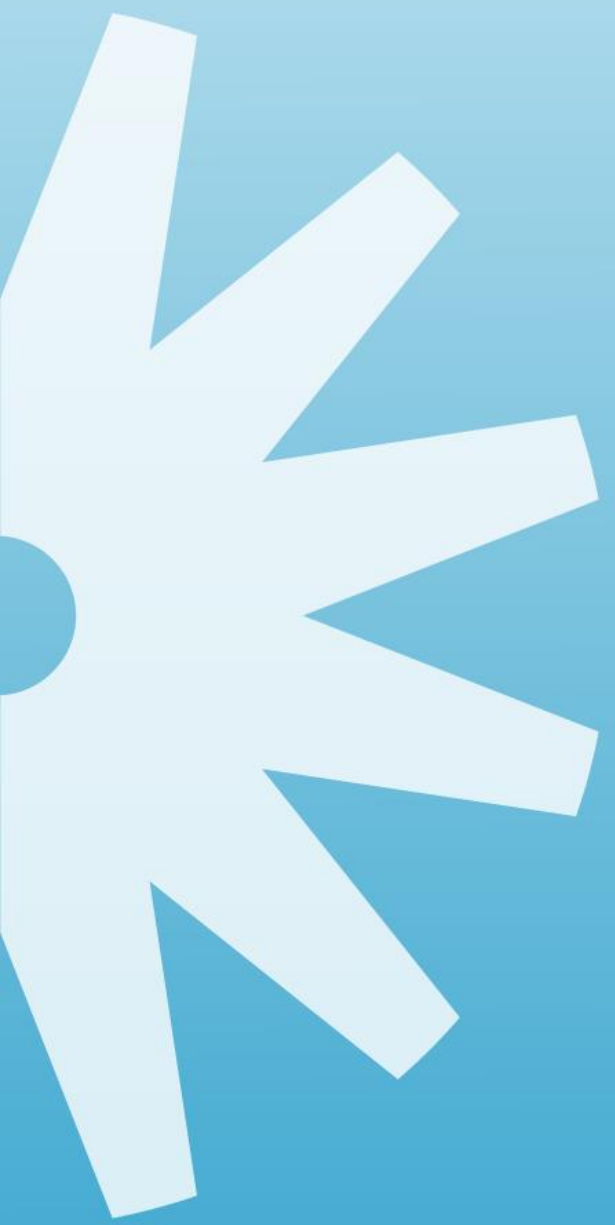
---

Andrés Lehuedé  
alehuede@antarchile.cl

Head of Investor Relations

---

José Luis Arriagada  
jarriagada@antarchile.cl




antar**chile**

---

MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM 

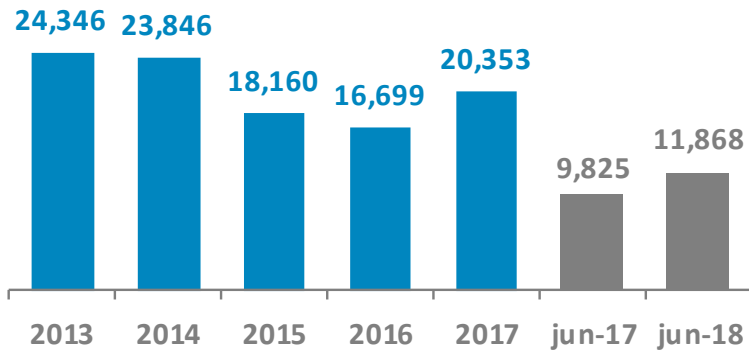
---

# CORPORATE PRESENTATION

September 2018

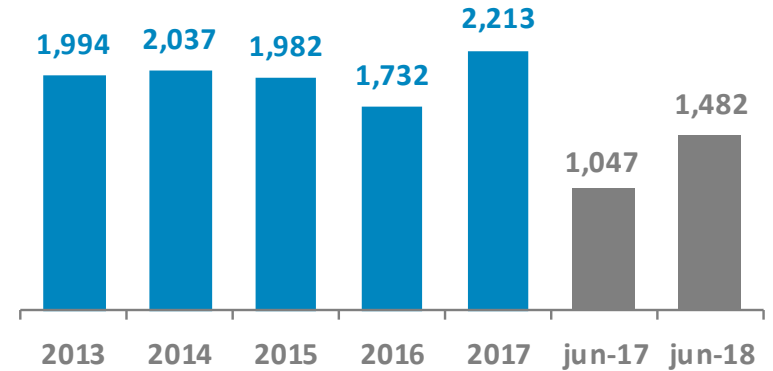
## REVENUE

US\$ million



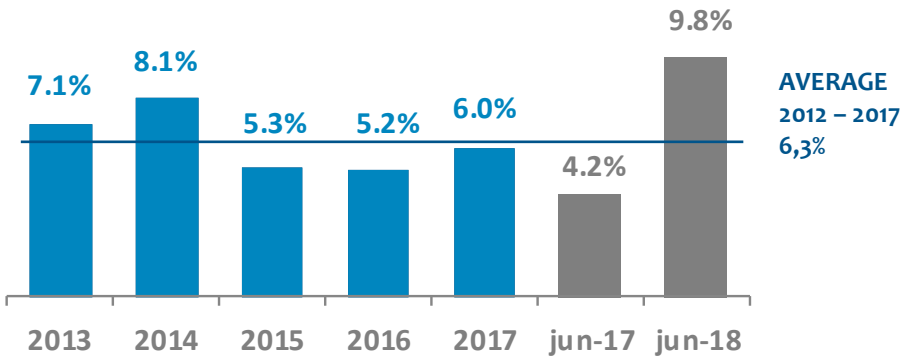
## EBITDA

US\$ million



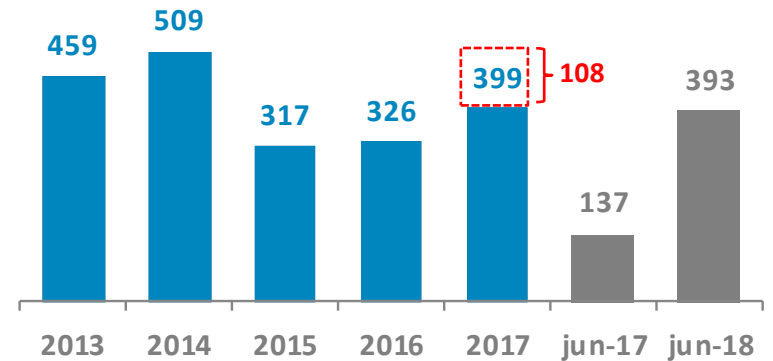
## RETURN ON EQUITY

%



## NET INCOME

US\$ million



Loss from wildfires

## CONSOLIDATED BALANCE SHEET

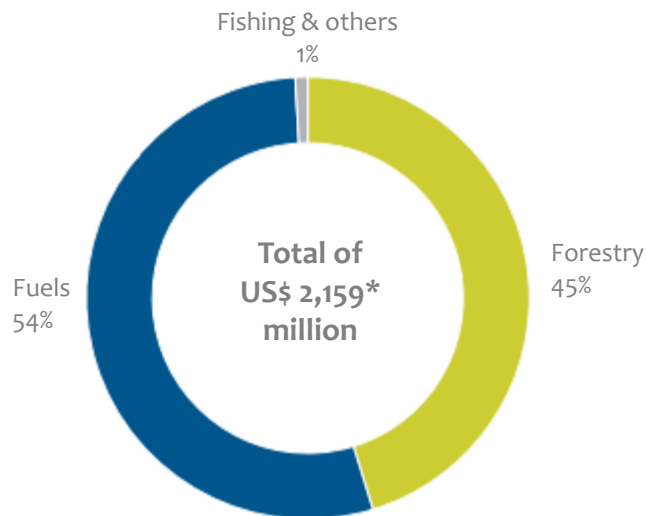
US\$ million	jun-17	jun-18
<b>Assets</b>		
Current assets	4,884	6,000
Non-current assets	16,753	17,396
<b>Total assets</b>	<b>21,637</b>	<b>23,396</b>
<b>Liabilities and net equity</b>		
<b>Liabilities</b>		
Current Liabilities	2,352	3,214
Non-current liabilities	8,461	8,856
<b>Total liabilities</b>	<b>10,813</b>	<b>12,070</b>
<b>Net equity</b>		
Paid-in capital	1,391	1,391
Retained earnings	6,081	6,447
Other reserves	(1,081)	(1,134)
<b>Equity attributable to owners of parent</b>	<b>6,391</b>	<b>6,704</b>
Equity of minority interests	4,433	4,622
<b>Total equity</b>	<b>10,825</b>	<b>11,326</b>
<b>Total liabilities and net equity</b>	<b>21,637</b>	<b>23,396</b>

## CONSOLIDATED INCOME STATEMENT

US\$ million	jun-17	jun-18
Sales revenue	9,825	11,868
Cost of sales	(8,192)	(9,700)
<b>Gross Margin</b>	<b>1,633</b>	<b>2,167</b>
Other income (expenses)	(129)	10
Distribution costs	(599)	(670)
Administrative expenses	(472)	(521)
Net interest expense	(139)	(139)
Others	44	23
<b>Income (loss) before taxes</b>	<b>339</b>	<b>871</b>
Income tax expense	(91)	(216)
<b>Income (loss) from continuing operations</b>	<b>247</b>	<b>654</b>
Income (loss) from discontinued operations	-	-
<b>Net Income</b>	<b>247</b>	<b>654</b>
<b>Income (loss) of owners of parent</b>	<b>137</b>	<b>393</b>
Income (loss) of minority interests	110	262

### INVESTMENT PLAN FOR 2018:

US\$ million



\* Does not include:

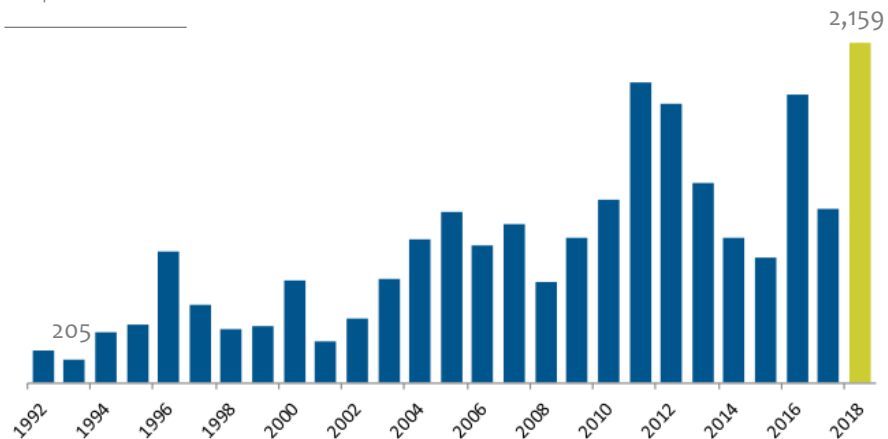
- > **Masisa Mexico:** US\$ 245 million, closure expected for 2H18.
- > **Mina Justa:** closed in May 2018, with an investment of US\$ 182.4 million.

(\*\*) Assets in Colombia, Peru and Ecuador.

Source: Empresas Copec

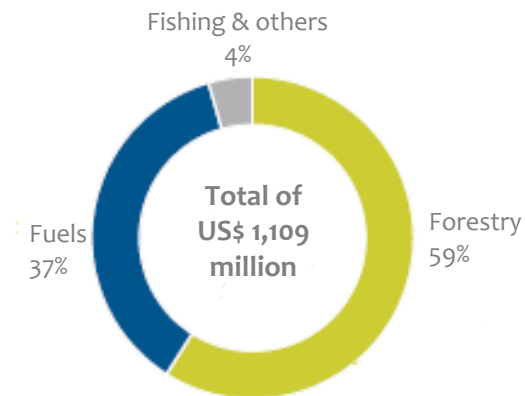
### CAPEX HISTORY

US\$ million



### CAPEX 2017

US\$ million



## APPENDICES

27

Parent Level Information

32

Consolidated Debt

33

Forestry industry

37

Fuel distribution

44

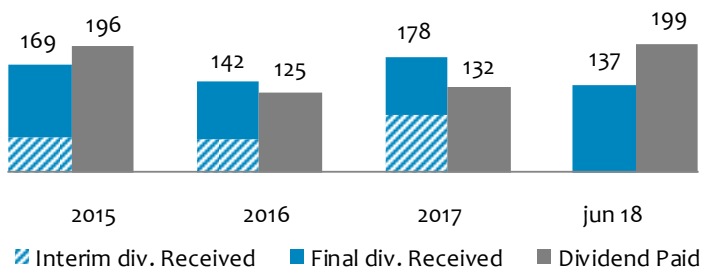
Fisheries

45

Power Generation

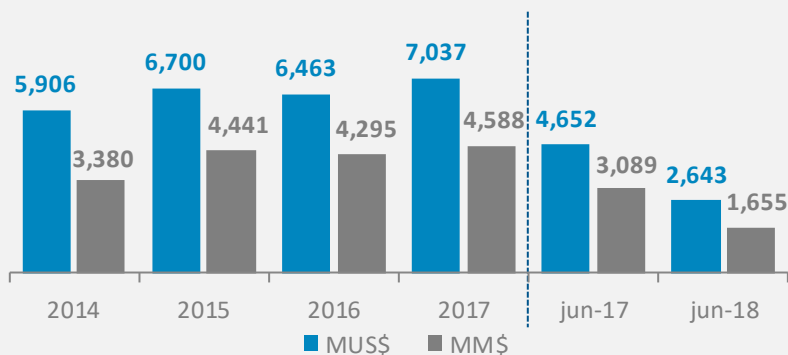


## ANTARCHILE'S CASH GENERATION AND PROFIT DISTRIBUTION



- > 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.
- > Besides this, in December 2017 and in May 2018 the company received a dividend payment from Colbún.

## SG&A EXPENSES – ANTARCHILE (INDIVIDUAL)



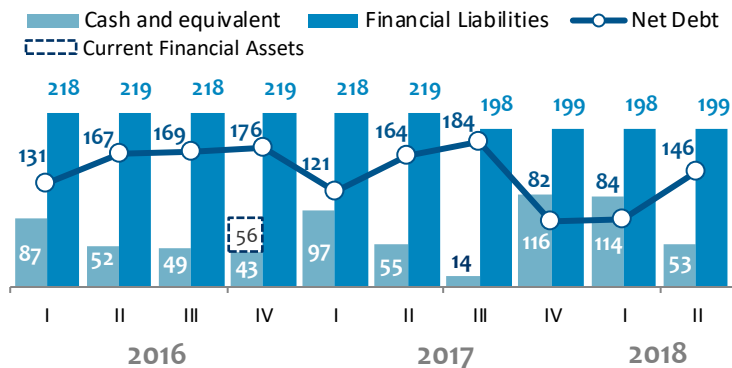
- > The decrease in accumulated expenses compared to June 2017 is explained by extraordinary severance payments incurred in last year's first quarter.

# PARENT LEVEL INFORMATION

## Credit Rating and Indebtedness

### INDIVIDUAL NET DEBT

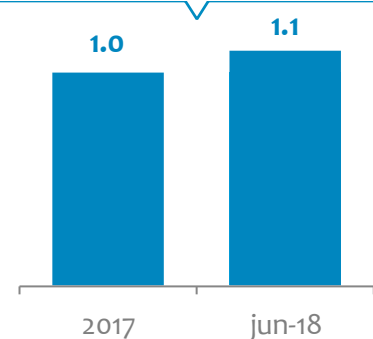
US\$ million



- > 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.

### CONSOLIDATED FINANCIAL INDICATORS AS OF JUNE 2018

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



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



### ANTARCHILE LOCAL CREDIT RATINGS

FitchRatings

Feller Strategic Insights

### SHARES

First Class, tier 2

First Class, tier 2

### DEBT

N1 / AA-

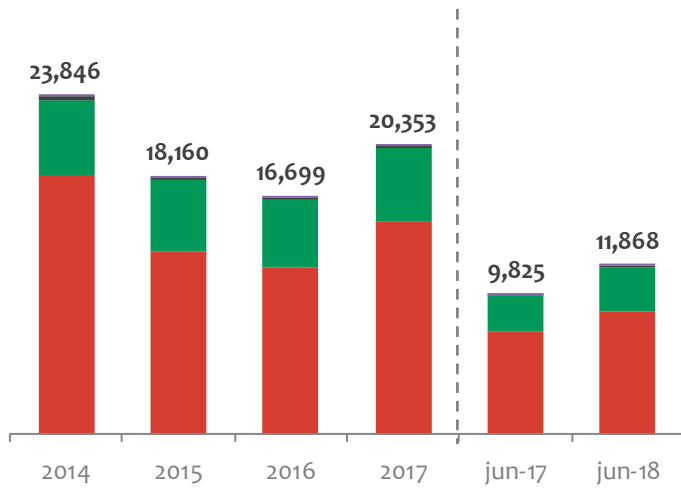
A+

# PARENT LEVEL INFORMATION

Financial Indicators by Line of Businesses as of June, 2018

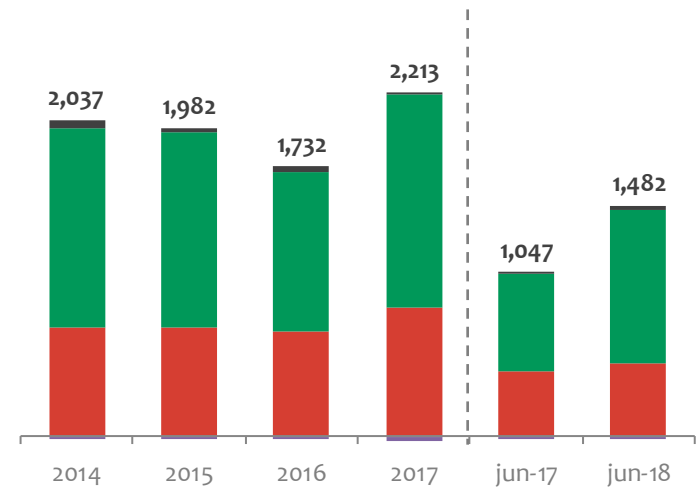
## CONSOLIDATED SALES

US\$ million



## CONSOLIDATED EBITDA

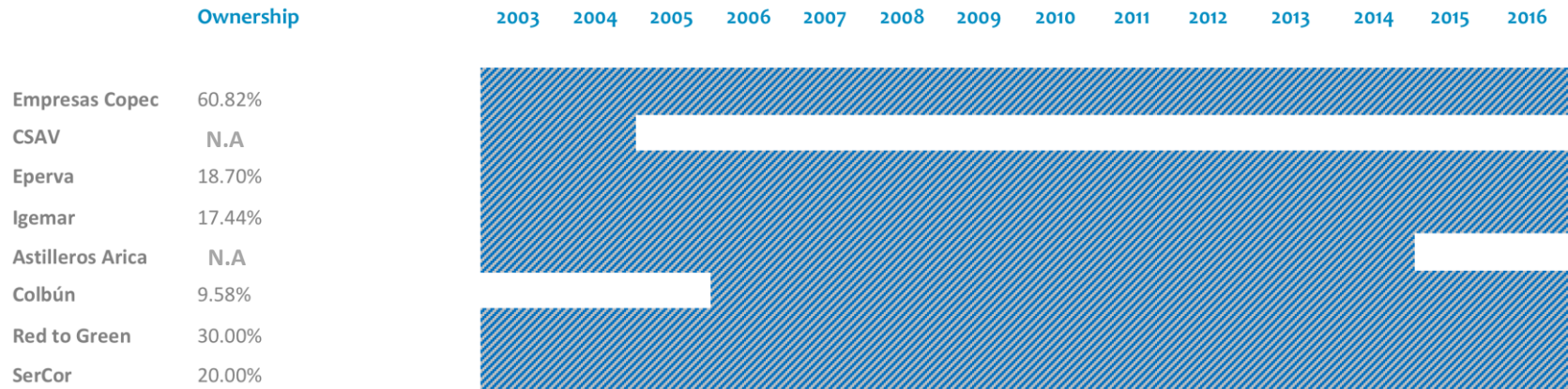
US\$ million



● Fuels distribution ● Forestry ● Fishing ● Other businesses

# PARENT LEVEL INFORMATION

## AntarChile's Asset Portfolio Variation



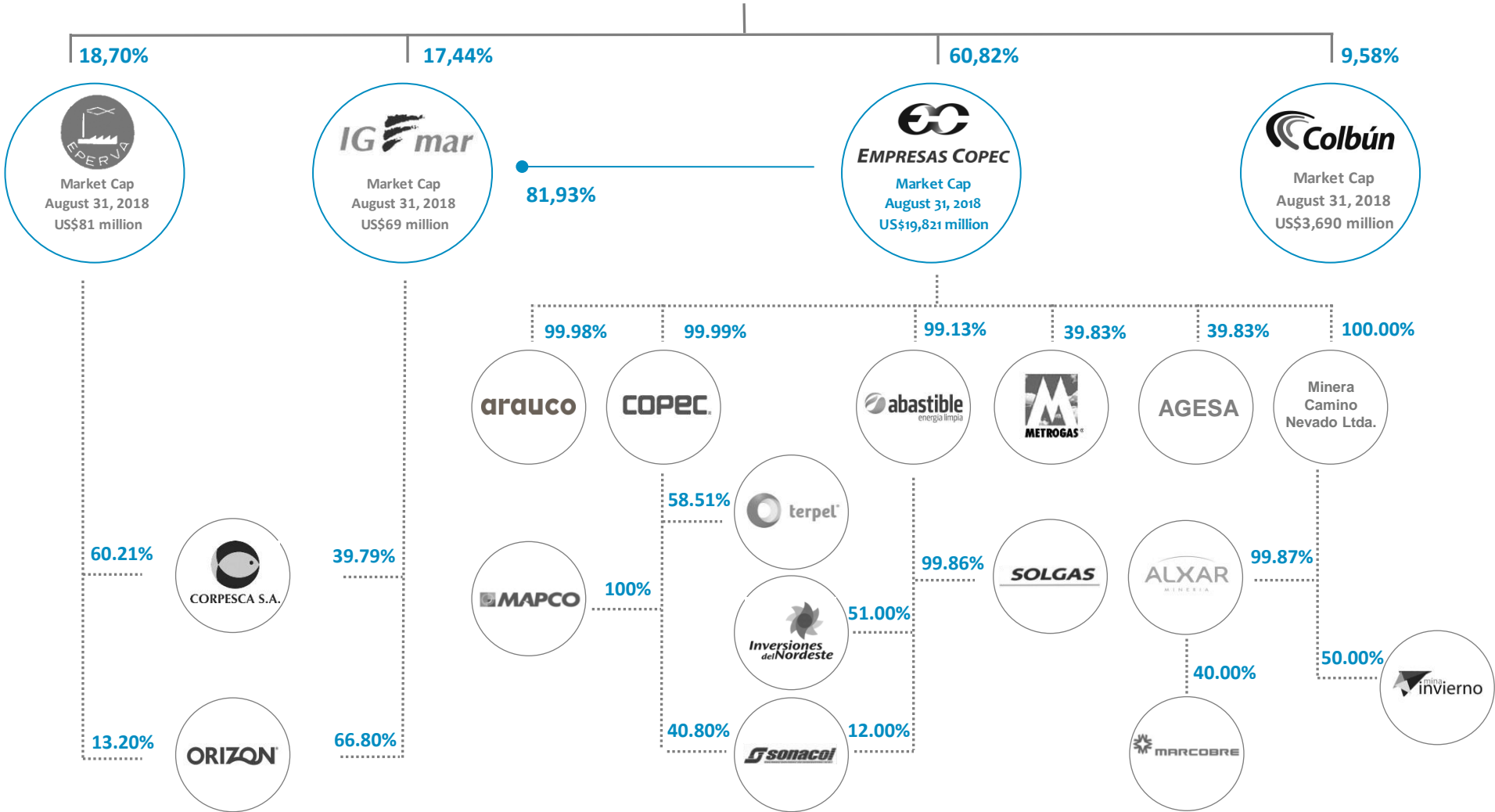
**Up until the sale of Astilleros Arica, AntarChile's investment portfolio had not suffered any variations since 2006.**

- > 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 (shipping company).
- > In 2006 AntarChile acquired 9.5% of Colbún (3<sup>rd</sup> largest power generation company in Chile).
- > In 2015 AntarChile sold its subsidiary Astilleros Arica to Corpesca, a subsidiary of Eperva.

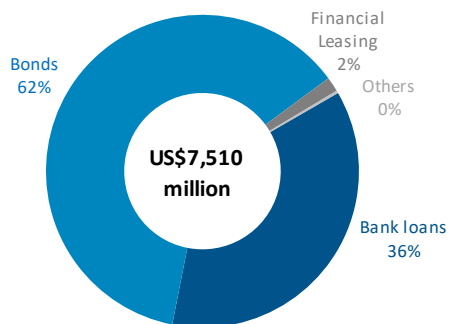
# PARENT LEVEL INFORMATION



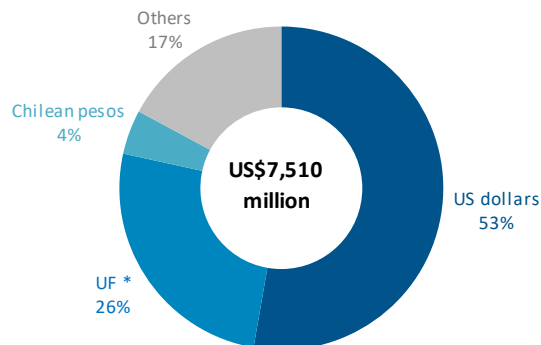
antarchile



### BREAKDOWN by instrument

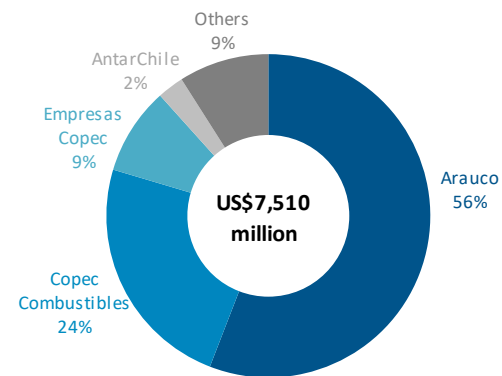


### BREAKDOWN by currency



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

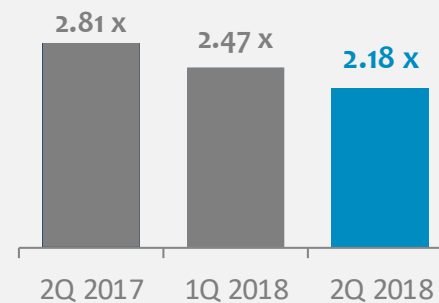
### BREAKDOWN by company



### NET FINANCIAL DEBT

US\$ million	2Q 2018	1Q 2018	2Q 2017
Current financial liabilities	1,166	1,078	864
Non-current financial liabilities	6,344	6,579	5,839
<b>Total financial liabilities</b>	<b>7,510</b>	<b>7,657</b>	<b>6,703</b>
Cash and cash equivalents	1,269	1,622	1,196
Current financial assets	477	134	196
<b>Net financial debt*</b>	<b>5,765</b>	<b>5,902</b>	<b>5,311</b>

### NET DEBT/EBITDA LTM



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



	Forestry	Wood Pulp	Timber	Panels	Electric Power
<b>CHILE</b>	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
<b>ARGENTINA</b>	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
<b>BRAZIL</b>	99,671 Hectares			4 wood mills*** MDF: 1,555,000 m <sup>3</sup> PB: 810,000 m <sup>3</sup>	
<b>URUGUAY*</b>	73,112 Hectares *	1 pulp mill 650,000 Adt *			1 power plant Capacity: 82 MW *
<b>USA CANADA</b>				8 wood mills MDF: 1,470,000 m <sup>3</sup> PB: 1,416,000 m <sup>3</sup>	
<b>GERMANY SPAIN PORTUGAL SOUTH AFRICA</b>			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>18 wood mills 9.5 M m<sup>3</sup></b>	<b>13 power plants Capacity: 766 MW</b>

\*: Considers 50% of Montes del Plata.

\*\* : Considers 50% of Sonae Arauco

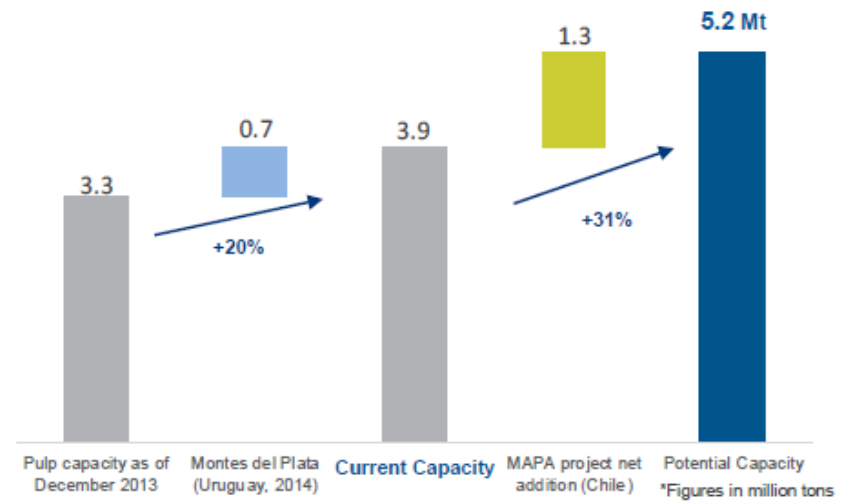
\*\*\*: This capacity includes the acquisition of Masisa do Brazil

## MAPA Project - Pulp

- > New 1.56 million ton short fiber line in Arauco Mill.
- > Considers closure of Arauco's 290 th. Ton line 1 of short fiber pulp, once the new line is operating. Thus the net increase in production will be 1.27 million tons.
- > It includes an electric cogeneration plant based on biomass that will generate a surplus of approximately 132 MW.
- > Estimated investment of US\$ 2.35 billion.
- > Expected start-up for 2Q21.
- > Already approved by the board.



Source: Empresas Copec



## Valdivia project- Dissolving pulp

- > As of June 2018, the project is at 31% completion.
- > Conversion of the Valdivia mill into a textile pulp mill, which currently produces 550 th. ton of pulp.
- > Dissolving pulp is a product used in the textile industry as a substitute for cotton.
- > It will provide flexibility to produce either dissolving or paper grade.
- > Arauco would be the first company to produce this kind of pulp in Chile.
- > The investment will be US\$ 185 million and is expected to be operational by the end of 2019.



This kind of pulp is used in the textile industry to soften, shine and purify fibers. It can also be used in the food, cellophane and flexible packaging industries, among others.

Source: Empresas Copec



## Growth in the Panel Division

### Sonae Arauco:

- > Arauco purchased 50% of Tafisa in US\$ 153 million through a joint venture with Sonae Industria. It operates 10 panelboard mills distributed in Spain, Portugal, Germany and South Africa.

### Grayling:

- > 80% of advance in the Grayling Panel Project in Michigan.
- > The investment will be US\$ 400 million and is expected to be operational by late 2018. Total capacity of 800 th. m<sup>3</sup>.

### Masisa do Brasil:

- > Arauco acquired Masisa's assets in Brasil in US\$ 102.8 million
- > Transaction includes two panel mills, at Parana and Rio Grande do Sul.
- > Capacity of 310 th. m<sup>3</sup> in MDF and 410 th. m<sup>3</sup> in MDP a year

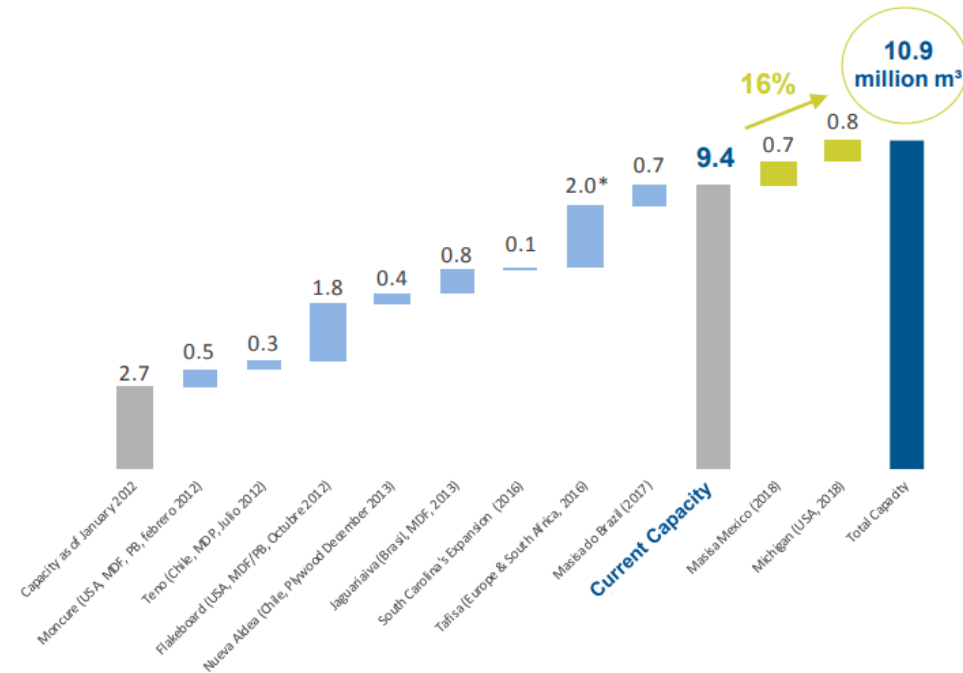
### Masisa in Mexico

- > Arauco signs agreement to buy Masisa's assets in Mexico in US\$ 245 million.
- > Transaction comprises three panel mills, at Chihuahua, Durango and Zitacuaro.
- > Capacity of 519 th. m<sup>3</sup> in PB and 220 th. m<sup>3</sup> in MDF a year.
- > Closure expected for 2H18.

Source: Empresas Copec

### INSTALLED CAPACITY GROWTH OF PANELS

million m<sup>3</sup>



\* Corresponds to 50% of the production capacity of Sonae-Arauco

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.



	COPEC	abastible energía limpia	METROGAS	terpel	MAPCO	Inversiones del Nordeste	sonacol	SOLGAS	DURAGAS
<b>FUEL</b>	Liquid fuels, Lubricant	Liquefied Petroleum Gas (LPG)	Natural Gas	Liquid Fuels, Lubricant	Liquid fuels	Liquefied Petroleum Gas (LPG)	Oil	Liquefied Petroleum Gas (LPG)	Liquefied Petroleum Gas (LPG)
<b>COUNTRY</b>	Chile	Chile	Chile	Colombia	USA	Colombia	Chile	Peru	Ecuador
<b>SALES VOLUME 2017</b>	9.82 million m <sup>3</sup>	472 thousand tons	984 million m <sup>3</sup>	8.79 million m <sup>3</sup>	1.96 million m <sup>3</sup>	199 thousand tons	Transported 10.47 million m <sup>3</sup>	518 thousand tons	426 thousand tons
<b>MARKET SHARE 2017</b>	58%	38%	-	44%*	-	43%*	-	23%	37%
<b>SHARE HOLDING</b>	Empresas Copec 100%	Empresas Copec 99.13%	Empresas Copec 39.83%	Copec S.A. 58.51%	Empresas Copec 100% (indirect)	Abastible 51.00%	Empresas Copec 52.8% (indirect)	Empresas Copec 100% (indirect)	Empresas Copec 100% (indirect)

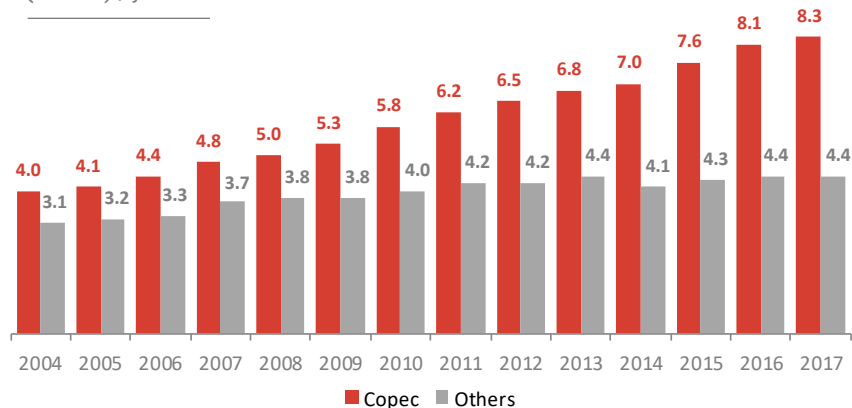
\*Share in Colombia.



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

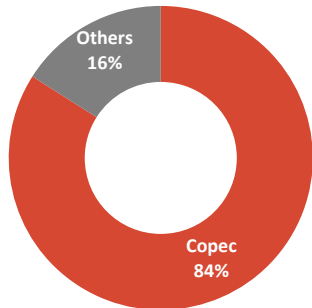
- > Copec has the largest and most extended **Network** (634 gas stations), with strategic locations that allows to have 60% of sales with 38% of gas stations.
- > Largest **Convenience Store Network** on Chile, with more than 300 stores and an average of 485 Th. clients per day.
- > Strong **Brand** 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



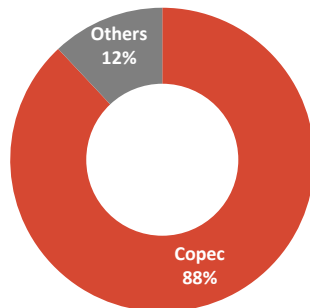
## STRONG BRAND RECOGNITION

### FAVORITE BRAND



Source: Empresas Copec

### USUAL BRAND



Source: Empresas Copec



- > 1<sup>st</sup> place in "Gas Stations" of the National Customer Satisfaction Award, ProCalidad 2017
- > Distinguished by RepTrak with the "Brand Reputation Award 2017"



- > Recognized among the companies with the best corporate reputation, according to Merco Empresas and Lideres Colombia 2017 ranking



- > 1<sup>st</sup> place in "Bottled Gas" of the National Customer Satisfaction Award, ProCalidad 2017
- > 4<sup>th</sup> time winner of "Consumer Loyalty Award 2016" by Alco consultores and Diario Estrategia



- > 1<sup>st</sup> place in "Natural Gas" of the National Award of Consumer Satisfaction 2017

## STRATEGIC LOCATIONS





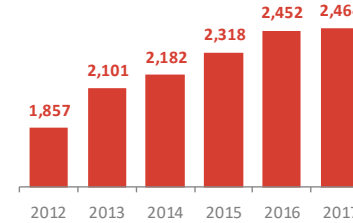


PANAMA · ECUADOR · COLOMBIA  
REPÚBLICA DOMINICANA · PERÚ

- > 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.

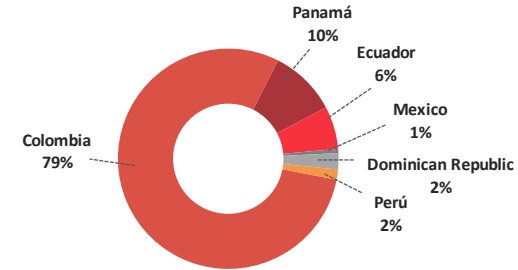
### SALES

Millions of Gallons



### SALES BY COUNTRY

2017



CHILE · COLOMBIA

### 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.

**SOLGAS**

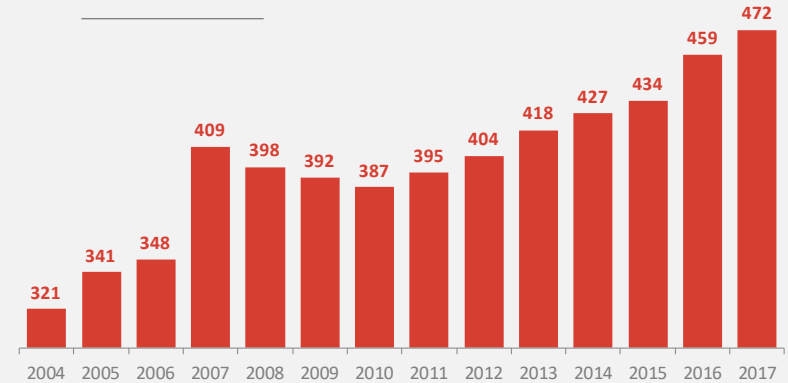
23% Market Share  
Sells 518 th. tons a year  
The price paid was US\$ 264 million

**DURAGAS**

37% Market Share  
Sells 426 th. tons a year  
The price paid was US\$ 33 million

### LPG SALES IN CHILE

TH. ton

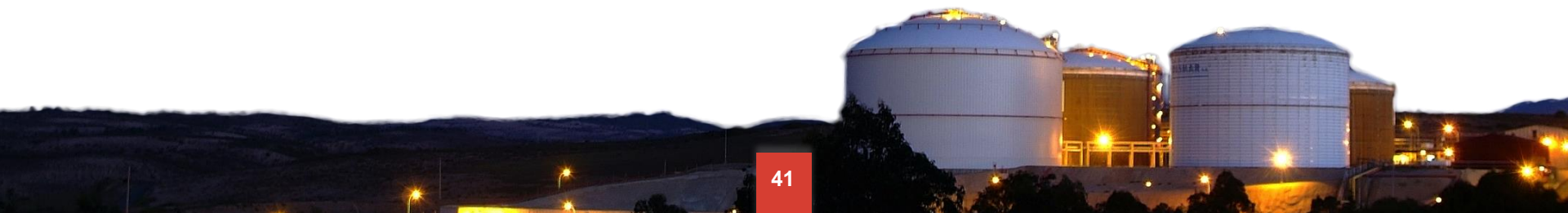
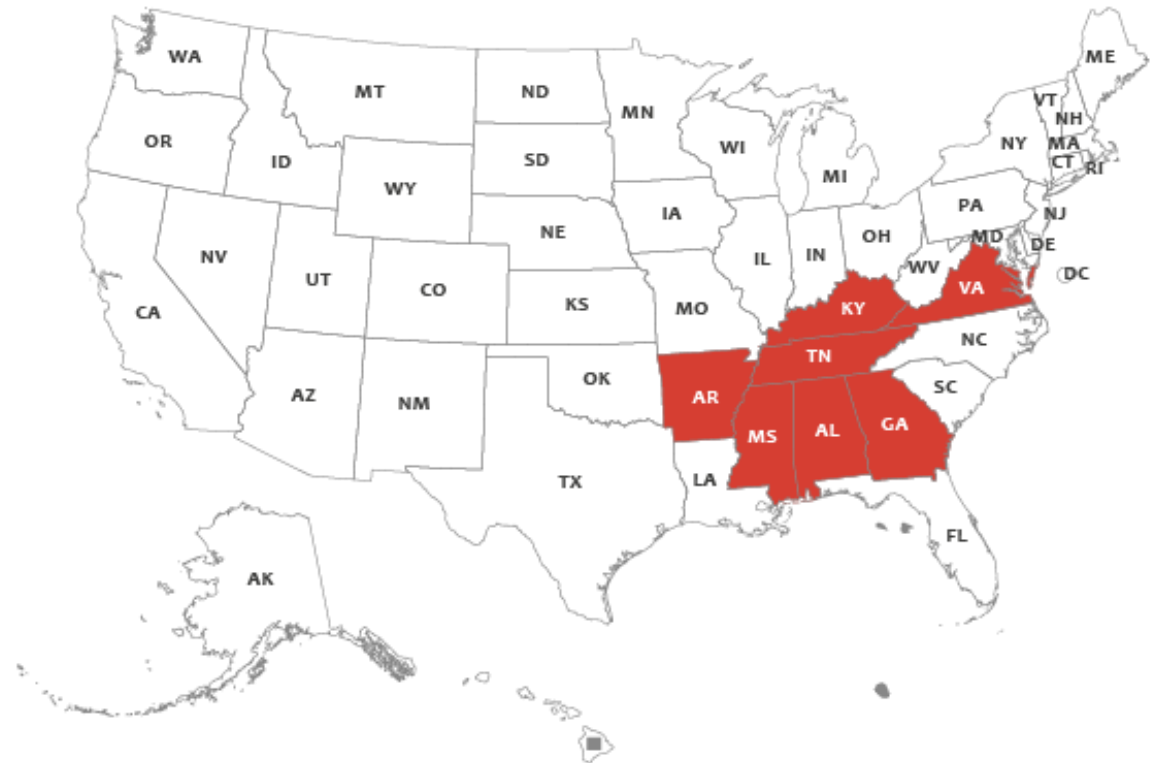






## MAPCO PRESENCE IN UNITED STATES

- > On November 14<sup>th</sup> 2016, 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.



- > Copec wants to implement their successful business model in Mapco: developing brand loyalty by improving the purchase experience; implementing a commercial strategy based on high throughput - low margin, and develop an industrial channel to complement the retail business.
- > 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.
- > Convenience 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.
- > In the U.S. market, 70% of the total sales of a service station came from the convenience store and the rest from fuel.
- > The Chilean and Colombian markets should move towards to the U.S. model, where selling fuel is the booster of other businesses.

### 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.
- Opportunities for improving the operation in both, fuel selling and convenience stores.

### OPPORTUNITIES IN THE FUTURE

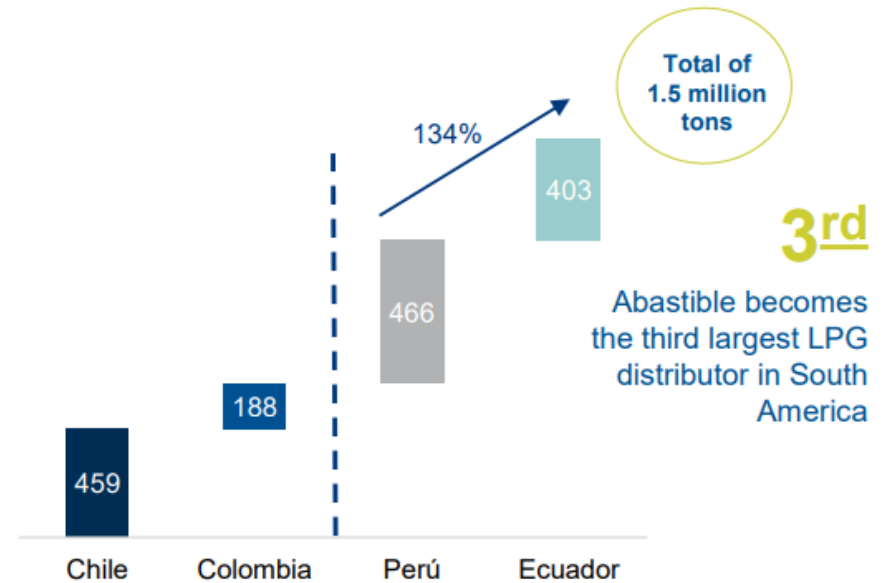
- Development in the industrial fuel market.
- Improvement in the fuel procurement.
- Acquisition of nearby networks taking full advantage in overhead synergies.
- Unify the brands of the convenience stores and gas stations.

## Solgas and Duragas – LPG Operations

- > In 2016 Abastible completed the acquisition of Repsol's LPG operations in Ecuador (Duragas) and Peru (Solgas).
  - > 23% and 37% market share in Peru and Ecuador respectively.
  - > Annual volumes of 466 and 403 thousand tons in Peru and Ecuador respectively.
- > The price paid for Solgas was US\$ 264 million and the price paid for Duragas was US\$ 33 million.
- > With this recent acquisition Abastible will become the third largest LPG player in South America.

### PHYSICAL SALES OF LPG BY COUNTRY IN 2016

Millions of Gallons



Source: Empresas Copec

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

37 vessels

8 vessels

## FLEET'S STORAGE CAPACITY

15,000 m<sup>3</sup>

Aprox. 11,000 m<sup>3</sup>

## PROCESSING PLANTS

- 5 fishmeal and fish oil
- 1 canning plant
- 1 freezer plant

- 3 fishmeal and fish oil
- 2 canning plants
- 3 freezer plants

## SHAREHOLDING

- Empresa Pesquera Eperva: 60.2%
- Pesquera Iquique-Guanaye (Igemar): 39.8%

- Empresa Pesquera Eperva: 13.2%
- Pesquera Iquique-Guanaye (Igemar): 66.8%

- > 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 3,884 MW, being the second largest generator of the National Electric System (SEN), with a market share of 14%.
- > Arauco Bioenergía, consistent with its environmental sustainability policies, generates power out of biomass. Its installed capacity is of 766 MW.



## Hydro and Thermal



## Biomass

<b>INSTALLED CAPACITY BY TECHNOLOGY</b>	<ul style="list-style-type: none"> <li>• 1,626 MW Hydroelectric (41.9%)</li> <li>• 2,258 MW Thermolectric (58.1%)</li> <li>• 3,884 MW Total</li> </ul>	<ul style="list-style-type: none"> <li>• 766 MW</li> </ul>
<b>POWER OUTPUT 2017</b>	<ul style="list-style-type: none"> <li>• 12,597 GWh Chile</li> <li>• 4,113 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>• 3,589 GWh Total</li> </ul>
<b>FACILITIES</b>	<ul style="list-style-type: none"> <li>• 17 Hydroelectric plants</li> <li>• 8 Thermolectric plants</li> <li>• 2 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>



antar**chile**