

Annual Report 2012



EMPRESAS COPEC



EMPRESAS COPEC

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US\$ 1,770

MILLION IN INVESTMENTS



CORPORATE INFORMATION

BOARD OF DIRECTORS



ROBERTO ANGELINI

Industrial Engineer

5.625.652-0

Chairman



JOSÉ TOMÁS

GUZMÁN

Lawyer

2.779.390-8

Vice-Chairman



*A permanent and long-term
development strategy*



JORGE ANDUEZA
Civil Engineer
5.038.906-5
Director



ANDRÉS BIANCHI*
Economist
3.367.092-3
Director



** Member of the
Steering Committee*

Juan E. Goldenberg

**JUAN EDGARDO
GOLDENBERG ***

Lawyer
6.926.134-5
Director

Arnaldo Gorziglia

ARNALDO GORZIGLIA

Lawyer
3.647.846-2
Director





CARLOS HURTADO
Commercial Engineer
2.300.859-9
Director



JUAN OBACH *
Commercial Engineer
6.064.590-6
Director



BERNARDO MATTE
Commercial Engineer
6.598.728-7
Director



* Member of the Steering Committee

SENIOR MANAGEMENT

EDUARDO NAVARRO
Commercial Engineer
10.365.719-9
Chief Executive Officer



*Act in accordance with the highest
ethical and transparency standards*

RODRIGO HUIDOBRO

Industrial Engineer

10.181.179-4

Chief Financial Officer

JOSÉ TOMÁS GUZMÁN

Lawyer

6.228.614-8

*Corporate Counsel and
Secretary of the Board of
Directors*



JORGE FERRANDO
Industrial Engineer
12.059.564-4
Corporate Research Officer

PAMELA HARRIS
Industrial Engineer
14.119.104-7
Head of Corporate Research



To be true to the values and policies

CRISTIÁN PALACIOS

Commercial Engineer

13.234.980-0

*Director of Investor Relations and
Investments*

SERGIO PRIETO

Journalist

3.938.158-3

Public Affairs Officer



*Contributing to the country's development
with real and lasting initiatives*

SENIOR MANAGEMENT OF MAIN AFFILIATES AND ASSOCIATES

FORESTRY

Matías Domeyko Cassel
Celulosa Arauco y Constitución S.A.

FISHING

Francisco Mujica Ortúzar
Corpesca S.A.

Joaquín Cruz Sanfiel
Orizon S.A.

OTHER INVESTMENTS

Marco Arróspide Rivera
Empresa Eléctrica Guacolda S.A.

Juan Carlos Ayala Riquelme
Compañía Minera Can-Can S.A.

Jorge Pedrals Guerrero
Mina Invierno S.A.

FUELS

Lorenzo Gazmuri Schleyer
Copec S.A.

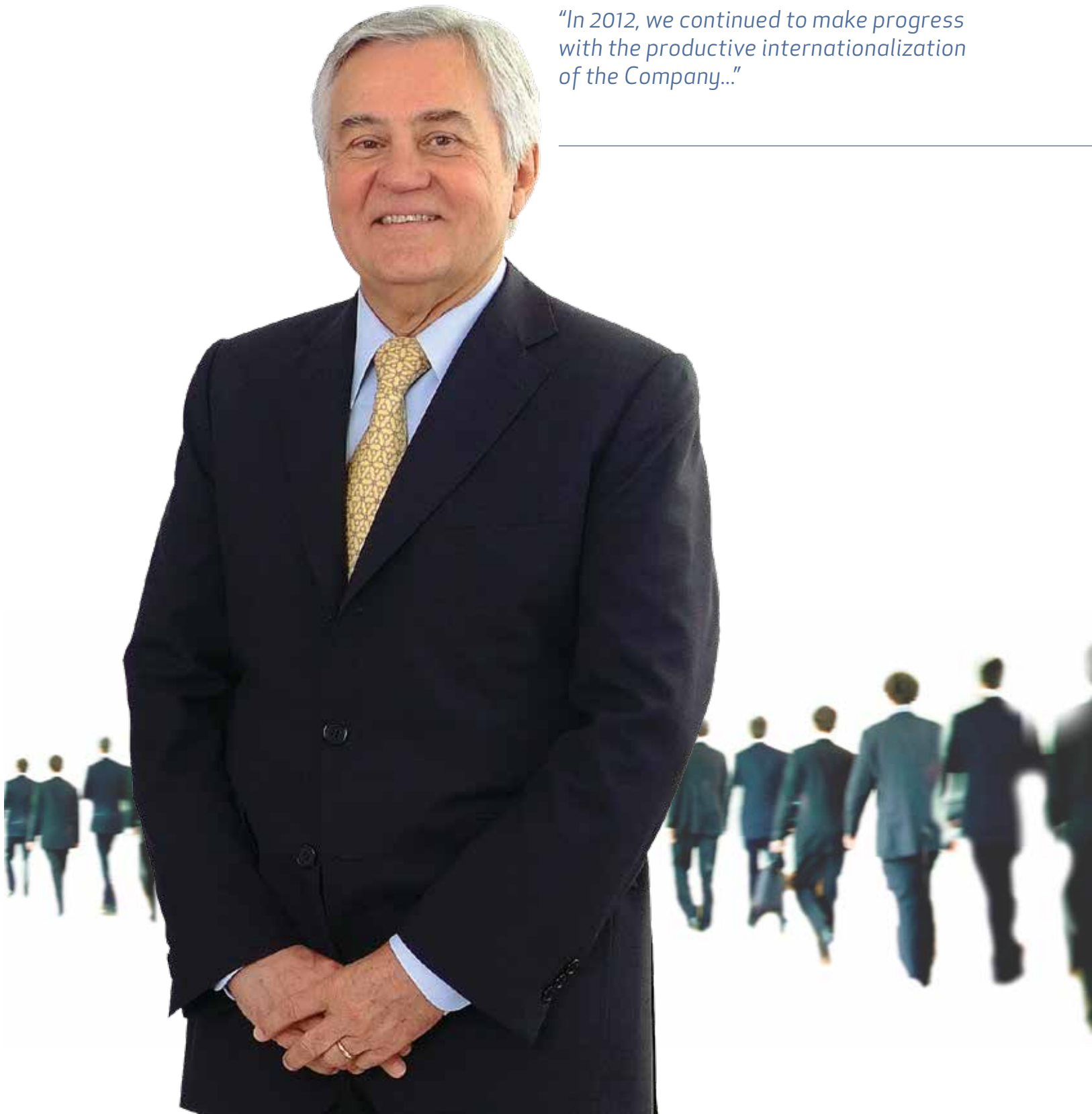
José Odone Odone
Abastible S.A.

Víctor Turpaud Fernández
Metrogas S.A.

Roberto Hetz Vorpahl
Sonacol S.A.

CHAIRMAN'S STATEMENT

"In 2012, we continued to make progress with the productive internationalization of the Company..."



Dear shareholders:

This Annual Report provides an overview of the performance of Empresas Copec in 2012, the environment in which the different business areas operated, the financial results achieved, and the main projects undertaken by our teams.

Although the financial instability of the global economic scenario has eased, there is still uncertainty that has made it difficult to predict how markets will react and therefore plan investment. China, the main export market of Chile and our companies, has undergone a moderate slowdown and doubts have arisen about its ability to continue growing at high rates. Europe has entered a recession, and although important political agreements have been reached, the structural reforms needed are still pending. The United States has shown clearer signs of economic recovery but is still plagued by the threat of a fiscal cliff. The world seems to have avoided sliding back into another large financial crisis, but the outlook remains uncertain and at present even more political will and lasting global agreements are necessary to address fresh challenges.

In Chile, favorable trade terms, along with prudence regarding macroeconomic management and the country's large business capacity, have enabled it to cope with the global economic situation appropriately. The economy has been very dynamic with a high employment rate, which is undoubtedly good news. Nevertheless, this has been accompanied by a more adverse environment for business projects in general with the inherent mid-term consequences. Being an exporting country, we should not neglect the ongoing need of raising the productivity of our economy to carry on competing accordingly in demanding international markets.

This was the challenging scenario in which our operations were undertaken in 2012, also characterized by complex market conditions for our export products and a tax reform in Chile that really hit results. Despite that, in 2012 the company had net income of US\$ 410 million and record sales of US\$ 22.761 billion. The operating flow or EBITDA was US\$ 1.559 billion, and investment reached US\$ 1.770 billion, which reflected our aim of continuing to project the company in the long term.

Besides these figures, what was important was that each of the business areas carried out major initiatives in the year, and always aligned with our corporate strategy. In 2012, we therefore continued to make progress with the productive internationalization of the company, addressing the large energy challenges we have in Chile, boosting the sustainable and innovative focus of our operations and bolstering community commitment with the best corporate governance practices, and once again gaining the support of financial institutions to fund our growth.

"...addressing the large energy challenges, boosting the sustainable and innovative focus of our operations..."

For decades the company has exported its forestry and fishery products to over eighty countries, with commercial offices on the different continents, and has been present in China for more than 30 years. Empresas Copec is undoubtedly a global company. Our current focus is however different, as we are now already stepping up operations and production overseas, which is borne out by the fact that our foreign affiliates account for 35% of our sales.

Regarding this, the company continued the construction of the Montes del Plata industrial complex in Uruguay, the largest private investment ever in that country, which our affiliate Arauco is undertaking in partnership with Stora Enso. The facilities, which include a wood pulp mill, a port and a biomass-fired generating plant, will be commissioned in 2013.

In Brazil, progress with the expansion of the Jaguaraiá panel mill, and a joint venture with Unilin to make laminated flooring, will increase our presence in that giant South American country.

The expansion of Arauco also continued outside Latin America. In mid-2012, the company acquired 100% of the shares of Flakeboard Company Limited, a leading company in the US panel market. The investment entailed an outlay of US\$ 242 million and will give the company seven additional mills in the United States and Canada. This purchase, along with that of the Moncure industrial panel complex we announced in 2011, has virtually doubled the total production capacity in this business area. These are strategic assets that will provide a privileged platform from which to operate in this important market and position the company as a leading panel producer and vendor in the United States.

Arauco has therefore gradually become a leading world-class global company in its sector, and is now the second largest wood pulp producer in the market, the number three panel producer in the world, and the top sawn lumber producer in Latin America.

Arauco's development also had important milestones in Chile this year. The new medium-density particleboard (MDP) mill at Teno, entailing an investment of around US\$ 130 million, will meet the trends and needs of the furniture, design and interior architecture industries. Reconstruction started on the Nueva Aldea panel mill, which was destroyed by a forest fire that started near the facility, which will entail an investment of US\$ 165 million and will come on stream in late 2013. The Arauco mill modernization and expansion (MAPA) project was submitted for environmental assessment and once approved will greatly raise the standard and production capacity of such industrial complex.

The process of exporting our knowledge and commercial and industrial experience to other countries is not limited to the forestry area and also takes place in the fuels business. In 2012, we carried out the last of a series of takeover bids on the Colombian stock market, which has enabled Copec to gain around 60% control of Terpel, the leading fuel distributor in that country, at an investment of US\$ 760 million.

Since Copec's arrival in Colombia, we have focused on implementing a strategy aimed more at service and competitiveness to leverage the large opportunities of the Colombian market and that of other countries in which Terpel operates. Terpel's service stations now have a newer image and are applying Copec's valuable and wide experience gained in this business to customer service.

Likewise, Abastible, which in 2011 acquired a 51% stake of Inversiones del Nordeste S.A., a leading liquefied petroleum gas (LPG) distributor in the Colombian market, continued to optimize the management of the operations of this new affiliate in line with the regulatory changes the industry is undergoing. It has adopted a similar model to that in Chile, focusing on safety and service quality.

In addition to the sound position of Empresas Copec in the fuels business in Chile, the company now also has a leading position in the liquefied fuels and LPG business in Colombia.

Although the focus of growth has been overseas, we have not overlooked the challenges in Chile, particularly giving the country the energy it needs for its development, i.e., safe, competitive and environmentally friendly energy.

Regarding this, in the year Copec continued to enhance its service station network, inaugurating three new highway service stations in Viña del Mar, Trafún and Puerto Varas. At the same time and to give its industrial and vehicle customers the best experience, it continued to innovate in various areas with new services and convenience store layout, highlighting Dpaso, besides the traditional Pronto and Punto formats.

In regard to logistics, Sonacol is developing a new oil pipeline to increase the supply of the Arturo Merino Benítez airport from Maipú, and Sonamar added the new Abtao oil tanker to its fleet.

Abastible started to expand into the north of Chile by inaugurating a new bottling plant in Arica. After a few months, it already has a very large share of the bottled channel market in the area.

Concerning natural gas, Metrogas agreed on a new liquefied natural gas (LNG) supply contract with BG until 2030, which will give it a higher gas volume, competitive prices for its customers and assure a continuous and safe supply. Thanks to the loading facility of the Quintero LNG terminal, natural gas can now be transported by truck to areas outside the main network, thereby constituting the “virtual gas pipelines” of mobile LNG.

The Mina Invierno project entered the pre-stripping stage in mid-2012 and is now already in its mining phase. When the port construction is completed, in the first quarter of 2013, the mine will meet a large portion of the domestic coal demand of Chile’s thermal capacity. This is a cutting-edge operation with the highest environmental standards, reflected for example by the largest tree nursery in Patagonia that is already enabling reforestation work to be started, or the livestock activities that will be undertaken around the mine. It is a project that will also start to provide a final solution to the energy issues of the Magallanes region. The sales contracts signed include exports to developed markets with high environmental standards.

Part of the coal from Mina Invierno will also be sold to Guacolda, which started construction on its fifth power generating plant during the year. For this, it signed an EPC contract with Mitsubishi, an energy and power sales contract with CMP, and secured financing of up to US\$ 318 million. Guacolda will provide a further 152 MW to the “Norte Chico” in Chile, a mining region that will undoubtedly need more energy.

Empresas Copec’s commitment to energy challenges is not just limited to traditional thermal energy, although we know that without this it will not be possible to meet the energy demand efficiently and thereby make a contribution to the

*“...bolstering community
commitment with the best corporate
governance practices”*

greater task of overcoming poverty. It is also necessary to undertake this challenge with a wider vision that is in addition to our transversal commitment to innovation and sustainability.

That commitment is evident in the demanding certifications of our operations, the clean production agreements we have signed, our participation in emission reduction certificate markets, the environmental care of the ecosystems around us, the carbon footprint measurement of our operations, among many other initiatives. Energy, innovation and sustainability converge into the quest for new energy solutions, thinking ahead and when required by Chile's level of development.

Arauco has been a leader in the biomass-fired power generation area for many years. In 2012, the new Viñales plant started up in the Constitución area, providing all the energy the forestry complex uses and injecting a surplus of a further 32 MW into the central interconnected power grid.

Copec continued to add renewable energy to its service stations by means of wind turbines, and solar and geothermal power generation systems. In 2012, Copec, jointly with the national airline LAN, made the first flight in South America using second generation biofuel. That was just the visible milestone of a transversal effort by several of our affiliates, which have entered into partnerships to develop biofuels from microalgae, wood pulp and oils. Moreover, to continue showing our aim to make a contribution to these issues and lead markets, Copec added cutting-edge Voltex chargers for electric vehicles at its service stations.

Likewise, Abastible continued to be a leader of the installation of dual solar and thermal water heating systems in homes, businesses and industries, and it extended its network of Autogas liquefied gas pumps for vehicles with an innovative

format. Metrogas continued to add biogas to its supply and offer customers its green tariff, which fully makes up for the emissions related to the use of natural gas.

These are all just a few illustrations of Empresas Copec's large commitment to the energy issue with a wide vision. This is a complex and challenging task for everyone and in which we want to be the benchmark due to our various contributions. None of the forms of energy is optimal in all aspects and they all have their pros and cons. We have already said that now is not the time to choose. Chile needs to include all the traditional and new forms of energy to continue to grow.

The mining industry now accounts for most of the increased energy demand in Chile. It is precisely in this sector where our company is getting more involved. In 2012, the affiliate Can-Can continued to develop its different projects, attaining the operative consolidation of the El Bronce de Petorca mine site where reserves have also been increased. It submitted the Diego de Almagro project for environmental approval and conducted the first phase of exploratory drilling at the Choquelimpie deposit. All this is with the aim of making progress to become a benchmark in the mid-sized mining industry.

Our fishery affiliates Corpesca and Orizon made a large investment in the extreme north of Chile too, marking a major milestone in the deep transformation this traditional industry is undergoing. Through Golden Omega, they built a cutting-edge plant in Arica to produce and market Omega-3 concentrates from fish oil, entailing an investment of over US\$ 80 million. This is further testimony to our historical commitment to this industry and the Arica and Parinacota region. The roadmap we have established from raw materials to products for direct human consumption now extends to functional foods and the nutraceutical

"We continued to make progress. From Chile to the world, with a clear focus on energy and natural resources"

and soon pharmaceutical industries, due to the research we are undertaking with Harvard University at the affiliate Bioambar.

Besides this large endeavor, there is also a canning plant built by Corpesca in Iquique, and Orizon venturing into the grocery segment, a natural diversification of the food market in which it was already operating, where it can leverage the strength of its trademarks.

After a year of legislative proceedings, the modification of the General Fisheries and Aquaculture Law was enacted on February 9, 2013, regarding the sustainability of hydrobiological resources, access to industrial and nonprofessional fishing, and regulations on research and control. It should be noted that this new regulation adds additional costs to this activity, like the royalty and tender costs.

Our fishery affiliates therefore have a new and defined legal framework according to which they will continue to deliver on their mission of managing marine resources responsibly, adding value to them.

These initiatives to transform the fishery industry are examples of Empresas Copec's commitment to innovation. Such commitment goes beyond our own activities, as innovation is a key factor in the country's economic and social development. In 2012, we started to build the Anacleto Angelini-Catholic University Innovation Center, where ideas can be exchanged and open to all companies and undertakings, whose aim is to make a contribution to the greater task of raising the country's bar on productivity and competitiveness. It is a worthy tribute to the man who made Copec grow, leaving us a valuable legacy of doing business. The Anacleto Angelini Center is the sharpening of the commitment we undertook over a decade ago with

the creation of the Copec-Catholic University Foundation, and then with the Private Venture Capital Fund. This is definitely another major step towards driving innovation.

As for innovation issues, we participate in many other initiatives that are part of the same long-term vision, helping to address the large challenges we have as a society. We do this not only by providing financing but also human capital and management.

In the education and culture area for example, during the year, we continued to participate in the teacher training and development of the Arauco Foundation; attracting with Enseña Chile young professionals to classrooms; collaborating with the work of the Belén Educa foundation in high-risk sectors in Santiago; launching the "Viva Leer" (Long Live Reading) and "Sueña Leyendo" (Dream by Reading) campaigns; and sponsoring cultural projects like the "Dioses y Héroes de la Antigüedad" (Ancient Gods and Heroes) exhibition. We also brought together thousands of youngsters in sports competitions and a healthy life; we continued to support low-income housing and overcoming poverty with initiatives like the reconstruction of Constitución according to the guidelines of the Arauco-sponsored master plan, or the appreciation of neighborhoods due to the work of professionals at Elemental, which published its "Incremental Housing and Participative Design Manual," among many other activities.

I would also like to highlight an important project for the Valparaíso region to recover the old site of Las Salinas, where oil companies used to operate, and turn it into a new neighborhood of Viña del Mar. This is a real estate business but one we are addressing with a long-term vision, engaging the best teams and with the environmental impact as the key issue. During the year, we awarded the master plan to the Urbe-Sasaki consortium, a top notch company

worldwide, to thereby guarantee the project really makes a contribution to the community.

Ladies and gentlemen, this is how we continued to make progress with a clear focus on energy and natural resources from Chile to the world. We want to carry on adding value, getting involved in the challenges of our host communities with the same principles as always. We look forward and can see times of reaping the fruits of what we have sown in this period of heavy investment. With 78 years of experience, we will prudently continue our roadmap of expansion with a long-term vision and considering the decades ahead.

Nothing of what we do would be possible without the commitment and support of all those who are involved in this great adventure. I would like to thank the directors, who are focused on acting and enhancing our corporate governance structures; the markets, which back our sound financial standing giving our companies the financing to undertake their development projects; and of course, our employees and shareholders. These are all essential players in Chile and abroad to take Empresas Copec to a higher level.

A handwritten signature in black ink, appearing to read 'Roberto Angelini', with a stylized, flowing script.

Roberto Angelini
Chairman

"We look forward and can see times of reaping the fruits of what we have sown in this period of heavy investment"





EMPRESAS COPEC AT A GLANCE

Empresas Copec operates in two large areas: natural resources where Chile has clear competitive advantages, and energy, that is closely related to the country's productive development.

The company also has large productive platforms in Argentina, Brazil, Canada, Colombia, the United States and Uruguay, countries that have major growth potential.

Empresas Copec is permanently driving large investment programs in each of these sectors to boost the scale of its operations, diversify, make its operations sustainable and leverage synergies.

Due to this, the company operates in over 80 countries where it competes with the top companies in the world.

Forestry Business

Empresas Copec operates in the forestry business through its affiliate Arauco, a leading forestry company in Chile and an important player worldwide. Arauco is currently a leading market wood pulp, panel and sawn lumber producer in the world and one of the forestry companies with the highest production volume, sales and forest equity in South America. This is the outcome of a sound investment plan, large cost advantages, ongoing optimization of operations and a significant presence throughout the value chain of the forestry business.





Fuels Business

Empresas Copec has been a major player in the liquefied fuels, lubricants, liquefied petroleum gas and natural gas markets for over 75 years. In each of them, the company has striven to provide a top-quality customer service, a large operating scale, constant quest for innovation, and sound brand positioning, giving it a major presence and sustained leadership in these markets. As of 2010, all the experience gained in Chile is also being applied in Colombia, Ecuador and Panama.



Fishing Business

Empresas Copec is a player in the fishing business through its affiliate Pesquera Iquique - Guanaye, which operates in the north and center-south of Chile with one of the most state-of-the-art fleets in the country. Efficient management and cutting-edge technology have enabled it to consolidate in producing fishmeal, fish oil, canned and frozen seafood for human consumption in a period characterized by restrictions on the biological availability of resources. It is now a pioneer in the production of Omega-3 concentrates in Chile, which are value-added products that could meet growing demand in the food and health industries.

Other Investments

Over the years, Empresas Copec has invested in sectors with large competitive advantages that are tied to Chile's development. This has enabled the company to leverage synergies, complement its operations and enhance its strategic position. It therefore operates in the electric power generation sector through its related company Empresa Eléctrica Guacolda and in the mining industry through Mina Invierno and Minera Can-Can.



EMPRESAS COPEC IN FIGURES

STATEMENT OF FINANCIAL POSITION

Thousand dollars

	2012	2011
Current assets	6,126,558	5,635,568
Non-current assets	15,883,851	14,573,671
TOTAL ASSETS	22,010,409	20,209,239
<hr/>		
Current liabilities	3,399,816	2,704,683
Non-current liabilities	7,848,201	6,705,506
TOTAL LIABILITIES	11,248,017	9,410,189
<hr/>		
Issued capital	686,114	686,114
Others reserves	208,700	341,347
Accumulated gains (Losses)	9,021,679	8,785,629
Equity attributable to parent company	9,916,493	9,813,090
Minority interest	845,899	985,960
TOTAL EQUITY	10,762,392	10,799,050
<hr/>		
TOTAL EQUITY AND LIABILITIES	22,010,409	20,209,239

STATEMENT OF COMPREHENSIVE INCOME

Thousand dollars

	2012	2011
Gross margin	2,556,349	2,827,346
Administrative and sales expenses	(1,896,752)	(1,724,204)
Investments in related companies and joint ventures	97,443	64,740
Financial expenses	(378,854)	(303,571)
Others	59,145	130,459
Profit	437,331	994,770
Profit attributable to equity holders	409,570	932,725
Profit attributable to minority interests	27,761	62,045

INTERNATIONAL RISK RATING

Standard & Poor's	BBB
Fitch Ratings	BBB

DOMESTIC RISK RATING

Feller-Rate	AA-/1 st Class Level 1
Fitch Ratings	AA-/1 st Class Level 1

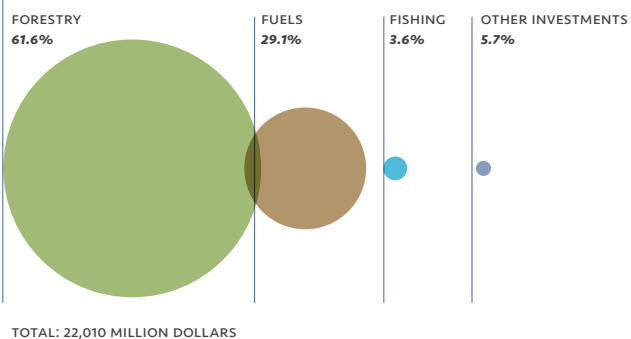
INDEBTEDNESS (NET FINANCIAL DEBT / EQUITY)**0.51**



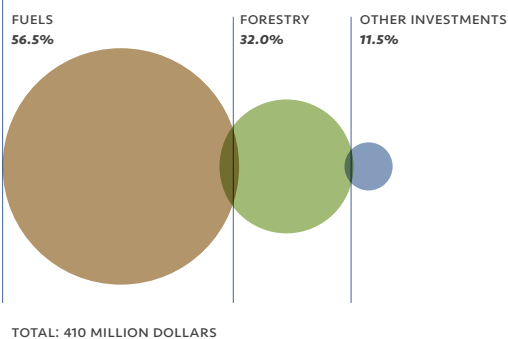
EMPRESAS COPEC

FORESTRY SECTOR	99.978%	CELULOSA ARAUCO Y CONSTITUCIÓN	<div> <div>99.925%</div> <div>99.999%</div> <div>99.000%</div> <div>99.000%</div> </div>	FORESTAL ARAUCO ARAUCO INTERNACIONAL ASERRADEROS ARAUCO PANELES ARAUCO
FUELS SECTOR	99.999% 99.048% 39.830%	COPEC ABASTIBLE METROGAS	<div> <div>98.240%</div> <div>40.800%</div> <div>12.000%</div> <div>51.000%</div> </div>	PROENERGÍA SONACOL INVERSIONES DEL NORDESTE
FISHING SECTOR	81.933%	IGEMAR	<div> <div>50.100%</div> <div>30.640%</div> </div>	ORIZON CORPESCA
OTHER INVESTMENTS	25.000% 100.000% 100.000%	ELÉCTRICA GUACOLDA CAMINO NEVADO VIÑA NORTE	<div> <div>99.868%</div> <div>50.000%</div> </div>	MINERA CAN-CAN MINA INVIERNO

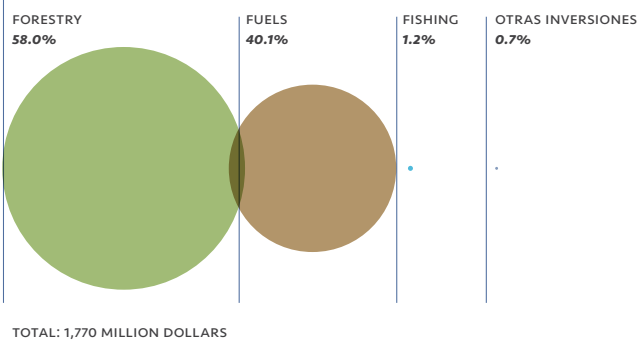
CONSOLIDATED ASSETS 2012



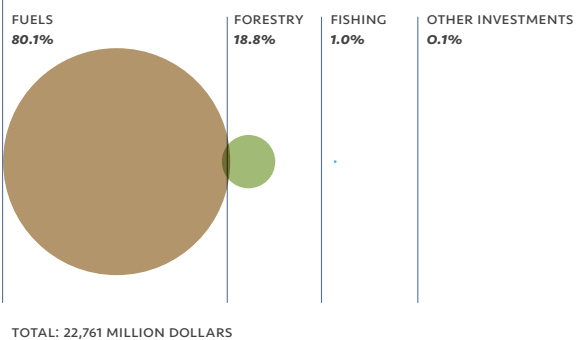
NET INCOME 2012



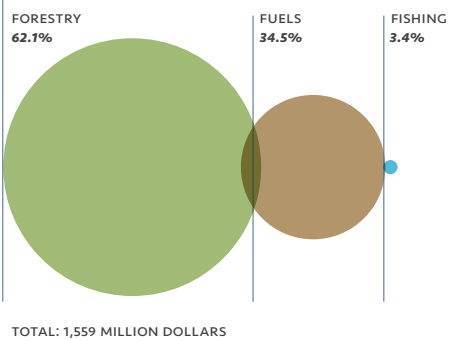
CONSOLIDATED INVESTMENT 2012



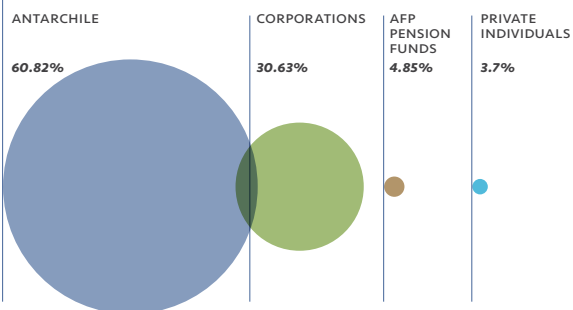
CONSOLIDATED SALES 2012

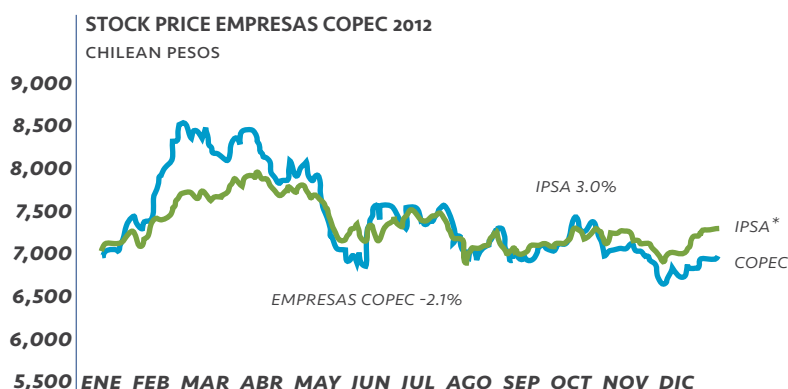
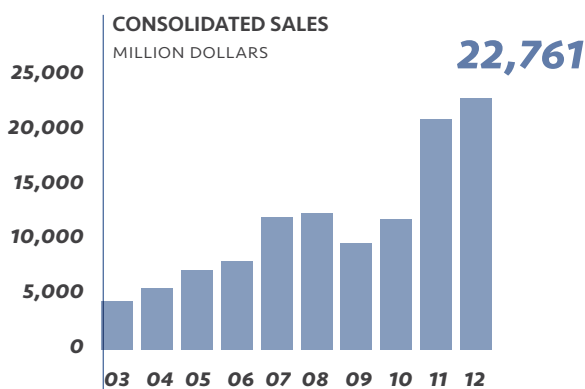
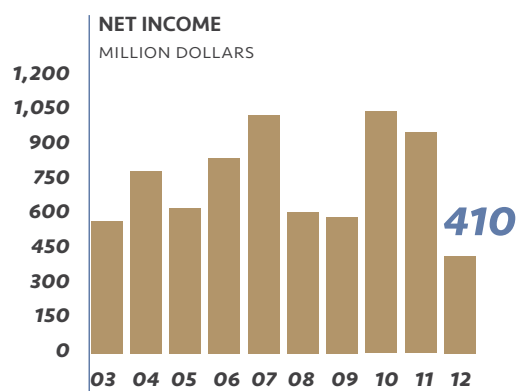
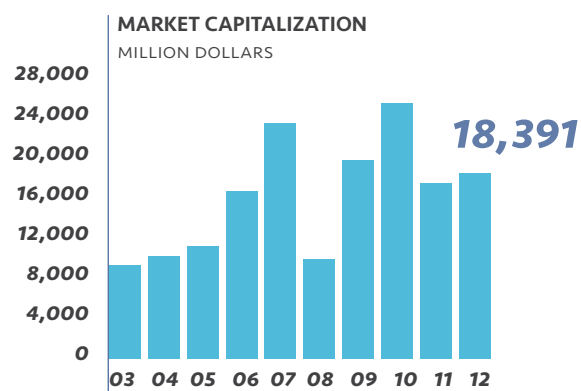
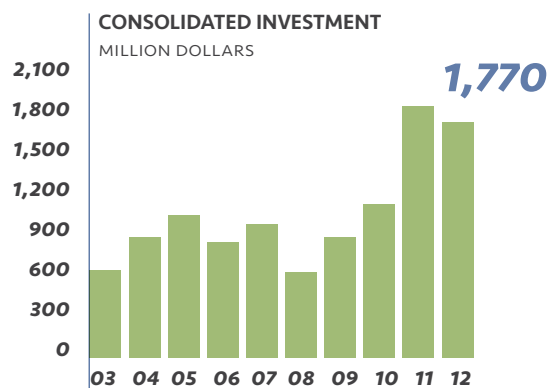
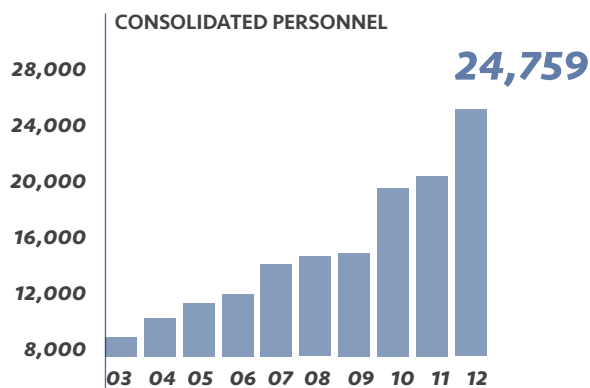


CONSOLIDATED EBITDA 2012



EMPRESAS COPEC OWNERSHIP STRUCTURE 2012



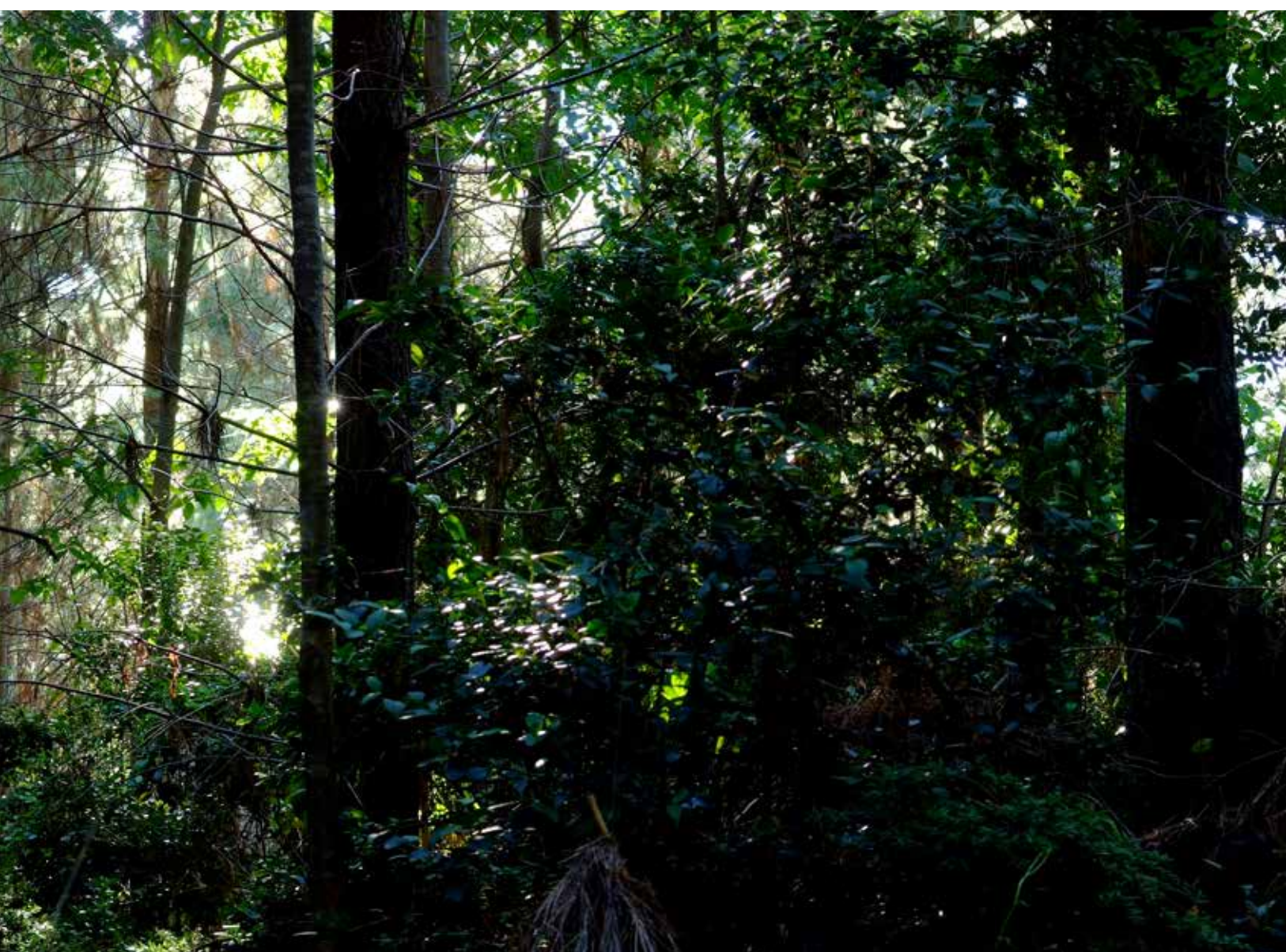


* ADJUSTED IPSA

2012 HIGHLIGHTS

Forestry Business

- 01 /** Arauco acquires 100% of the shares of Flakeboard Company Limited, a leading panel company in the US market. This investment entailed US\$ 242 million and included seven panel mills in the United States and Canada.
- 02 /** Arauco and Unilin establish a *joint venture* to make and market laminated flooring in Brazil.
- 03 /** Arauco, in partnership with Stora Enso, makes progress with the construction of the Montes del Plata wood pulp mill, which could be commissioned in the first half of 2013.
- 04 /** Progress was made with the construction of the new medium-density fiberboard (MDF) production line at the Jaguariaíva mill, which will have a production capacity of 500,000 m³ and will entail an investment of about US\$ 150 million.
- 05 /** The Teno panel mill is commissioned with the manufacture of its first medium-density particleboard (MDP). This new mill has a production capacity of 300,000 m³ of panels a year and meets the new trends and needs of the furniture, design and interior architecture industries.
- 06 /** Arauco submits an environmental impact study for the Aruaco Mill Modernization and Expansion (MAPA) project, which aims to boost the production capacity of this industrial complex to 2.1 million tons of wood pulp a year.
- 07 /** The Viñales biomass-fired electricity generating plant starts up, providing energy to the Viñales complex and injecting a surplus of up to 32 MW into the central interconnected power grid.
- 08 /** Arauco issues bonds of US\$ 500 million with 10-year maturity in the US market and of UF 5 million in the Chilean market.
- 09 /** Arauco starts to rebuild the Nueva Aldea panel mill after it was destroyed by a forest fire around the complex in January. This project will involve an investment of over US\$ 165 million and is scheduled to start up in late 2013.



Fuels Business

- 01 /** Copec increases its stake in Terpel with a takeover bid for Proenergía Internacional S.A. This operation entailed an investment of US\$ 294 million allowed Copec to reach a 58% interest in Terpel.
- 02 /** Abastible invests US\$ 3 million in a new gas bottling plant in Arica, launching expansion into the Chile's Norte Grande area.
- 03 /** Metrogas agrees on a new liquefied natural gas (LNG) supply contract with BG until 2030, which will give it access to a higher gas volume, competitive prices for its customers and assure a continuous and safe supply.
- 04 /** Sonamar purchases the Abtao oil tanker.
- 05 /** Terpel Colombia renews its image, converting its service stations into sales points with more modern and attractive standards as part of a more people-focused strategic plan.
- 06 /** Inversiones del Nordeste steps up its presence in Colombia, attaining a total market share of 35.5%.
- 07 /** Sonacol develops the Maipú-airport oil pipeline to boost the supply of the Arturo Merino Benítez airport.
- 08 /** Copec and LAN make the first commercial flight from Santiago to Concepción in South America using biofuel.
- 09 /** Abastible installs vehicle liquefied gas pumps at five service stations.
- 10 /** Copec inaugurates three new highway service stations at Trafún, Puerto Varas and Viña del Mar.
- 11 /** Abastible Solar installs an innovative solar and thermal energy system at the Valle Vespucio Norte housing complex.
- 12 /** Copec secures certification for its carbon footprint, with the conclusion that it is not a company with intensive greenhouse gas emissions.
- 13 /** Metrogas starts to distribute natural gas in the mobile LNG segment.
- 14 /** Copec installs Voltex chargers for electric vehicles at the Costanera Norte, Vitacura, Pudahuel and Viña del Mar service stations.

Fishing Business

- 01 /** Golden Omega inaugurates its fish-oil based Omega-3 concentrate plant in Arica, which entailed an investment of over US\$ 80 million.
- 02 /** Corpesca completes the construction of a seafood canning plant in Iquique.

- 03 /** Orizon expands the San José food line, adding a new offering of groceries like rice, beans and lentils.
- 04 /** Corpesca's productive plants secure international IFFO RS sustainability certification.



Other Investments

- 01 /** The Las Salinas master plan design is presented, an architectural project to enhance the coastline of this area.
- 02 /** Guacolda Energía starts to build its fifth power generating plant. For this, it signed an EPC contract with Mitsubishi and secured financing of up to US\$ 318 million.
- 03 /** Mina Invierno starts up mining operations in April with pre-stripping.
- 04 /** Compañía Minera Can-Can submits the Diego de Almagro copper mining project to the environmental impact assessment system. This project will entail an investment of about US\$ 475 million.



Community Relations

- 01 / The Angelini Group and the Catholic University of Chile place the first stone of the Anacleto Angelini-Catholic University Innovation Center.
- 02 / Empresas Copec sponsors the *"Dioses y Héroes de la Antigüedad"* (Ancient Gods and Heroes) and *"El Escultor de los Dioses"* (The Sculptor of the Gods) exhibitions.
- 03 / The Copec-Catholic University Foundation organizes the eighth international seminar: "Key Factors for Competitiveness in the Food Industry."
- 04 / The Copec-Catholic University Foundation holds the award ceremony for the Ninth National Competition for Natural Resource Development Project.
- 05 / The Copec-Catholic University Foundation creates the first competition for young researchers to continue to promote research and development in Chile.
- 06 / The Arauco Educational Foundation holds its fifth seminar: "The value of learning mathematics."
- 07 / Elemental publishes the book "Incremental Housing and Participative Design Manual."

AWARDS

01 /

Empresas Copec

Empresas Copec achieves the second place for the third year running in the Merco corporate reputation ranking of the most responsible and best corporate governance companies.

02 /

Roberto Angelini

Empresas Copec Chairman Roberto Angelini is ranked as an outstanding businessman by La Segunda newspaper and Adimark. Empresas Copec was runner-up of the most outstanding companies in the same ranking.

03 /

Arauco

Arauco obtains first place in the Chilean forestry sector in the EVA ranking compiled by Econsult and Qué Pasa magazine. Meanwhile Paneles Arauco is awarded the Human Capital Development Award 2012 by the Higher - Education Institution (INACAP) for its contribution to training and development, and environmental and community commitment. Moreover, Forestal Arauco obtained the Effective Safety Action Award from the Chilean Safety Association.

04 /

Empresas Copec

The latest ranking of 500 companies in Latin America by AméricaEconomía Intelligence positions Empresas Copec as the company with the top sales in Chile.





05 /
Empresas Copec

Empresas Copec is distinguished by Institutional Investor magazine in the categories of best investor relations company, best CEO, CFO and investor relations professional, attaining the highest ranking in Chile.

06 /
Copec

Copec gains first place in the service stations category in the ranking of the best quality of service companies drawn up by ProCalidad.

07 /
Abastible

Abastible obtains first place in the Best Gas Company Service of Chile 3D, first place in the service industry category of the Corporate Reputation Ranking 2012 and first place in all the Consumer Loyalty Award categories.

08 /
Sonacol

Sonacol is distinguished with the Competitive Company Program (PEC) Excellence, transport business, of the Workers' Safety Association, and Sonamar secures PEC certification from the Workers' Safety Association with an Outstanding Management qualification.

09 /
Metrogas

Metrogas attains first place for household services in the ProCalidad ranking, and is distinguished as one of the leading companies working on innovation according to a study conducted by the ESE Business School of Universidad de Los Andes.

HISTORY

Establishment

Line of Business Expansion

Diversification

1934

1936

1956

1957

1976



—Compañía de Petróleos de Chile S.A. is established to market and distribute fuels in the country.



—Copec’s network of service stations and storage plants spans Coquimbo to Magallanes.



—Abastible is established to market and distribute liquefied gas for residential and industrial use.



—Sociedad Nacional de Oleoductos (Sonacol) is established.

—Copec becomes the representative and distributor of Mobil products.



—Copec buys Celulosa Arauco and Forestal Arauco.

New Leadership

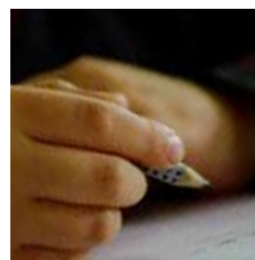
1979

1980

1981

1986

1989



—Celulosa Arauco y Constitución is established after acquiring Celulosa Constitución and merging it with Celulosa Arauco.

—The company acquires Pesquera Guanaye Ltda. and the electric power distribution companies Saesa and Frontel.

—The company purchases the rights of the Pecket coal deposit in the Magallanes Region.

—The Angelini Group takes a controlling stake in Copec after acquiring a 41% shareholding.

—The Arauco Educational Foundation is established to make a contribution to municipal education in the Maule, Biobío and Los Ríos regions.

1990

1991

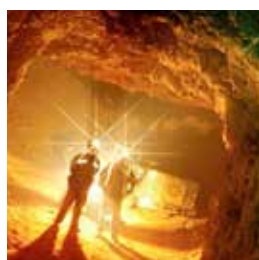
1992

1993

1994



—Bioforest S.A. is established to develop new technology in the forestry resources and wood pulp area.



—Compañía Minera Can-Can S.A. is established.



—Igemar is established after the merger of Pesquera Guanaye S.A. and Pesquera Iquique S.A.

—Empresa Eléctrica Guacolda S.A. is established to supply electricity to the Atacama and Coquimbo regions.



—Aserraderos Arauco S.A. is established.



—Metrogas is established to market natural gas in the Metropolitan and O'Higgins regions.

Strategic Focus

1995

1996

1999

2000

2001



—Paneles Arauco S.A. is established.



—Arauco acquires Alto Paraná S.A., owner of one of the leading wood pulp mills in Argentina.



—Arauco acquires Licancel S.A., gaining a new bleached wood pulp mill and plantations.

—Corpesca S.A. is established after merging the fishery and industry operations of Igemar, Eperva and Coloso in the north of Chile.



—The Angelini Group takes control of the company by acquiring an additional 30.05% of Copec's stock through AntarChile S.A.

—SPK is established from the merger of the operating assets of the fishing companies Igemar, El Quillay and Pacific Protein in the center and south of Chile.



—Copec sells off its interest in Saesa and Frontel.

World-Class Scale

2002

2003

2004

2005

2006



—The Copec-Catholic University Foundation is established to further applied scientific research in the natural resources area.



—Compañía de Petróleos de Chile Copec S.A. is established, an affiliate in charge of the liquefied fuels and lubricants business. At the same time, the parent company is transformed into a financial holding and its business name is changed to Empresas Copec S.A.

—Copec and ExxonMobil sign a historic agreement to produce and market Mobil and Esso lubricants exclusively in Chile.



—The Valdivia wood pulp mill is commissioned.



—Arauco acquires pine plantations, a medium-density fiberboard (MDF) mill, a particleboard mill and a resin facility in Brazil.



—The Nueva Aldea wood pulp mill is commissioned.

—Copec starts up the imported product terminal (TPI) at Quintero and Abastible commissions the operations of the San Vicente sea terminal in the Biobío Region.

—Elemental S.A. is established to develop low-income urban projects.

2007

2008

2009

2010

2011



—Arauco and Stora Enso acquire forestry lands, a sawmill and 20% of a paper mill in Brazil.

—Metrogas, ENAP, ENDESA and the BG Group start the construction of a liquefied natural gas terminal at Quintero.

—Sociedad Minera Isla Riesco S.A. is established to produce coal in the Magallanes Region.

—The Copec-Catholic University Foundation creates the first Private Venture Capital Fund in Chile which brings together the academic and business worlds.

—Arauco and Stora Enso acquire the assets of the business group Ence S.A. in Uruguay giving rise to the Montes del Plata project.

—Golden Omega S.A. is established to produce omega-3 concentrates.

—Copec gains control of Terpel, a leading fuel distributor in Colombia.

—Orizon S.A. is established after merging the fishing operations of SPK and San José in the center and south of Chile.

—Arauco and Stora Enso start to build the Montes del Plata wood pulp mill in Uruguay.

—Copec increases its stake in Terpel after takeover bids of its parent companies Proenergía Internacional S.A. and Sociedad de Inversiones en Energía S.A.

—Abastible acquires 51% of the Colombian company Inversiones del Nordeste, a leading liquefied gas distributor in that country.

—Arauco, in partnership with Klabin, acquires 100% of the Brazilian company Vale do Corisco.

—Arauco buys the Moncure industrial panel mill in the United States, with a production capacity of 330,000 m³ of MDF a year and 270,000 m³ of particleboard a year.

VISION

Empresas Copec is a world class company, which seeks to provide an attractive long-term return for its investors and contribute to the development of Chile and of the countries where it undertakes its productive and commercial operations. To achieve this, it mainly invests in energy and natural resources, and generally business areas where it can create sustainable value. While it undertakes its operations, it strives to be a good citizen and address and honor the interests of shareholders, employees, partners, suppliers, customers, communities and all the parties with whom it is in some way involved. Empresas Copec performs its productive and commercial operations with excellence, and all its decisions are carried out according to the highest ethical and transparency standards.



COMMITMENTS



To contribute to society by generating the most value possible, which sustainably benefits shareholders, employees, suppliers, customers and the communities around its operations, by means of efficient, responsible, innovative and quality management in all its processes.

To promote the sustainable use of the natural and energy resources of our environment, investing in research, technology innovation and training to prevent and gradually, continually and systematically reduce the environmental footprint of its activities, products and services.

To timely provide all the customers quality products in a sustained fashion over time, driving its suppliers to participate in its value chain and quality.

To safeguard the safety and occupational health of its employees and those of its collaborating companies, striving to continually and steadily reduce the safety risks of its operations and services.

To create conditions for the development of all the people who belong to the Company, promoting workplaces based on respect, honesty, professional quality, training and teamwork.

To forge permanent relations of mutual collaboration with the communities around its operations, supporting their development.

To keep up transparent and honest communication with the different major players for the Company.

To comply with the regulations in force and other commitments regulating its business and, in as far as it can, exceed the standards established.

To have and apply systems and procedures enabling it to manage the risks of its business, regularly assessing its performance in all the processes and taking the timely corrective action needed.

To disseminate these commitments to its employees, contractors and suppliers, getting this policy implemented with everybody's collaboration and effort, and training and involving everybody to comply with it.

To work with dedication, correctly, honestly, and with excellence and to be true to the values and policies of Empresas Copec.

CORPORATE GOVERNANCE

Principles

Corporate governance at Empresas Copec is based on the principles laid down by the Organization for Economic Co-operation and Development (OECD). The company therefore promotes transparent and efficient markets in keeping with a state in which the rule of law prevails; correctly monitors and assigns the responsibilities to the different authorities; supports strategic advice to them; protects shareholder rights facilitating their exercise and assuring they receive fair treatment, making sure management is effectively overseen by the Board, and that the latter represents all shareholders correctly.

Empresas Copec seeks to create sustainable value based on these principles, taking care that there is thoughtful and informed decision-making with a long-term vision. Regarding this, the company strives for information to always be provided prudently, responsibly and timely; and consider and respect the interests of all stakeholders, such as investors, customers, suppliers, employees and the community, and it promotes active co-operation with them.

The company's management, investment and production practices therefore consider social, environmental and political aspects leading to a contribution with action that goes beyond direct economic benefits and merely complying with the legal regulations.

This is the philosophy that Empresas Copec transmits to and drives in each of its companies and employees to integrate common ethical and professional values which, in addition to sound corporate governance structures, have enabled it to create wealth, employment and financial sustainability, engaging responsibly with the country's social, human and economic development.

Board of Directors and Directors' Committee

The Board of Directors and the Directors' Committee fulfill an essential role in drawing up and implementing the formal corporate governance structures. They are also both accountable for assuring that the company's strategic and financial decisions are adopted with transparency, participation and efficiency.

The Board of Directors comprises nine members who are mostly proposed by the controlling shareholder. All of them have an outstanding track record and high level of professionalism and ethics, and they make a contribution to the organization with a complementary and independent vision.

The Board's functions include defining and appraising the company's overall strategy; reviewing, approving and monitoring key financial decisions, such as the dividend policy and equity structure; controlling the management of operations; and the analysis of large investment projects, transactions, and divestments of assets. The Board is also accountable for assuring effective and efficient risk management; guaranteeing the representativeness of the financial statements; safeguarding compliance with the law and the self-regulation norms; monitoring relations with the authorities and key market agents; keeping shareholders permanently informed. It also selects the general manager and assesses his performance, and is empowered to remove him and oversee his replacement. It also gives advice on selection, assessment, development and remuneration of the company's senior management.

The Board also elects from its members the three members of the Directors' Committee, making sure of providing greater representation of directors appointed by the minority shareholders who are unrelated to the controlling shareholder.





The Directors' Committee is in charge of analyzing issues of strategic importance, making a contribution so that the company's management and investment decisions are always made safeguarding the interests of all the shareholders. The Committee is also responsible for proposing to the Board the names of the external auditors and private risk rating agencies, which shall then be proposed to and approved by the respective shareholders' meeting.

To fulfil its functions, the Committee convenes periodically to make a detailed review of the financial statements, the reports submitted by the external auditors, transactions with related companies, the remuneration policies and compensation plans of the company's managers, senior officers and employees.

Board and Directors' Committee members have the necessary and timely information for decision-making and the resources to fulfill all their functions. Their remunerations are defined each year in the shareholders' meeting according to their responsibilities and market standards.

Stakeholders

Empresas Copec has a series of procedures, instruments and channels to provide transparent, true and representative information to all its stakeholders and the market in general, to minimize information inconsistencies and facilitate the suitable operation of the financial market.

Both the parent company and its affiliates guarantee the transparency of financial information with a strict auditing policy, which aims to make sure this process is undertaken with total independence. This policy lays down that the auditing manager, the partner responsible or the auditing company rotate with a minimum frequency of once every five years.

At the same time, Empresas Copec strives to permanently address the opinions and concerns of all shareholders, promoting their informed participation in shareholders' meetings, and assuring their right to speak and vote. At the same time, the company takes special care that investment management and decisions consider the interests of the minority shareholders.

Furthermore, the company has an investor relations area, which is in charge of dealing with and giving advice to investors and analysts on market performance and the operation of the companies. This area makes periodic presentations of results, issues press releases, holds meetings with institutional investors and participates in national and international conference calls.

The corporate website (www.empresascopec.cl) contains useful and updated information, such as the company by-laws, the minutes of the last shareholders' meeting, financial statements, annual reports, earnings releases, news, links to the websites of affiliates, a list of analysts covering the company, and the Manual on Handling Information of Market Interest. The latter contains the provisions that are compulsory for directors, the general manager, senior officers and managers, employees, consultants and external auditors who have access to confidential information; and the periods when the company's shares cannot be traded. Furthermore, the Code of Ethics is available on this website, which contains the principles and policies guiding the conduct of people who are part of Empresas Copec.

To complement this, the company has a four-monthly corporate magazine, which for more than 20 years has published initiatives developed by the company and its affiliates, investments, and articles of general interest.

This way of thinking and acting of Empresas Copec has been forged due to the values and principles embraced by all the companies of the holding and its employees. This leads to a sound commitment to suitably align management's interests with those of shareholders, employees and the environment.



EMPRESAS COPEC AND THE COMMUNITY



For over 78 years, Empresas Copec has maintained a strong commitment to the community and permanent adherence to good corporate practice. By means of various initiatives, the company has thereby made a contribution to local development, overcoming poverty, environmental conservation, promotion of culture, education, sports, and scientific research.

This way of doing business is part of the corporate philosophy based on the conviction that the success of a company is not just about achieving the commercial objectives but must also consider the contribution it makes to progress and the quality of life, especially in those areas where it operates.

According to Empresas Copec, corporate social responsibility starts within the organization with the commitment to the wellbeing of its employees and their families. The company therefore has initiatives and programs aimed at furthering the comprehensive development of people, such as training, scholarships and incentives for academic performance; recreational, cultural and sports activities.

The result of this policy is the presence of highly identified human teams, which are loyal and committed to the company's objectives.

Education and Culture

For Empresas Copec education and culture are the key tools for achieving the individual and social growth of people and the country's progress.

The parent company and its affiliates therefore participate in various initiatives, including the Arauco Educational Foundation. This institution was established in 1989 to support municipal education in the regions where Arauco operates by means of teacher development programs that enable them to give their students quality education.

To date, the Foundation has worked in 33 districts of the Maule, Biobío and Los Ríos regions and benefitted more than 550 schools, 4,700 teachers who educate over 85,000 pupils every year.

In 2012, the institution held the fourth version of the Arauco Educational Foundation Awards, established in 2008 to recognize and promote the effort made to improve municipal education; it held its fifth regional seminar "The value of learning mathematics," attended by over 250 academics and teachers in the Maule region; and attended the international seminar "Status and outlook of the teaching profession in Latin America."

The Foundation also signed an agreement with the City Hall of Teno to work for the next three years on putting the "Teno Reads" plan in place. The aim of this is to promote an interest in and liking of reading as a contribution to the development and quality of life of its inhabitants.

Arauco manages the Arauco, Constitución and Cholguán schools, which are renowned in Chile for their academic performance and excellence. In 2012, the Constitución School gained first place of private schools and second place of all schools in Chile in the 2012 education quality assessment (SIMCE) exam. The Arauco and Cholguán schools also had high marks in the SIMCE, which considered pupils in fourth and eighth grade of primary education.

Empresas Copec also collaborates with other education initiatives such as Enseña Chile, an organization which selects and trains young professionals who wish to spend their first working years as teachers in risk schools to bring about changes to the educational system from the classroom, and the Belén Educa Foundation, an institution benefiting more than 10,000 children and youngsters from high-risk districts in the Metropolitan region. The tutorship of talented pupils in third and fourth grade of secondary education by executives of Empresas Copec should be highlighted in this work. The aim is to inform pupils of the importance of continuing their studies and becoming good professionals.

At the same time, Copec continued to work on its "Viva Leer" (Long Live Reading) project, which is a program to encourage reading and unites schools and the community, the company and employees and service station licensees. This project envisages a network of volunteers inside the company, a collection of books to be sold at service stations, the implementation of a virtual platform that provides support to schools, families and the community, and a competition to donate 75 school libraries that are open to the community. Over 200 schools applied to the Second National School Library Competition, Viva Leer Copec, aimed at all the municipal schools in Chile, and 15 new libraries were inaugurated, giving a total to date of 30 libraries in all Chile's regions. Moreover, in February the company launched Sueña Leyendo (Dream by Reading), which is a promotion that gives Chilean families the possibility of buying universal literary classics cheaply at 450 service stations from Arica to Punta Arenas.

Out of the other companies of the group, Minera Can-Can undertakes important work to support schools, the Comprehensive Care Centers for Minors and the formation of a youth orchestra in the province of Petorca, among other initiatives. Corpesca and Guacolda Energía participate in dual education programs with technical and

Education and culture are the key tools for achieving the individual and social growth of people and the country's progress

professional educational establishments in the north of the country, allowing students to undertake part of their training inside the companies. Mina Invierno has training agreements with the University of Magallanes and the National Training Institute (INACAP) to enhance work competencies, contributing aspects to timely overcome the gaps that hinder competitiveness.

Empresas Copec and its affiliates make constant contributions to culture to enhance and modernize libraries and museums, to restore important paintings, and to form youth orchestras. In 2012, the company supported the “*Dioses y Héroes de la Antigüedad*” (Ancient Gods and Heroes) and the “*El Escultor de los Dioses*” (The Sculptor of the Gods) exhibitions.



Sports

Another area on which Empresas Copec has focused its community commitment is to encourage children, youngsters and adults to play sports. Organizing championships and events, and supporting the clubs of different sports have been important issues through which the company aims to promote values like teamwork, healthy competition, self-improvement, respect for others, and achieving objectives.

In the car racing area, Copec once again organized the Mobil Rally, with 62 crews in the seven races held from Osorno to La Serena in the 2012 season. The last event, the Mobil Rally Motorshow, was held in December on a circuit on the Alameda Bernardo O'Higgins in front of the La Moneda Palace and watched by over 50,000 spectators.

Copec renewed the contract sponsoring the outstanding national motorcycle rider Francisco "Chaleco" López, thereby continuing to support this outstanding exponent of this motorsport.

The sixth version of the Arauco Cup was held, involving more than 2,985 primary and secondary school pupils from the districts of Arauco, Cañete, Constitución, Contulmo, Curanilahue, Curepto, Empedrado, Lebu, Licanán, Los Álamos, Mariquina, Pemuco, Tirúa, Tucapel, Teno, Hualañé and Yungay.



Health And Safety

Empresas Copec is constantly concerned about the comprehensive wellbeing of its employees and the safety of products of each company that reach customers. The company therefore has internal regulations and procedure manuals that complement stringent national and international standards.

In the forestry sector, Arauco rigorously addresses safety and occupational health in all its business areas and has up-to-date ISO and OHSAS certification at all its industrial facilities. The company also permanently implements risk prevention training and coaching plans, safety standards, risk identification and the use of preventive tools, among others.

In the fuels business, Copec applies strict safety standards for product transport and storage to guarantee high safety standards for people and the environment. The company therefore has contingency plans at plants, service stations and sea terminals, and control and prevention systems for fires, spills and accidents. In addition, fuel is shipped by road according to a rigorous tanker truck satellite follow-up system, and drivers are put through demanding training and assessment programs.

Sonacol permanently controls the fuel transport processes and performs remote follow-up of its valves, pipelines and facilities to prevent leakages. In 2012 the company added PEC excellence to its management, provided by the Safety Association of the Chilean Chamber of Construction, thereby continuing to consolidate as a benchmark in Chile on safety and risk prevention.

Sonamar applies the safety, quality and environment (SQE) system to guarantee the safety of all its vessels. This includes procedures and samples of the fuel loading and unloading operations and training plans for deck crew directly involved in fuel transfer. Moreover, in 2012 the company secured PEC certification from the Safety Association of the Chilean Chamber of Construction.

Regarding the handling of liquefied gas, Abastible applies a safety management system to all its affiliates, suppliers and contractors, which establishes the requirements for gas storage, transport and delivery. The company also makes periodic checks of bulk trucks and drivers and permanently keeps its Integrated Transport Emergency System updated, which aims to prevent accidents during gas shipment and prepare the organization for possible emergencies.

On the same lines, Metrogas implemented the Metroprev program for risk and occupational health prevention management, which detects, identifies, assesses, controls and monitors risks by means of inspection, meetings, training and guidelines. It has also added cutting-edge technology for reviewing and maintaining natural gas distribution networks.

Finally, Guacolda Energía has an integrated occupational health, safety and environmental policy, which it has applied at its operations and the construction of all its power plants.

Research and Innovation

For Empresas Copec scientific and technological knowledge is a key element in Chile's economic and social development. The company therefore drives various initiatives to promote research to turn it into practical and innovative applications.

The Copec-Catholic University Foundation was established in 2002 to further applied scientific research, promote strategic partnerships between public and private research and development bodies, and disseminate the scientific and technological advances attained in the natural resources area. This led to the establishment of the National Natural Resource Development Project Competition, which provides technical, financial and commercial support to those projects selected. 56 initiatives have been supported so far with funding of Ch\$ 3.6 billion.

The tenth version of this competition was staged in 2012, for which 34 projects were entered and four were selected. There is also a new kind of competition, the First Project Competition for Young Researchers, for which 34 projects were entered and four selected with additional funding of Ch\$ 631 million.

The Foundation also created a Private Venture Capital Fund, which has the support of the Chilean Economic Development Agency (CORFO) and is managed by Cruz del Sur Administradora General de Fondos. It has funding of US\$ 12 million that is provided as capital for technology development projects with large growth potential.

In 2012, the Angelini Group and the Catholic University of Chile laid the first stone of the Anacleto Angelini Center for Technology Innovation at the San Joaquín campus of the Catholic University, which is open to all companies and undertakings. This initiative will be inaugurated in 2013 and encourages meetings and interaction between the academic and business worlds to generate knowledge and applied innovation that meet the country's needs.

In the forestry sector, scientific and technological research is carried out by Bioforest, a center established in 1990 to conduct studies to seek procedures that raise the quality, performance and productivity of forest plantations and the wood pulp production process. It has now become a scientific and technology research center renowned for its leadership in applying state-of-the-art procedures in areas such as genetics, site productivity, phytosanitary protection, wood properties and the biodiversity of native vegetation.

Arauco is also part of the technology consortium Bioenercel S.A., which came about from a joint venture with CMPC, MASISA, the University of Concepción, the Catholic University of Valparaíso and Fundación Chile. Its aim is to develop technologies to inject second generation biofuels obtained from wood pulp into the country's power grid.

In the fuels sectors, Copec is part of the business technology consortium Algae Fuels S.A. with E-CL, the Catholic University of Chile, Rentapack and Bioscan. This entity is working on implementing a pilot plant to produce biofuels from microalgae in Mejillones. There is also an initiative developed by Universidad de La Frontera to produce biodiesel from rape oil in the city of Temuco.

The fishing companies Corpesca and Orizon participate in fisheries research undertaken in Chile on how to make marine resources efficient and sustainable by means of their own in-house oceanographic monitoring programs, sampling, biological analyses of catches, and satellite data examination.





Overcoming Poverty

Empresas Copec and its affiliates constantly undertake initiatives to help overcome poverty and improve the living standards of the high-risk sectors of the population.

Elemental was therefore established in 2006, a joint venture of Copec, the Catholic University and a group of professionals, whose aim is to help reduce poverty with urban projects of public interest and a social impact, thereby improving the quality of life of families. In 2012, Elemental published the book "Incremental Housing and Participative Design Manual," which documents the chronological experience of this initiative.

Arauco developed the Master Plan for the Sustainable Reconstruction of Constitución (PRES) in 2010 to deliver the bases for rebuilding this city, one of the worst hit by the earthquake and tsunami in February 2010. The University of Talca, Elemental, the international urban development and sustainability department, the sustainability company ARUP, and Fundación Chile participated in this initiative. In 2012, the company inaugurated the Mutrún stadium, adding a pitch with synthetic grass of international standards, galleries, changing rooms and perimeter fencing.

Environment

Empresas Copec and its affiliates are firmly committed to the preservation of the environment. They have therefore established an ongoing and long-term policy, which goes beyond complying with current legislation. This commitment entails actively collaborating with national bodies and authorities in charge of regulations on this issue, meeting market requirements, contributing to conserving ecosystems and making businesses sustainable.

In the forestry sector, all Arauco's productive operations are undertaken with the concept of sustainable development. Wood pulp mills particularly use elemental chlorine-free (ECF) technology in the bleaching process, renowned internationally as being the best in the industry. Its planted forests have ISO 14001, CERTFOR certification - a Chilean standard on sustainable stewardship homologated by the European standard on the Program for the Endorsement of Forest Certification (PEFC) Schemes and it has been working since 2009 to secure forestry certification pursuant to the Forest Stewardship Council (FSC) standard for its operations in Chile. The company also has a chain-of-custody system at its productive facilities, which connects final products to their origin verifying that the supply is not from protected or uncertified species. All its industrial areas have cutting-edge technology and equipment to reduce the environmental footprint and also have clean production agreements.

Furthermore, Arauco has eight electricity co-generation plants to meet its own energy needs in most of its industrial processes, and the surplus is available to be injected into the central interconnected power grid. This policy has enabled the company to reduce its emissions and participate in the international market of emission reduction certificates (ERCs).

At the same time, in 2008 Arauco developed the carbon footprint measurement project. This measurement revealed that Arauco captures more greenhouse gases than those emitted by its processes. Fundación Chile and the US consultant company AECOM Environment advised the company for this study, which is based on international protocols guaranteeing its integrity and rigorosity.

Complementing this, its most important environmental conservation and education initiatives include the management of a network of parks from the Maule to Los Ríos regions, along with 397,000 hectares of native forest in Chile, Argentina, Brazil and Uruguay. The company also has native forest non-substitution agreements, conducts surveys of native trees and undertakes programs to protect, conserve and restore ecosystems.

In the fuels business, Copec has a specialized area in charge of developing and promoting a health, safety and environmental policy, which involves employees, contractors, customers and suppliers. Furthermore, the company makes stringent controls of all its production processes, complying with the regulations established.

It should be mentioned that from June to October 2011 the company measured its carbon footprint with the support of the IDIEM of the University of Chile. Later in July 2012, the company CICS certified that Copec is not a company with intensive greenhouse gas emissions, and that around 70% of its emissions arise from fuel and lubricant freight by truck and ship. The study proposed different mitigation alternatives to reduce the CO₂ emissions in areas identified as more intensive.

In turn, one of the initiatives it develops on this issue is the Renova Copec project, which adopts renewable energies at its service stations.

An ongoing and long-term policy, which goes beyond complying with current legislation

Moreover, Copec continued to carry out the *Vía Limpia* (Clean Way) project, aimed at resolving customer difficulty with managing used oil and removal of waste containing hydrocarbons. Regarding this, it is working on developing biofuels for aviation and is about to inaugurate an oil processing plant to transform solid and liquid waste containing hydrocarbons into fuel.

Abastible has strict standards on emissions and handling of hazardous industrial waste, which guarantee that all its productive plants and distribution centers comply with current regulations. This includes environmental follow-up and control programs of fixed sources and at the San Vicente terminal. The company has also incorporated applications to complement the use of liquefied gas with renewable energies, like solar energy.

Since 2008, Metrogas has been using biogas from the La Farfana wastewater treatment plant to make city gas, thereby reducing greenhouse gas emissions and other contaminants. Since 2011, Metrogas is one of the first service companies in Latin America which carries out a process to measure and verify its carbon footprint. Furthermore, the company has driven the "Green Tariff" system, which enables customers to pay a small surcharge for each cubic meter of natural gas they use to neutralize CO₂ emissions from consumption.

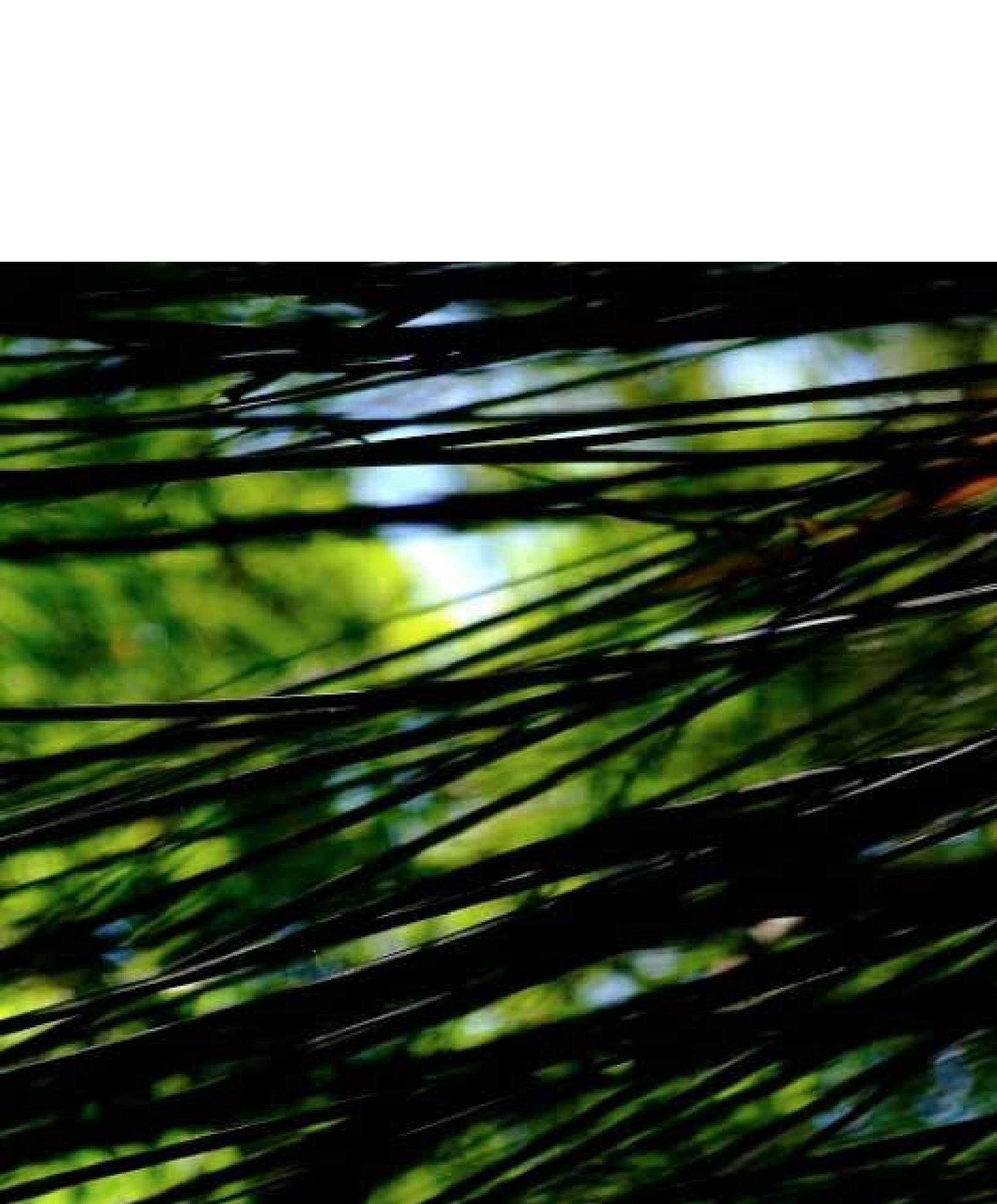
In the fishing sector, Corpesca has environmental monitoring programs of the marine ecosystem and systems to control that processes generate the least environmental impact possible. Orizon takes care that all its operations comply with the requirements laid down in Supreme Decree N° 90, which regulates liquid industrial waste emissions.

Golden Omega will generate biodiesel from the Omega-3 concentrate production process. This biofuel will mainly go to the mining industry as it is a renewable fuel with a neutral carbon footprint.

In the electric area, Guacolda Energía has made large investment in all its power generating plants, adding systems to reduce emissions of nitrogen oxide, sulfur oxide and particulate matter, and thereby minimize the environmental risks of its operations and comply with current legislation.

In the mining area, Compañía Minera Can-Can applies strict control systems to minimize emissions, assure the proper final disposal of waste and guarantee correct environmental care.

Mina Invierno has cutting-edge technology to minimize particulate matter emissions at its facilities, in exploration campaigns and future productive operations, and the coal mining process will be undertaken with a technique known as mobile pit, in which the areas mined will be filled in as the material is stripped. In addition, the company is developing a forestry, livestock and grazing project on the land around the mine site to show that the traditional activity in the area and coal mining can be undertaken simultaneously. In 2011, it inaugurated the largest and most modern tree nursery of native species in Patagonia, built as part of the company's reforestation plan.



CONSOLIDATED FINANCIAL RESULTS

Empresas Copec had consolidated net income, net of minority participation, of US\$ 410 million in 2012, which was a 56.1% year-on-year decrease. This difference is largely explained by the company's lower operating income, mainly arising from a drop in the revenue of the forestry business due to lower wood pulp sales prices and higher costs, and in the fuels business, because of lower margins in the affiliate Copec, on account of the revaluation of inventories and a more unfavorable first in first out (FIFO) costing system. There was also a negative effect due to an increase in the tax rate in Chile.

Gross Margin

The company's gross margin dropped 9.6% on 2011 and amounted to US\$ 2.556 billion. That was due to higher sales costs of US\$ 20.205 billion, partially offset by increased revenue of US\$ 22.761 billion.

The higher company revenue was essentially due to the better performance of the fuels business as a result of the greater sales volume of the affiliate Copec in Chile and Colombia, and of the forestry business because of higher sales volumes in the panels business, mainly due to the consolidation of the Moncure and Flakeboard mills in the United States and Canada, and the commissioning of the Teno mill in Chile.

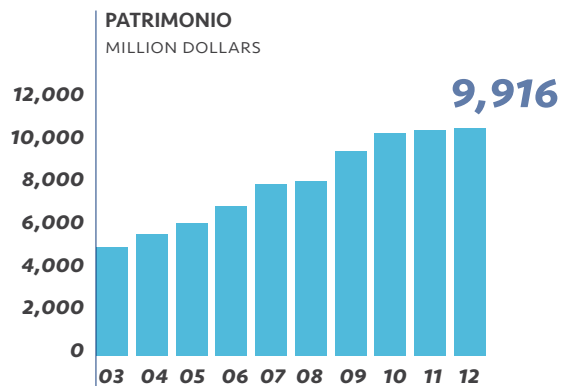
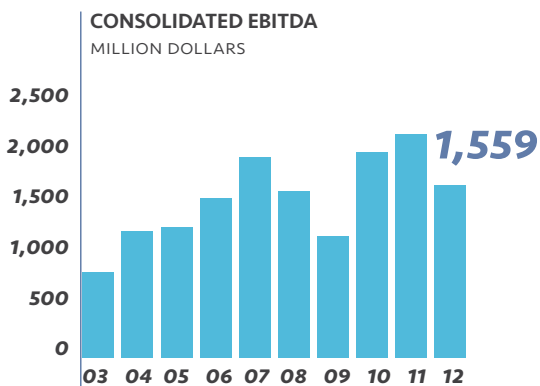
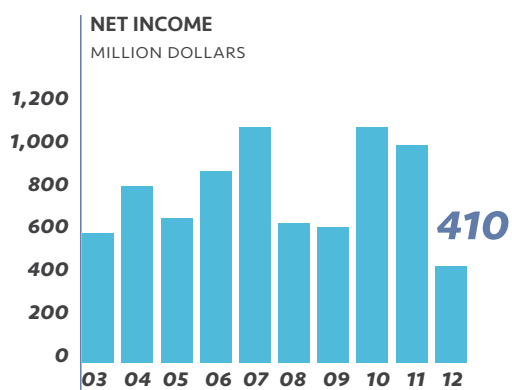
In summary, the gross margin in 2012 mainly came from the affiliates Celulosa Arauco y Constitución S.A. accounting for US\$ 1.132 billion; with Compañía de Petróleos de Chile Copec S.A. accounting for US\$ 1.053 billion; Abastecedora de Combustibles S.A. for US\$ 275 million; Sonacol S.A. for US\$ 57 million; and Igemar for US\$ 39 million.



Other Income

Non-operating income fell in the other revenue account, mainly because the forestry affiliate received insurance pay-outs in 2011 for the damage caused by the earthquake and tsunami in 2010.

There were also higher financial costs at the affiliates Copec and Arauco due to greater debt and a negative non-reoccurring effect of US\$ 168 million on net income caused by an increase in the tax rate in Chile.



RESULTS OF THE MAIN AFFILIATES AND RELATED COMPANIES

Forestry Business

Celulosa Arauco y Constitución

Celulosa Arauco y Constitución had net income of US\$ 136 million in 2012 that was down on the US\$ 613 million the previous year. That difference is essentially explained by a US\$ 451 million decrease in operating income amounting to US\$ 532 million, and by a negative effect of US\$ 129 million in the third quarter of 2012 due to the higher income tax rate in Chile.

Operating revenue dipped 2.2% on the previous year. Wood pulp sales fell 7.7%, due to a 15.1% decrease in the sales price, partly offset by an 8.5% increase in volume.

Panel revenues rose 3.3%, due to the sales volume increasing 9.5% and mainly because of the consolidation of the Moncure and Flakeboard mills in the United States and Canada, and the commissioning of the medium-density particleboard (MDP) mill at Teno. That was offset by the closure of the Curitiba mill in Brazil and the destruction of the Nueva Aldea plywood mill.

Sawn lumber revenues climbed 4.2% on account of sales prices increasing 12% and the sales volume dipping 0.9%.

Forestal Arauco

Forestal Arauco had a loss of US\$ 3 million in 2012 against the US\$ 47 million gain in 2011, mainly due to higher sales costs.

Arauco Internacional

The affiliate Arauco Internacional, which manages Arauco's investments abroad, had net income of US\$ 22 million in 2012, which was down on the US\$ 24 million in 2011, mainly due to higher sales costs.

The affiliate Alto Paraná S.A. in Argentina had lower income than in 2011, explained by a drop in the gross margin due to higher sales costs. Physical wood pulp sales were 281,000 tons, down on the 299,000 tons sold in 2011.

Aserraderos Arauco

Aserraderos Arauco had net income of US\$ 70 million, higher than the US\$ 59 million of the previous year. That increase is mainly explained by revenue rising 10.5%, because of sales prices and volumes increasing 2.9% and 4.3%, respectively. On the other hand, costs were up 11.4%.

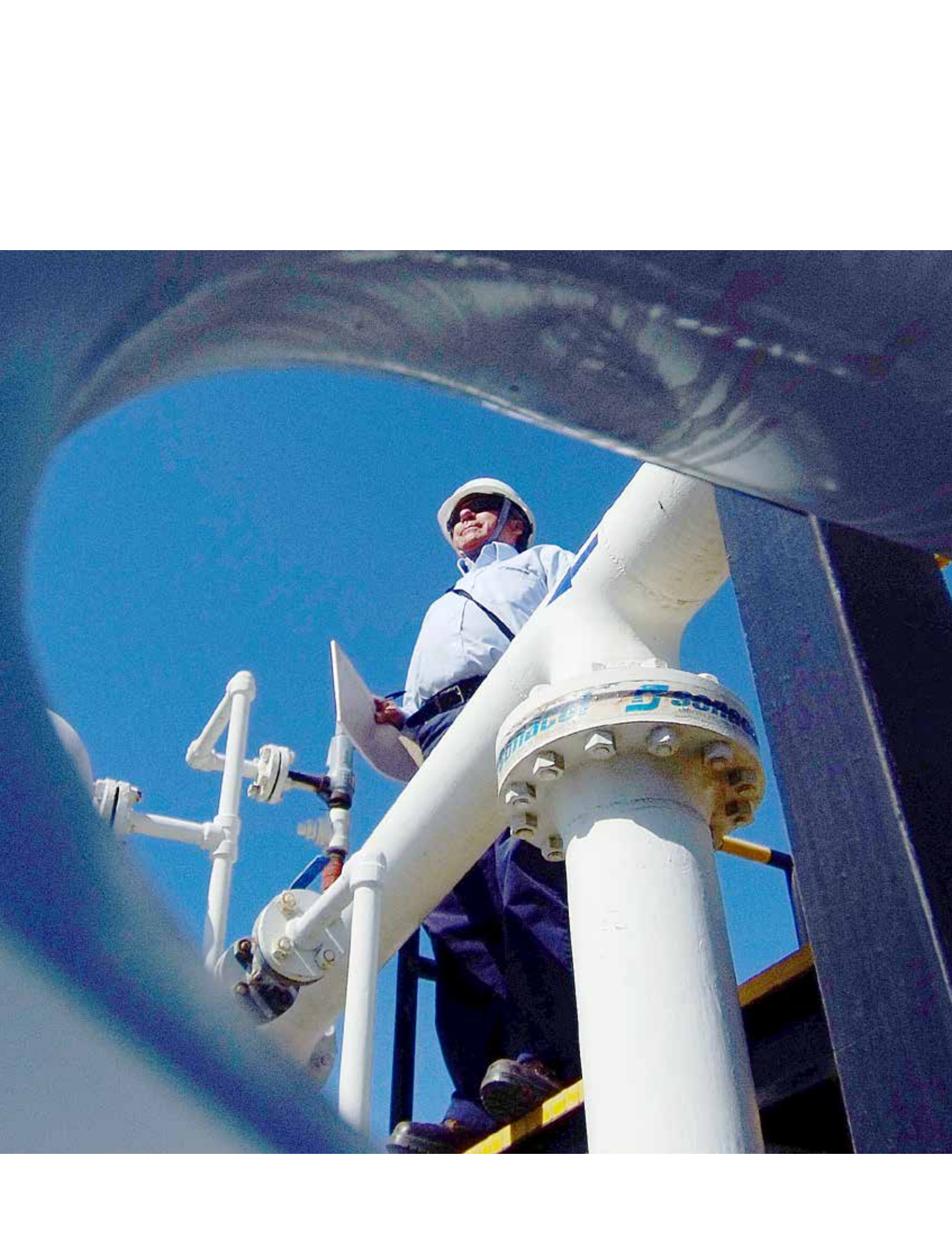
In 2012, the US real estate and construction market made positive progress, particularly in the fourth quarter of the year. Nevertheless, the construction levels are still lower than the average in the last 10 years. Furthermore, in the last quarter of the year demand dropped slightly leading to lower prices.

Paneles Arauco

Net income of Paneles Arauco was 35.1% up amounting to US\$ 69 million. That increase was mainly due to higher operating income resulting from lower sales and administration expenses.

The accrued sales volume increased 9.5% on the previous year, due to the consolidation of the Moncure and Flakeboard mills in the United States and Canada, and to the commissioning of the MDP panel mill in Teno.





Fuels Business

Copec

The affiliate Compañía de Petróleos de Chile Copec had net income of Ch\$ 66.630 billion in 2012, which was a decrease on the Ch\$ 95.413 billion in 2011. Operating income dropped 18% because of lower unit margins and largely explained by the effect of the revaluation of inventories and the FIFO costing system in a scenario of lower fuel prices. That was offset by a higher sales volume in Colombia and Chile.

Non-operating income fell, because of higher financial costs on account of the greater debt of Copec and its affiliate Terpel.

Physical sales in Chile amounted to 9.3 million m³, which was a 15.7% year-on-year increase. That was due to the 4.5% growth of the service station network, and a 0.5% decrease in the industrial channel. As a result, market share was 58.6%.

Terpel's physical fuel sales in Colombia climbed 8%, explained by the good performance of own service stations and higher sales to the aviation sector.

Sonacol

In accrued terms, Sonacol had net income of Ch\$ 16.134 billion, which was a Ch\$ 2.015 billion year-on-year decrease. That was mainly due to the effect of the higher income tax rate on deferred tax liabilities which really hit net income in the third quarter. Operating income increased 7.9% to Ch\$ 27.933 billion because of a 3.8% increase in the volume pipelined.

Abastible

Abastible had net income of Ch\$ 33.300 billion in 2012, which was an increase of 10.2%. Operating income was up 18.6% because of higher sales volumes and the consolidation of the new affiliate Inversiones del Nordeste S.A. in Colombia. Non-operating income dropped Ch\$ 218 million, mainly on account of increased financial costs. There was also a negative non-reoccurring effect of Ch\$ 4.060 billion related to the income tax rate increase in 2012.

Abastible had physical sales in Chile of 405,000 tons of liquefied gas, which was a 2.4% year-on-year increase, and market share of 35.5%.

Metrogas

Metrogas had net income of Ch\$ 87.074 billion in 2012, which was up on the Ch\$ 55.182 billion in 2011. That was due to higher sales volumes and a positive effect from the provision reversal related to the closing of the negotiation with GasAndes. That was partly offset by higher expenditure arising from the income tax rate increase with an effect of Ch\$ 10.175 billion on deferred tax, which was recorded in the third quarter.

Physical sales were up 10%, mainly related to increased supply to industrial customers, particularly electricity generation companies. Sales to the residential sector fell on account of higher temperatures.

Fishing Business

Pesquera Iquique-Guanaye

Igemar had a net income loss of US\$ 14.7 million in 2012 against a net income gain of US\$ 1.9 million in 2011, due to a drop in non-operating income because of lower income from the related company Corpesca. There was also the non-reoccurring effect of the higher income tax rate on deferred tax liabilities amounting to US\$ 3 million.

It had an operating income loss of US\$ 2.9 million, which was a US\$ 6.2 million year-on-year increase, due to higher average prices of fishmeal, fish oil and canned seafood, along with greater volume.

Physical fishmeal sales were 10.6% down on the previous year amounting to 55,100 tons. Physical fish oil sales were 11,300 tons, a 27.4% year-on-year decrease. 2.2 million boxes of canned seafood were sold, 1.2% up on the previous year, and frozen seafood sales amounted to 26,200 tons, 18.6% down on the previous year. The fish processed dropped 16.3% and amounted to 318,000 tons.

Fishmeal, fish oil and canned seafood prices rose 1.8%, 16.1% and 1.2%, respectively. Frozen seafood prices fell 21.7%.

Corpesca

Net income accrued up to December was a loss of US\$ 1.7 million, which was down on the net income of US\$ 26.5 million in 2011. Operating income fell US\$ 27.1 million because of fish oil prices and fishmeal sales volumes dropping 7% and 18.1%, respectively. That was partly offset by fishmeal prices increasing 5.6%. 677,000 tons of fish were processed, which was a 20% year-on-year decrease.





Other Investments

Guacolda

Guacolda had net income of US\$ 18.4 million in 2012, which was down on the US\$ 62.2 million in 2011. That was due to lower operating income, related to greater spot purchases because of the maintenance of one of its power generating plants and the effect of the income tax rate increase on deferred tax liabilities.

BALANCE SHEET

Assets

Consolidated current assets rose 8.7% for the year ended December 31, 2012 on those for the year ended December 31, 2011. That difference was principally driven by higher inventories and trade and other receivables of the affiliates Copec and Arauco. There was also an increase in other current financial assets in the parent company.

Non-current assets climbed 9% for the year ended December 31, 2012 on those for the year ended December 31, 2011. That was due to an increase in investments recorded using the equity method and property, plant and equipment related to the investments made. There was also an increase in intangible assets other than the appreciation of the affiliate Terpel Colombia.

Liabilities

Current liabilities rose 25.7%, because of higher current financial liabilities, principally in the forestry business. Non-current liabilities increased 17% compared to those in 2011, on account of the higher debt of the affiliates Arauco and Copec. There was also an increase in deferred tax liabilities, essentially related to the first category income tax rate rising to 20% in Chile.

Shareholders' Equity

The company's shareholders' equity had a 1.1% year-on-year increase, due to higher withheld profits in the year.

In regard to dividends, the company paid out a dividend of US\$ 0.180331 per share in May 2012, charged to the income of the previous year. The company also distributed an interim dividend of US\$ 0.042713 per share in December, charged to the net income of 2012.

Lastly, the book value of the stock of Empresas Copec amounted to US\$ 7,629 for the year ended December 31, 2012 and earnings per share were US\$ 0.32.

STATEMENT OF COMPREHENSIVE INCOME

Thousand dollars

	2012	2011
Operating revenues	22,761,176	21,124,578
Cost of sales	(20,204,827)	(18,297,232)
Gross Margin	2,556,349	2,827,346
Administrative and sales expenses	(1,896,752)	(1,724,204)
Investments in related companies and joint ventures	97,443	64,740
Financial expenses	(378,854)	(303,571)
Exchange differences	(12,772)	(31,964)
Other	322,822	411,534
Profit before taxes	688,236	1,243,881
Tax expenses	(250,905)	(249,111)
Profit	437,331	994,770
Profit attributable to equity holders	409,570	932,725
Profit attributable to minority interests	27,761	62,045
Profit	437,331	994,770

STATEMENT OF FINANCIAL POSITION

Thousand dollars

	2012	2011
Total assets	22,010,409	20,209,239
Total liabilities	11,248,017	9,410,189
Minority interest	845,899	985,960
Equity	9,916,493	9,813,090

PROFIT PER BUSINESS AREA

Thousand dollars

	2012	2011
Forestry	135,813	612,553
Fuels	239,590	300,700
Fishing	(14,713)	1,900
Other investments	48,880	17,572
Profit	409,570	932,725

INCOME MAIN AFFILIATES AND ASSOCIATES

	Direct shareholding	2012	2011
Forestry (million dollars)			
Celulosa Arauco	99.978%	135.8	612.6
Forestal Arauco	0.075%	(3.2)	46.5
Arauco Internacional	---	21.8	23.8
Aserraderos Arauco	---	69.9	58.8
Paneles Arauco	---	69.4	51.4
Fuels (million chilean pesos)			
Compañía de Petróleos de Chile Copec	99.999%	66,630	95,413
Abastible	99.048%	33,300	30,207
Sonacol*	52.686%	16,134	18,149
Metrogas	39.830%	87,074	55,182
Fishing (million dollars)			
Igemar**	81.933%	(14.7)	1.9
Corpesca	---	(1.7)	26.5
Orizon	---	(27.7)	(10.9)
Other investments (million dollars)			
Guacolda	25.000%	18.4	62.2
Camino Nevado	100.000%	(6.8)	1.0
Can-Can	---	0.2	3.0
Laguna Blanca	---	(14.1)	(2.7)

* Represents ownership percentage hold through Copec and Abastible.

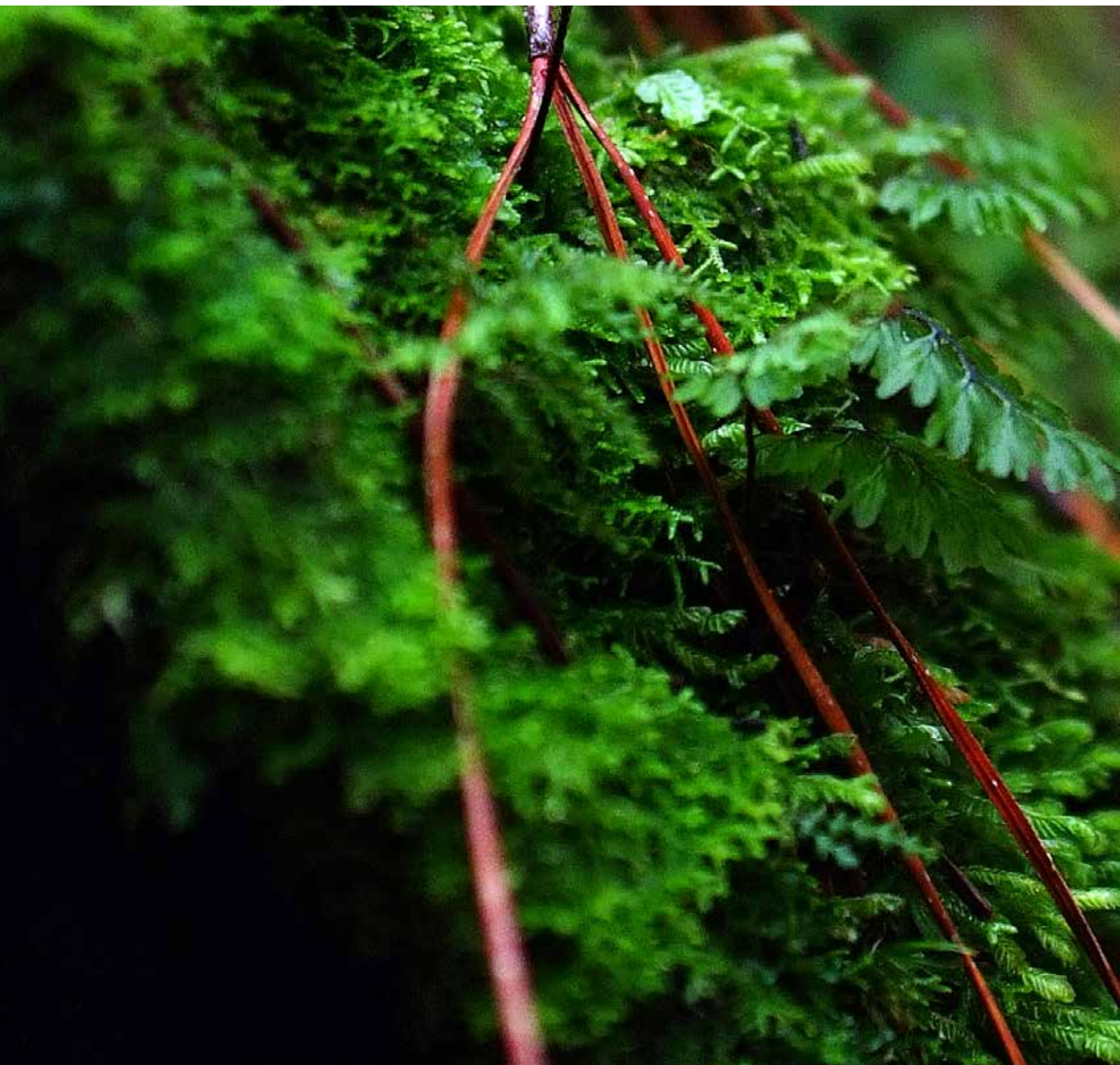
** Includes ownership percentage hold through Sercom.



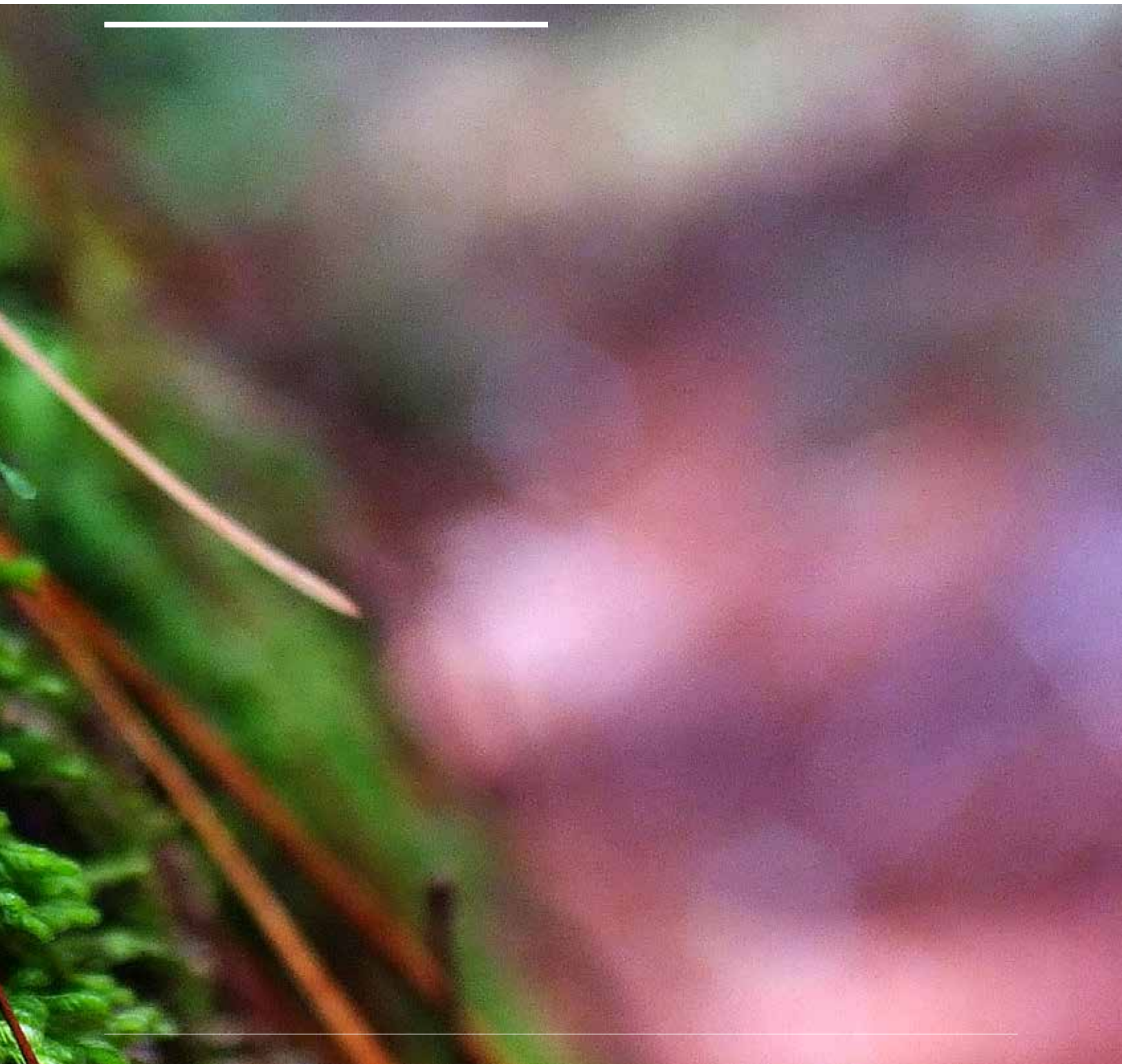
us\$ 22,010

MILLION IN ASSETS

*BUSINESS
AREA*



FORESTRY BUSINESS



Arauco

Celulosa Arauco y Constitución S.A. was established in 1979 when Celulosa Arauco S.A. and Celulosa Constitución S.A. were merged. Over time, Arauco has consolidated as one of the largest forestry companies in Latin America in terms of the surface area and performance of its plantations, manufacture of market kraft pulp and output of panels and sawn lumber.

The leadership attained has been possible due to a business strategy focused on leveraging the value of its plantations and attaining cost advantages. The company has a mid- and long-term investment plan for this, deploys state-of-the-art forestry stewardship techniques and constantly expands its product lines. Moreover, the company operations are integrated to the productive chain, and it has a commercial structure able to timely analyze demand and quickly detect customer needs. This has enabled Arauco to adapt its product mix to market conditions, make the best investment decisions and reduce the impact of raw material cost fluctuations. On the other hand, product and export market diversification have been a key factor in reducing exposure to a specific market by re-routing production according to the commercial conditions.

Furthermore, Arauco has large competitive advantages of fast growth and the short harvesting cycle of its forests, favorable soil and weather conditions for the cultivation of pine and eucalyptus trees, the use of state-of-the-art forest stewardship techniques, the scale economies of its facilities and closeness to shipping ports. Arauco's products are thereby exported to 70 countries through the ports of San Vicente, Coronel and Lirquén. The company has a 50% and 20% stake of the latter two ports, respectively.

Arauco currently has 1.7 million hectares of forest plantations in Chile, Argentina, Brazil and Uruguay. In the former two countries, it has six wood pulp mills with a production capacity of 3.2 million tons a year and nine sawmills with

a production capacity of 2.8 million m³ of wood a year. It also has 16 panel mills in Chile, Argentina, Brazil, the United States and Canada with a total production capacity of 5.7 million m³ a year.

In 2012, Arauco's total production amounted to 3 million tons of wood pulp, 2.6 million m³ of sawn lumber and 3.3 million m³ of panels. Sales were US\$ 4.280 billion, of which wood pulp accounted for 43.4%, panels for 30.8%, sawn lumber for 17.7% and other products for 8.1%. 88.8% of the total sales were exported abroad with Asia and America being the main markets.

In regard to investments, Arauco acquired 100% of the shares of Flakeboard Company Limited, a leading panel producer in the North American market. This investment entailed US\$ 242.5 million and gives the company seven industrial mills in the United States and Canada, which are strategically located in relation to consumption hubs and the supply of raw materials. These facilities have a total annual production capacity of 1.2 million m³ of medium-density fiberboard (MDF), 1.1 million m³ of particleboard, 180,000 m³ of melamine boards, making Arauco a leading MDF and particleboard producer in North America.

In Brazil, Arauco and Unilin, a leading company in the laminated flooring market for industries in Europe and the United States, signed an agreement to create a joint venture to make and sell laminated flooring in that country. This joint venture will allow both companies to position themselves as leaders of the laminated flooring market in Brazil.

In Uruguay, Montes del Plata, a joint venture between the affiliate Arauco and the Swedish-Finnish company Stora Enso, made progress with the construction of a wood pulp mill with a production capacity of 1.3 million tons a year, a port and a biomass-fired power generating plant.



At the same time, in Chile the company commissioned the medium-density particleboard (MDP) mill at Teno, which has a production capacity of 300,000 m³ of MDP panels and 250,000 m³ of melamine boards a year. This new facility is strategically located near the main distribution ports and meets the new trends and needs of the furniture, design and interior architecture industries.

Arauco also started to rebuild the Nueva Aldea panel mill, which was destroyed by a fire nearby early last year. This mill will entail an investment of around US\$ 165 million and will have a production capacity of 350,000 m³ of plywood a year, which will be exported to markets in the United States, Latin America, Europe, Asia and Oceania. It is forecasted that the mill will be commissioned in late 2013 to reach full capacity in the first half of 2014.

Moreover, the company submitted an environmental impact study for the Arauco Mill Modernization and Expansion (MAPA) project, which considers a production capacity of 2.1 million tons of wood pulp a year at such industrial complex, using pine and/or eucalyptus indistinctly, by modernizing the current facilities and building a new production line. The project also envisages an electric transmission line to inject electricity obtained from the forest biomass into the central interconnected power grid.

In the financial area, Arauco made a new bond placement of US\$ 500 million in the US market with 10-year maturity and at an interest rate of 4.75% per annum. It placed bonds of UF 5 million in the Chilean market with 21-year maturity and at an interest rate of 3.88% per annum.

On the other hand, the company endorsed its commitment to environmental management, maintaining current clean production agreements in all the business areas in Chile, and environmental certification pursuant to the International Standardization Organization (ISO) 14001 standard, sustainable forest management (CERTFOR)

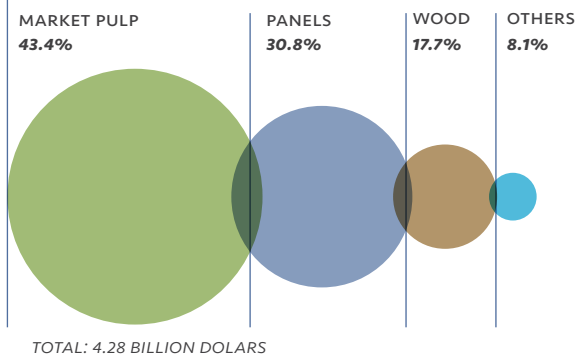


certification, which is a Chilean standard endorsed by the European Program for the Endorsement of Forest Certification (PEFC), chain-of-custody, occupational health and safety certification pursuant to the Occupational Health and Safety Advisory Services (OHSAS) 18001 standard and ISO 9001 certification, and it is working to certify its forestry management pursuant to the Forest Stewardship Council (FSC) standard. Facilities in Argentina have current ISO 14001, OHSAS 18001, ISO 9001 and FSC certification for some forest lands and FSC-controlled wood for the Misiones forestry division. In Brazil, the company has chain-of-custody, ISO 14001, OHSAS 18001, ISO 9001, FSC and CERTFOR certification.

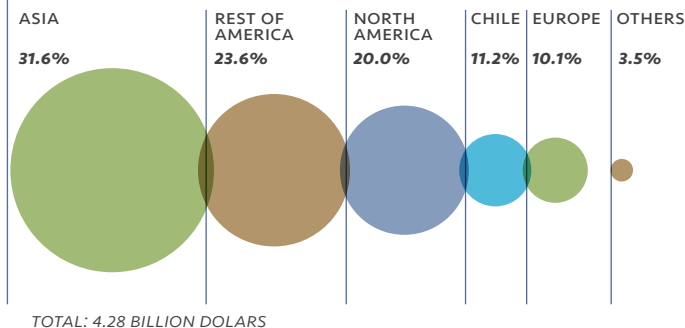
Furthermore, Arauco has eight electric power generating plants and two gas and diesel backup generators in Chile, which have a total installed capacity of 606 MW and they generate a surplus of 231 MW, which is injected into the central interconnected power grid (SIC). In Argentina, it has two electric power generating plants with a total installed capacity of 78 MW. The company commissioned the Viñales biomass-fired electric power generating plant in Constitución. This new plant entailed an investment of about US\$ 130 million and has a generating capacity of 41 MW.

In the next few years, the company will continue innovating and growing both in Chile and the rest of America, maintaining excellence in all its business areas.

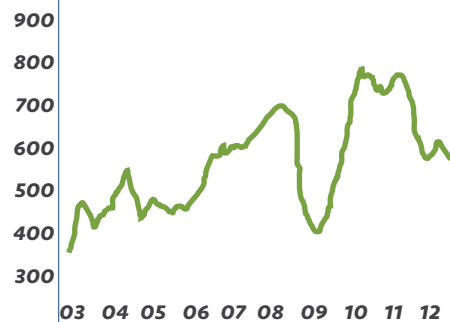
ARAUCO'S SALES PER PRODUCT 2012



ARAUCO'S SALES PER MARKET 2012



MARKET PULP PRICE US\$ / TON



SOURCE: CENTRAL BANK OF CHILE

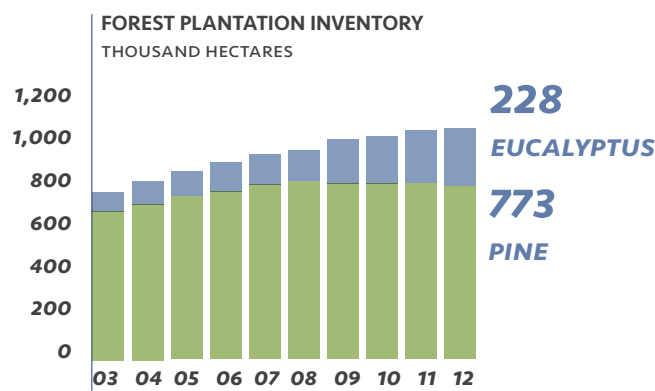
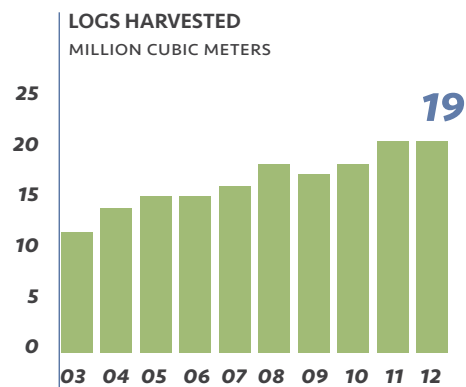
Forestal Arauco

Forestal Arauco S.A. was established in 1989 as the parent company of Arauco's forestry affiliates to coordinate operations and define the development policies in this area. The company currently has 737,000 hectares of plantations in Chile, 130,000 hectares in Argentina, 75,000 hectares in Brazil and 78,000 hectares in Uruguay, and it has consolidated as one of the most extensive forestry landholdings in South America.

Its forestry landholdings in Chile amount to 602,000 hectares of radiata pine plantations, 132,000 hectares of eucalyptus, 3,000 hectares planted with other species, 205,000 hectares of native forest and 137,000 hectares allocated for forestation and other uses. Arauco's plantations in Argentina, Brazil and Uruguay amount to 171,000 hectares of taeda and elliotti pine, 96,000 hectares of eucalyptus, 15,000 hectares of other species, 182,000 hectares of native forest and 55,000 hectares earmarked for forestation and other uses.

Arauco's forest equity is the basis of the competitiveness of all its business areas. Therefore, the company strives for its plantations to be managed in accordance with stringent environmental standards and operations are certified pursuant to the ISO 14001 standard, the Chilean Sustainable Forest Management (CERTFOR) standard, and it has been working since 2009 to certify its forestry management pursuant to the Forest Stewardship Council (FSC) standard in all those countries where it undertakes productive processes.

Likewise, the sustained leadership attained by Arauco as one of the leading producers of wood logs for fiber, sawmilling and panels in the Southern Hemisphere has been due to large competitive advantages, like the optimal use of the forest resource, natural fast-growing forests, biotechnological progress and the technical skills of its personnel.

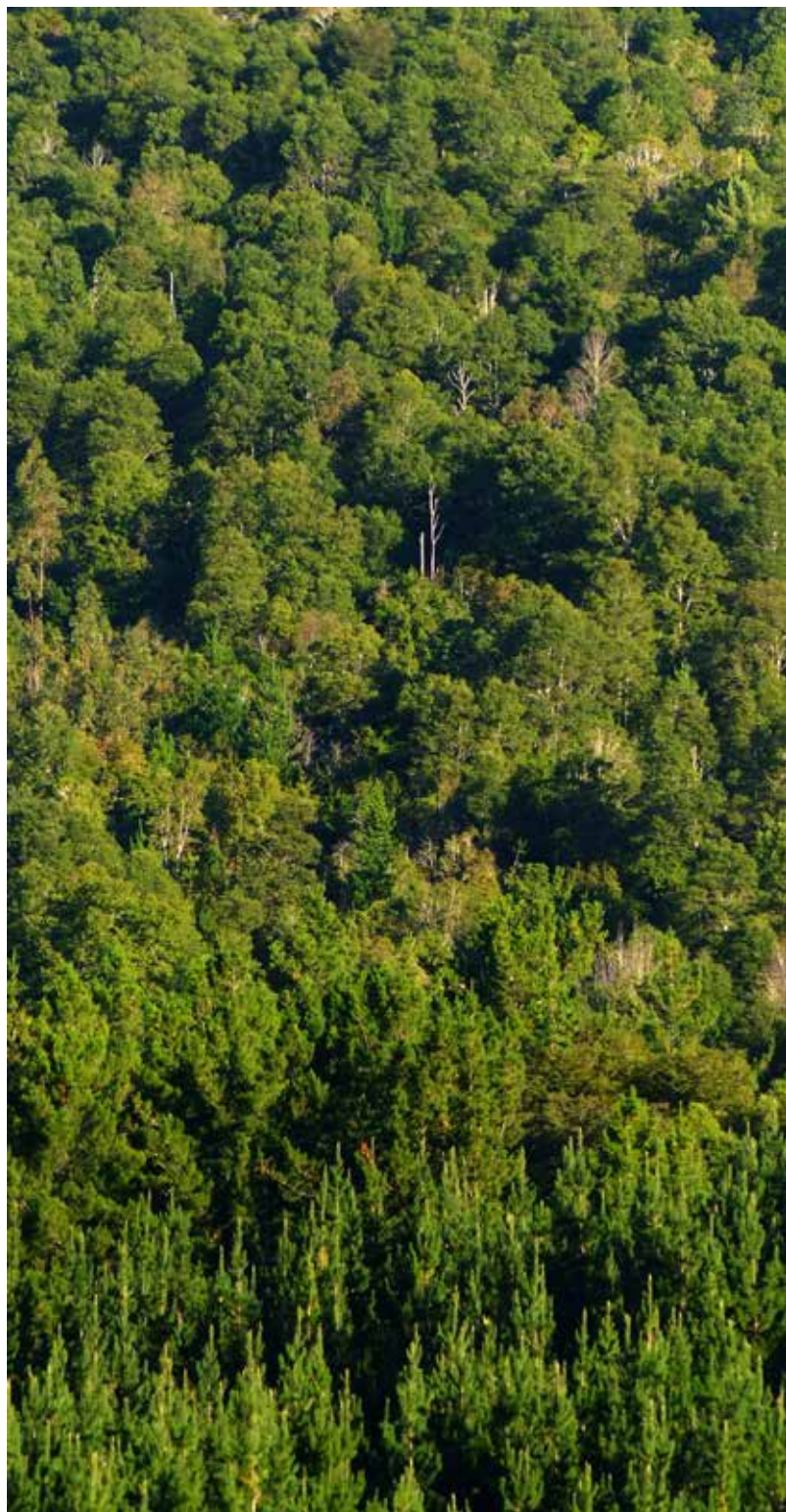


The company also manages a network of parks and protected areas from the Maule to Los Ríos regions, through which it does important work of promoting tourism and environmental education. At the same time, it has native forest non-substitution agreements, and undertakes programs to protect and conserve the biodiversity.

This is in addition to the forest research work undertaken by Bioforest. This affiliate was established in 1990 to develop advanced research projects in the biotechnology, genetics, phytosanitary protection, agricultural and livestock areas and studies on the properties and characteristics of different types of wood, along with processes to optimize wood pulp and research on new uses of it. Therefore, Arauco has been able to learn more about the forest resource for its suitable conservation and optimal use.

In the productive area, Arauco deploys a log merchandising system to optimize the use of the forest resource, analyzing each log's characteristics in real time. With this methodology it is possible to define the most efficient cuts required to maximize the economic value and the cut logs are distributed to the wood pulp and panel mills, remanufacturing facilities or sawmills. Wood by-products like bark, trimmings and sawdust are used as fuel to generate biomass-fired electricity or as other forestry products.

In 2012, the company planted 77,000 hectares and harvested 51,000 hectares. Total forestry production amounted to 19.5 million m³ of logs and chips, and 7.6 million m³ of logs and chips were purchased from third parties. 22.3 million m³ of the total were allocated to Arauco's wood pulp mills, panel mills and sawmills, and 2.8 million m³ were sold to third parties.



Celulosa Arauco

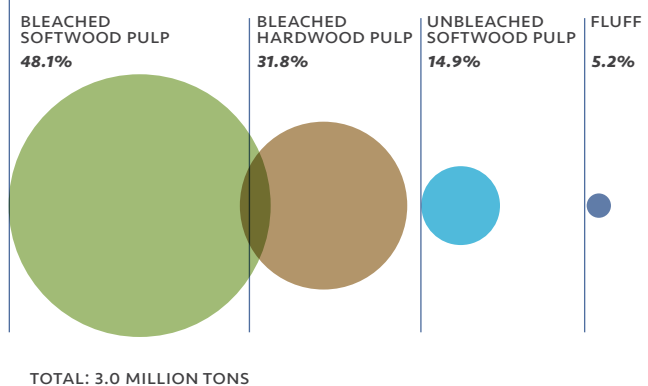
Celulosa Arauco y Constitución S.A. was established in 1979 from the merger of Celulosa Arauco S.A. and Celulosa Constitución S.A. The company is currently the leading non-mining exporter in Chile and one of the largest wood pulp producers in the world.

The company has five wood pulp mills in Chile (Arauco, Constitución, Licancel, Nueva Aldea and Valdivia) and one in Argentina (Alto Paraná). These industrial facilities have a production capacity of 3.2 million tons a year, which is mainly exported to Asia and Europe. All Arauco's mills use elemental chlorine-free (ECF) technology, renowned internationally as the most modern in the industry to produce bleached wood pulp, have environmental certification and comply with the standards of national and international regulations.

The wood pulp produced by Arauco is made with raw material from own and third-party plantations and is renowned by international markets for its quality and wide variety of uses. Radiata pine (long fiber) and eucalyptus (short fiber) are used in Chile to produce it, and taeda pine (long fiber) in Argentina. The company produces three types of wood pulp depending on the raw material and process used: bleached or kraft pulp is used to make printing and writing paper, toilet paper, and industrial and wrapping paper; raw or unbleached pulp is used to make packaging paper, cardboard and fiber cement products; and fluff pulp, manufactured at the Alto Paraná (Argentina) mill, is used to make absorbent products.

Arauco's competitors are Canada, the United States, Sweden and Finland in the global long-fiber wood pulp market, and Brazil and Indonesia in the short-fiber wood pulp market. Arauco accounts for 7.6% of the global sales of bleached pine wood pulp, 3.6% of the bleached eucalyptus wood pulp sales and 14.2% of the raw wood pulp sales.

MARKET PULP PRODUCTION 2012

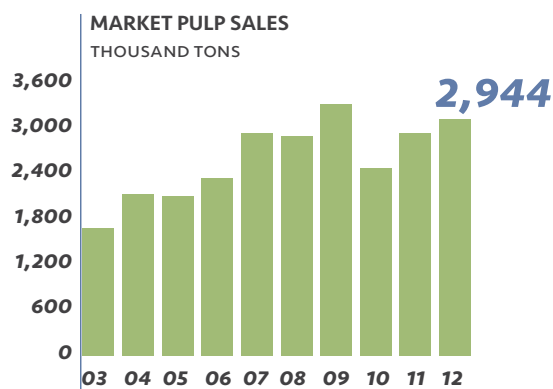




There was a higher supply of products in the wood pulp market in the first half of 2012 due to the closure of integrated paper mills in Europe. Nevertheless, this changed in the second half of the year with the opening of paper mills in China. In this scenario, Arauco had wood pulp production of 2.9 million tons, a 6.1% year-on-year increase.

Regarding investments, Arauco and Stora Enso made progress with the construction of the Montes del Plata wood pulp mill in Uruguay, which will have a production capacity of 1.3 million tons of eucalyptus wood pulp a year, a port and a renewable resource-fired power generating plant. The total investment is over US\$ 2 billion and it is scheduled to come on stream in the first half of 2013.

Moreover, the company submitted an environmental impact study for the Arauco Mill Modernization and Expansion (MAPA) project, which considers a production capacity of 2.1 million tons of wood pulp a year at such industrial complex, using pine and/or eucalyptus indistinctly, by modernizing the current facilities and building a new production line.



Aserraderos Arauco



Aserraderos Arauco S.A. was established in 1993 to manage Arauco's sawmills and remanufacturing facilities and market its products. It is currently Chile's leading sawn lumber exporter and has one of the highest production capacities in the Southern Hemisphere.

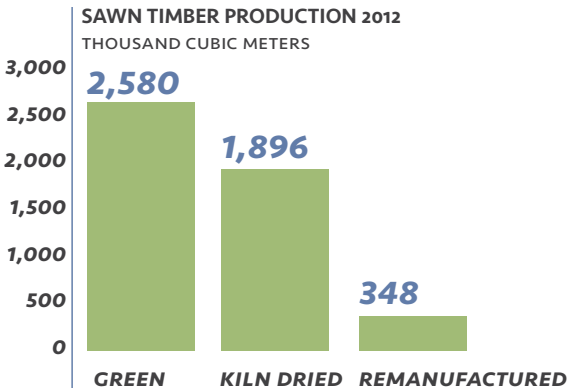
The company has a product offering mainly comprising processed wood for packaging and pallets, and solid wood for the construction, furniture making and design industries. It also produces moldings, edge-glued panels, laminated products, besides other intermediate supplies and products used in the furniture making and construction industries. Arauco thereby delivers on its strategy of adding value to its forest products and meeting ever demanding market requirements timely, efficiently and innovatively.

It also has an infrastructure of eight operative sawmills and four remanufacturing facilities in Chile, and one sawmill and one remanufacturing facility in Argentina. These facilities have a total sawmilling output capacity of 2.8 million m³ a year, 2.4 million m³ of dried lumber and 475,000 m³ of remanufactured products. All these facilities have national and international environmental, quality assurance, and workers' occupational health and safety certification.

There were higher sales prices and volumes in the sawn lumber business during most of 2012, mainly because of the recovery of the US real estate and construction market. In this context, the company's total sawn lumber output was 2.6 million m³, a 2% year-on-year increase.

In May, it commissioned the Viñales biomass-fired electric power generating plant, which can produce 41 MW. The electricity generated by this plant will supply the entire Viñales complex and inject until 32 MW into the central interconnected power grid (SIC).

The company also carried out an internationalization process of operations at its industrial mills, which up to them were managed by third parties, with 2,900 employees entering the company. The aim of this management change is to raise efficiency and integration in this business area.



Paneles Arauco

Paneles Arauco S.A. was established in 1986 to make better use of the wood produced in Arauco's forests and diversify the forest product offering.

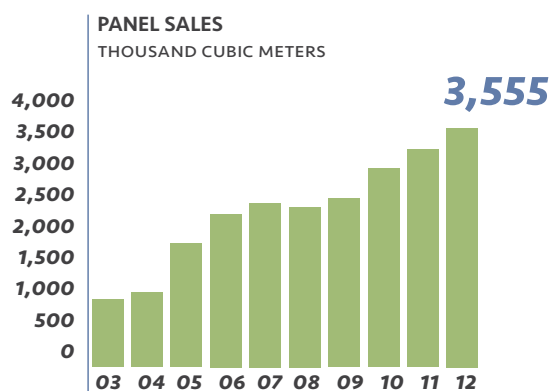
Arauco is currently the leading panel producer in Latin America and one of the largest producers in the world due to the quality and variety of its products, and an efficient marketing and distribution strategy. The company produces AraucoPly-branded plywood panels to make decorative linings and bodywork; Trupán-branded medium density fiberboard (MDF), used to make moldings, flooring and furniture; Cholguán-branded hardboard (HB), which is used in furniture making and house construction; and Faplac-branded particleboard, which is used in applications that require corrosion resistance, and MDP boards used in furniture making.

The company has four panel mills in Chile, where plywood panels, MDF and HB are made, with a total production capacity of 1.2 million m³ a year. It also has two mills in Argentina and two in Brazil where particleboard and MDF are made, with a total annual production capacity of 1 million m³ and 560,000 m³, respectively. It also has eight mills in the United States and Canada, with an annual production capacity of 1.5 million m³ of MDF and 1.4 million m³ of particleboard. These mills have a total production capacity of 5.7 million m³ a year.

In 2012, the company's total production was 9.6% up on the previous year amounting to 3.3 million m³ a year, due to higher sales in the United States and Canada. In this context, MDF production was 28.3% up on that in 2011 and amounted to 1.9 million m³, plywood output was 56.2% down on 2011 amounting to 333,000 m³, particleboard production was 41.9% up on 2011 amounting to 951,000 m³, HB panel production was 8.6% up on the previous year amounting to 58,000 m³, and MDP panel production was 6,000 m³.

In regard to investments, Arauco acquired 100% of the shares of Flakeboard Company Limited, a leading panel producer in the US market. The investment entailed US\$ 242.5 million and gives the company seven industrial mills in the United States and Canada, which are strategically located in relation to consumption hubs and the supply of raw materials. These facilities have a total annual production capacity of 1.2 million m³ of medium-density fiberboard (MDF), 1.1 million m³ of particleboard, 180,000 m³ of melamine boards, making Arauco a leading MDF and particleboard producer in North America.

Arauco has made progress with the construction of the new MDF panel line at the Jaguariaíva mill, located in the state of Paraná in Brazil, which will increase its current production capacity of 300,000 m³ a year to 800,000 m³ a year. The investment amounts to US\$150 million and its products will mainly supply the Brazilian market

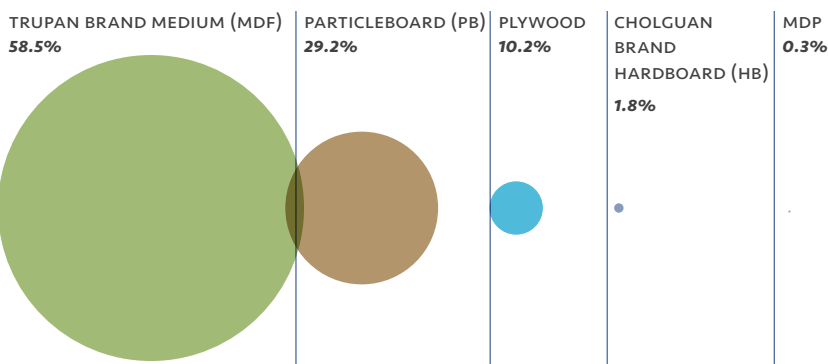


In Chile, the company commissioned the medium density particleboard (MDP) mill at Teno, with an MDP production capacity of 300,000 m³ a year and 250,000 m³ of melamine boards. This new facility is strategically located near the main distribution ports and meets the new trends and needs of the furniture making, design and interior architecture industries.

Arauco also started to rebuild the Nueva Aldea panel mill, hit by a fire early last year. This facility will entail an investment of around US\$ 165 million, and will have a production capacity of 350,000 m³ of plywood a year, aimed at markets in the United States, Latin America, Europe, Asia and Oceania. Start-up is scheduled for late 2013 to reach full capacity in the first half of 2014.




PANEL PRODUCTION 2012



TOTAL: 3.25 MILLION CUBIC METERS

Arauco Internacional





Arauco launched its overseas expansion process in 1996 by acquiring the Argentine company Alto Paraná S.A. Nine years later, it ventured into the Brazilian market by acquiring 100% of Placas do Paraná S.A. and 50% of Dynea Brasil S.A.

A short time later in 2007, Arauco stepped up its presence in the Brazilian market by signing an important agreement with the Swedish-Finnish consortium Stora Enso, one of the foremost producers of paper, packaging and processed wood. In this partnership the company acquired 80% of Stora Enso Arapoti Empreendimentos Agrícolas S.A., 20% of Stora Enso Arapoti Indústria de Papel S.A. and 100% of Stora Enso Arapoti Serraria S.A.

Later, Arauco purchased 100% of Tafisa Brasil S.A. and ventured into the market in Uruguay by entering into a new partnership with Stora Enso to jointly purchase an equal share of 100% of the assets of the business group Ence S.A., also providing the forest lands both companies had in that country.

Arauco currently has 130,000 hectares of plantations in Argentina, 75,000 hectares in Brazil and 78,000 hectares in Uruguay. In regard to industrial assets, in Argentina it has a sawmill with a production capacity of 320,000 m³ of sawn lumber a year, a remanufacturing facility with a capacity of 65,000 m³ a year, a resin plant, a bleached and fluff wood pulp mill with a total production capacity of 350,000 tons per annum, an MDF panel mill that can produce 300,000 m³ a year, and a particleboard mill with a capacity of 260,000 m³ a year.

In Brazil it has two MDF panel mills with a production capacity of 735,000 m³ a year, one particleboard mill with a production capacity of 300,000 m³ a year, a resin plant, and 20% of a paper mill with a production capacity of 250,000 tons a year. In the United States and Canada it has eight mills with a production capacity of 1.5 million m³ of MDF panels a year and 1.4 million m³ of particleboard. The total production capacity of these mills is 5.7 million m³ a year.

The company also has commercial offices in Argentina, Australia, Brazil, Canada, China, Colombia, the United States, Holland, Japan, Mexico and Peru to assure personalized customer service. Arauco's state-of-the-art and efficient logistics system enables it to export its products to over 70 countries worldwide.

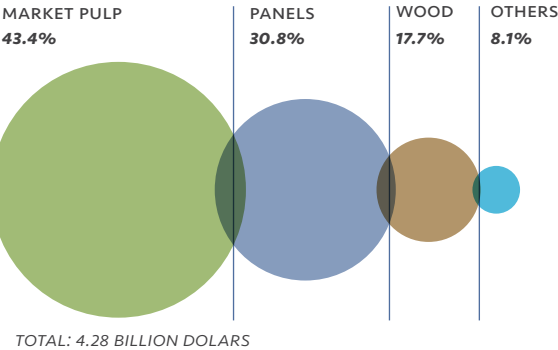
In 2012, Arauco acquired 100% of the stock of the panel company Flakeboard Company Limited, giving it seven mills in the United States and Canada strategically located near consumption hubs and the raw material supply. These facilities have an annual production capacity of 1.2 million m³ of MDF, 1.1 million m³ of particleboard, and 180,000 m³ of melamine boards. They will entail an investment of US\$ 242.5 million. It should be highlighted that due to this acquisition and that of Moncure in 2011 Arauco is now a leading MDF and particleboard producer in North America.

In Uruguay, Arauco and Stora Enso made progress with the construction of the Montes del Plata wood mill, with a production capacity of 1.3 million tons a year, a port and a renewable resource-fired power generating plant. This entailed an investment of over US\$ 2 billion and the mill is scheduled to come on stream in the first half of 2013.

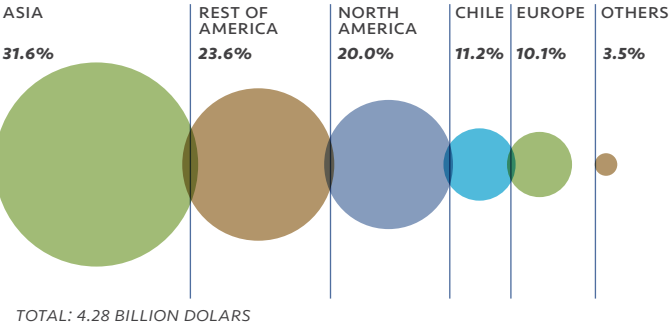
In the State of Paraná in Brazil, Arauco continued to make progress with the construction of a new MDF panel line at the Jaguariaíva mill, which will increase the output capacity from the current 300,000 m³ a year to 800,000 m³ a year. The investment amounted to US\$ 150 million and its products will mainly supply the market in Brazil.

Arauco

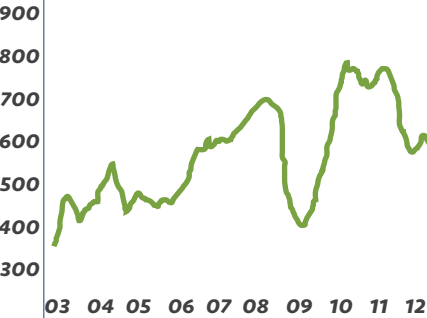
ARAUCO'S SALES PER PRODUCT 2012



ARAUCO'S SALES PER MARKET 2012



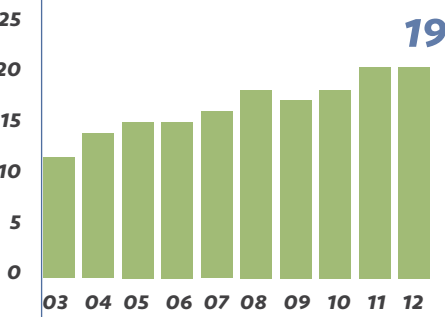
MARKET PULP PRICE
US\$ / TON



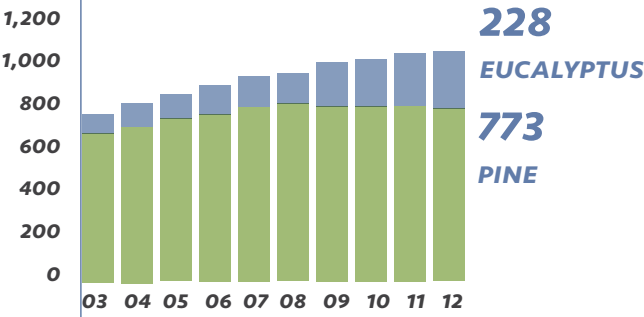
SOURCE: CENTRAL BANK OF CHILE

Forestal Arauco

LOGS HARVESTED
MILLION CUBIC METERS

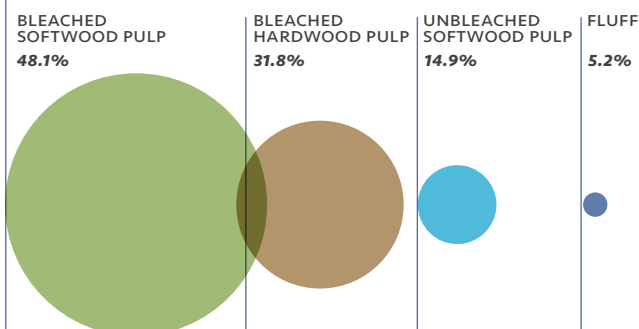


FOREST PLANTATION INVENTORY
THOUSAND HECTARES



Celulosa Arauco

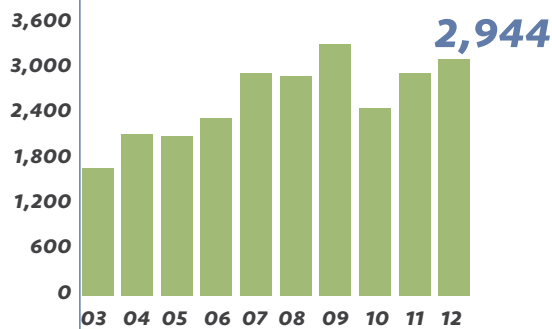
MARKET PULP PRODUCTION 2012



TOTAL: 3.0 MILLION TONS

MARKET PULP SALES

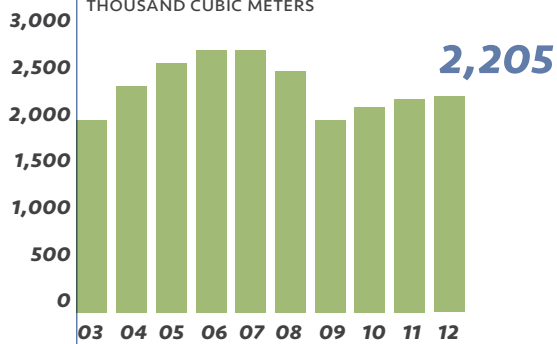
THOUSAND TONS



Aserraderos Arauco

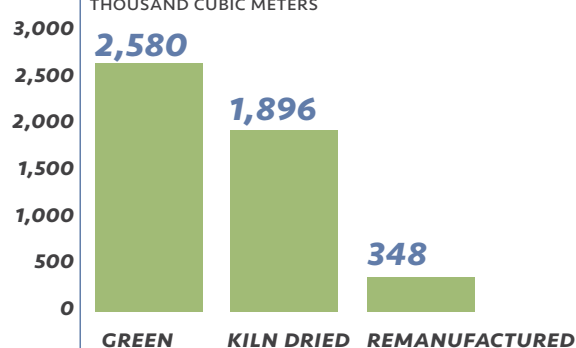
SAWN TIMBER SALES

THOUSAND CUBIC METERS



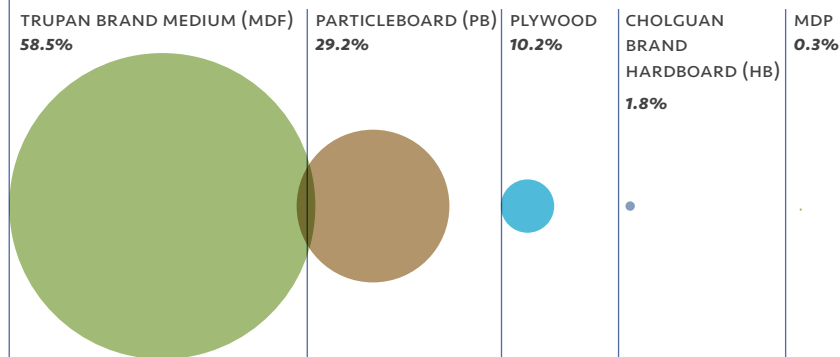
SAWN TIMBER PRODUCTION 2012

THOUSAND CUBIC METERS



Paneles Arauco

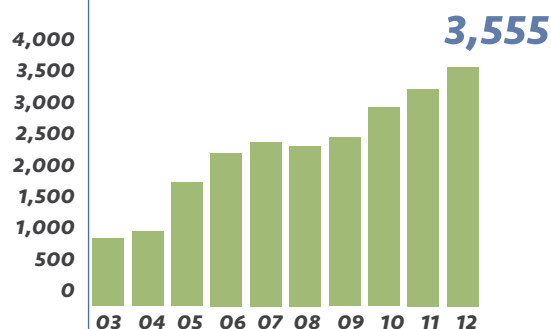
PANEL PRODUCTION 2012



TOTAL: 3.25 MILLION CUBIC METERS

PANEL SALES

THOUSAND CUBIC METERS





FUELS BUSINESS



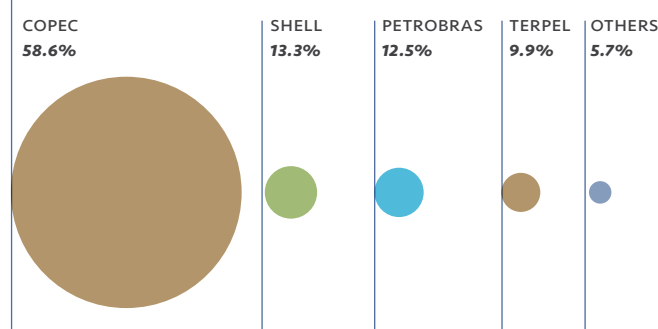
Copec

Compañía de Petróleos de Chile S.A. (Copec) was established in 1934 to market and distribute fuels for domestic and industrial use in Chile. The company started operations in 1935 with gasoline sales and over time it expanded its line of business and diversified its activities. It became an affiliate of Empresas Copec in 2003, holding the assets of the liquefied fuels and lubricants business. Later on in 2010, it started a historical internationalization process, entering in the property of the Colombian company Terpel.

Copec has the most extensive service station network in Chile with 616 sales points from Arica to Puerto Williams, 76 Pronto convenience stores and 204 Punto outlets. In addition, it has 16 fuel storage plants with a total capacity of 447,000 m³.

The company is involved in various fuel distribution operations through its affiliates and related companies to assure a continual and timely supply to customers. Transcom is in charge of transporting fuel by road in 146 tanker trucks, Sonacol transports liquefied fuels and gas by means of oil pipelines, and Sonamar handles the ocean freight with its six oil tankers.

LIQUID FUEL MARKET SHARE 2012



SOURCE: OWN ESTIMATES

Copec has a commercial strategy based on efficient logistics, modern management, rigorous selection of locations, service quality, and comprehensive solutions for customers which, in addition to its strong brand and ongoing product and service innovation, enables the company to consolidate its leadership and strengthen customer loyalty and frequency.

In 2012, the company's physical sales were 1.6% up on 2011 amounting to 9.3 million m³. That was mainly due to a 4.5% increase in sales at service stations amounting to 4 million m³, and was offset by 0.5% drop in the industrial channel sales, which amounted to 5.3 million m³. The bunkering service sold 309,000 m³ and the Air BP affiliate supplied 605,000 m³ of aviation fuel. Copec's market share was 58.5%.

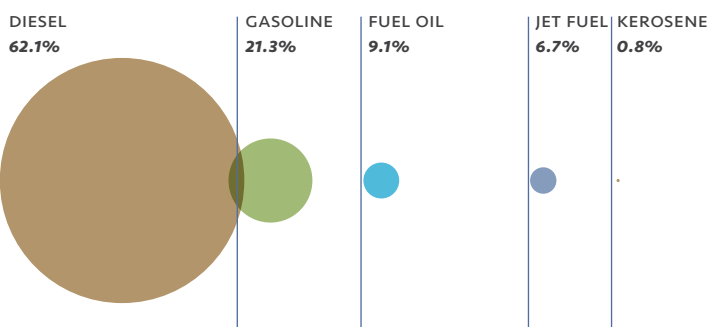
In regard to investments, Copec made a new takeover bid for Proenergía Internacional on the Colombian stock market, increasing its direct stake in this company, the parent company of Terpel, to 98.24%. This operation entailed an investment of around US\$ 294 million and gave Copec a 58% stake of the Colombian distributor.

The construction works of the four storage tanks at the Mejillones storage plant were completed, which will have a total capacity of 25,000 m³ of aviation kerosene and gasoline. Construction started on the 20,000 m³ diesel storage tank.

Moreover, the Las Salinas site, formerly used for clean fuel distribution operations, was split from Copec, and is now owned by the parent company Empresas Copec for real estate purposes.

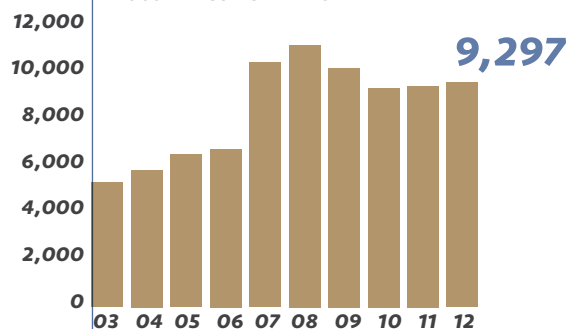
Concerning service, the company installed the first Voltex chargers for electric vehicles at the Costanera Norte, Vitacura, Pudahuel and Viña del Mar service stations. The latter has become the first electric-powered vehicle network linking Santiago and Viña del Mar. Copec also continued to enhance its highway service stations with sales point inauguration at Trafún, Puerto Varas and Viña del Mar. Furthermore, to expand the service concept and maintain long-term customer relations, Copec launched the Copec-Lanpass partnership product, which will enable customers to accumulate LAN air kilometers for filling up

COPEC'S SALES PER PRODUCT 2012



TOTAL 9.30 MILLION CUBIC METERS

COPEC'S SALES
THOUSAND CUBIC METERS



with fuel, and it created the first and second version of its application for smartphones and tablets, *Mundo Digital Copec* (Copec Digital World). Customers can use this to plan trips, find service stations and get tourist information.

It should be highlighted that in July 2012 the company CICS certified a study conducted by the IDIEM of the University of Chile in 2011, which concluded that Copec is not a company with intensive greenhouse gas emissions, as its facilities do not have processes that consume large quantities of energy. From the study, were proposed mitigating alternatives to CO₂ emissions, including the *Renova Copec* project, which has a set of initiatives to contribute to the sustainable development of service stations. On the same lines, in March 2012 the first commercial flight was made with biofuels in South America. The joint Copec-LAN project used vegetable oil-based second generation biofuel. This bears out Copec's ongoing commitment to developing and driving new and innovative energy solutions.

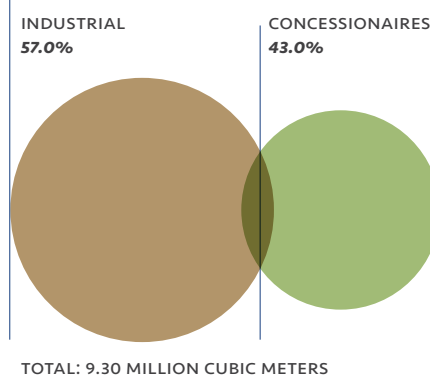
Copec is part of the business technology consortium Algae Fuels S.A. with E-CL, the Catholic University of Chile, Rentapack and Bioscan. This entity is working on implementing a pilot plant to produce biofuels from microalgae in Mejillones. There is also an initiative developed by Universidad de La Frontera to produce biodiesel from rape oil in the city of Temuco.

In the community support area and as part of the *Viva Leer* (Long Live Reading) program, in February *Sueña Leyendo* (Dream by Reading) was launched, which is a promotion that gives Chilean families the possibility of buying universal literary classics at 450 service stations from Arica to Punta Arenas. With this initiative, the company continues to consolidate its community support by promoting reading.

As in previous years, Copec was awarded the National Consumer Satisfaction Award 2012 in the Transactional-Service Station category by *ProCalidad*.

Copec's future plans are to carry on innovating to provide an excellent and continuous customer service everywhere in Chile. It will also work on becoming a top-notch international player and successfully addressing the new challenges in the market.

COPEC'S SALES PER DISTRIBUTION CHANNEL 2012





Terpel

Terpel was established in 1968 to provide a solution for fuel shortages affecting the Santander region in Colombia. Later on, the company expanded to several regions in that country becoming a leading Colombian fuel distributor.

In 2001, Terpel merged all its assets into the company Organización Terpel to achieve unity in the strategic management of the business and administrative stability. This enabled it to generate synergies for customers and empower the brand. In 2007, Terpel ventured into the Chilean market after acquiring YPF's assets in the country.

In May 2010, Organización Terpel became an indirect related company of Copec, when the latter acquired 100% of the rights of AEI Colombia Holdings Ltd. and of AEI Colombia Investments Ltd., companies that jointly have a 47.2% stake of Proenergía Internacional S.A., which has a 52.7% shareholding of Sociedad de Inversiones en Energía S.A. (SIE), which in turn has an 88.9% shareholding of Organización Terpel. Later in December 2010, Copec acquired a further 8.95% of Proenergía Internacional S.A., and in October 2011 gained a 14.39% direct stake in SIE.

In March 2012, Copec carried out a further takeover bid process for Proenergía Internacional, gaining a 98.24% direct stake of such company. The operation entailed an investment US\$ 294 million and enabled the Chilean company to increase its total indirect interest in Organización Terpel to 58.9%.

The company now sells fuel in Colombia, Ecuador, Panama, Peru, Mexico, the Dominican Republic and Chile. In September 2011, Organización Terpel agreed to sell all its assets in Chile. This operation is awaiting authorization from the free competition authorities in the country. Terpel has a total network of 1,841 liquefied fuel service stations, and 278 service stations for compressed natural gas (CNG) for vehicles under the Gazel brand.

In 2012, the company had sales of 7.1 million m³, a 10% year-on-year increase. The market in Colombia accounted for 5.8 million m³, an 8.3% year-on-year increase, and market share was 41.6% for liquefied fuels and 46.2% for CNG in that country.

At the same time, Terpel continued to work on its renewal process, adapting its business structure to focus its competitive strategy on efficiency and customer satisfaction. With the concept of "one single service station network," the company started a new stage in its evolution in the Colombian market, with a new positioning underpinned by three core pillars: a renewed and modern infrastructure, new and innovative services and a competitive fuel price. Terpel renewed its image for this, with a new service standard and protocol, new designs of the different store layouts, and new complementary services like car washing. The first service stations with the new concept were inaugurated during the year and the bathrooms and image of the current service stations were improved.

Organización Terpel also took the assets and liabilities of its affiliate Gazel to create operating, financial, administrative and commercial synergies at national and international level. This enables it to integrate the liquefied and natural gas network for vehicles to standardize and unify services.

In 2013, Terpel hopes to open new service stations and convenience stores as evidence of its leadership and innovation, which will bolster its service station network and endorse its commitment to management focused on service, competitiveness and quality, setting a new standard in the industry in Colombia.



Convenience Stores

ArcoPrime was established in 1998 to develop the Pronto convenience store network, manage fuel sales points and provide administration and franchise services. Through its affiliate Arco Alimentos, it produces and sells fresh, refrigerated and frozen foods marketed under the Fres&Co, Piacceri, San Cipriano and Cresso brands in supermarkets, coffee shops, restaurants, convenience stores and catering companies.

The development and expansion of the convenience store network have been key factors in Copec's strategy of adding value to the brand and providing its customers with high quality services and products, which complement fuel sales. The company currently has 35 Pronto outlets in cities and 41 on highways. They offer customers various 24-hour products and services, like food, a coffee shop, snacks, restrooms, automatic teller machines, kids' games, Wi-Fi, and online transactions, among others. Due to this, the Pronto outlets have become the most important and comprehensive convenience store chain in the country.

ArcoPrime also has a Fres&Co restaurant chain with five outlets located in areas with a high concentration of office buildings in Santiago. These offer customers a wide variety of fast and healthy self-service food.

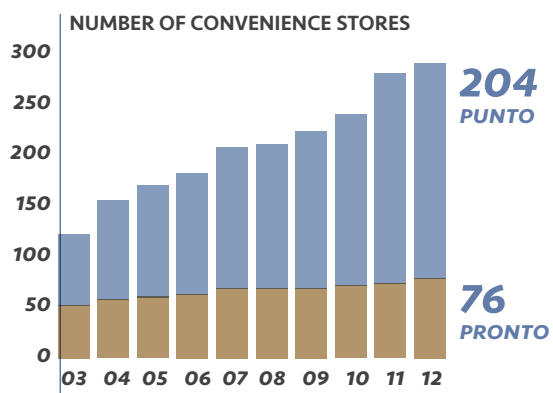
In 2012, ArcoPrime launched various services and improvements at Pronto outlets to provide a better customer service. Charges for using restrooms at the Pronto Kiosco were abolished and the "Combo Xpress" system was extended, which is based on using self-service terminals to buy food, improving the service speed. In addition to this, an online service evaluation and suggestion and complaint system was launched at all the highway outlets, enabling the user to be contacted quickly and timely.

The company inaugurated 3 Pronto highway outlets in Socos, Puerto Varas and Trafún; the latter two with a new layout, and a Pronto city store in Viña del Mar. Construction started on a Pronto city outlet in Concepción, a Pronto Kiosco in Marbella, both with a new architecture and layout, and on two Pronto Barra outlets in Palo Colorado and Victoria. Work also started on an outlet with a truck center layout, particularly designed to provide a complete and innovative solution for truck drivers, which will be located in San Javier.

Next year, ArcoPrime will continue to expand its highway and city stores, enhancing its leadership on both markets. The highlights of this strategy will be the start-up of nine new Pronto outlets (six on the highway and three in the city) and five Pronto outlets in commercial areas with no service stations to bolster their food positioning, along with three Fres&Co stores.

The 204 Punto outlets are the largest convenience store network in Chile. They are managed by the service station dealers themselves with the same quality standards of Copec and offer customers a wide variety of 24-hour products and services.

In 2012, the company inaugurated Dpaso outlets, an innovative 100% self-service system with three vending machines, which mainly provide coffee, snacks, soft drinks and a teller machine.





Lubricants

Copec has been a player in the lubricant business since 1959 when it partnered with the US company Mobil Oil to market Mobil-branded products in Chile. Later on, Mobil merged with Exxon forming ExxonMobil, which is one of the leading lubricant companies worldwide and owner of the Esso and Mobil brands.

Copec and ExxonMobil renewed their partnership in 2003, signing an agreement for Copec to exclusively produce and market Mobil and Esso lubricants in Chile. This made Chile one of the few countries in the world where this US company distributes its products through third parties.

The company currently produces lubricants at the lubricant plant in Quintero, which has a production capacity of 124 million liters a year and operates according to the stringent quality and safety program of ExxonMobil. These products are then sold through various distribution channels: service stations, wholesale distributors, car brand representatives and direct and industrial customers.

In 2012, apart from signing important supply contracts with industrial and transport customers, the brand recommendation contract was also renewed with automotive groups, which account for 23% of new car sales in Chile.

Due to this, Copec attained a 52.1% market share of these brands and had sales of 103,500 m³ in the Chilean market, a 4% year-on-year increase. Copec had sales of 2,200 m³ in foreign markets against 8,100 m³ in 2011. This decrease is explained by ExxonMobil awarding Cosan the contract to distribute Mobil lubricants in Bolivia, Paraguay and Uruguay.

In 2012, Copec continued to develop the *Via Limpia* (Clean Way) program for sustainable operations by providing customers a way of managing and disposing of their used oil in accordance with current regulations and the best industry standards. The program secured the ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certification in 2012, increased its collection fleet and changed its corporate image.

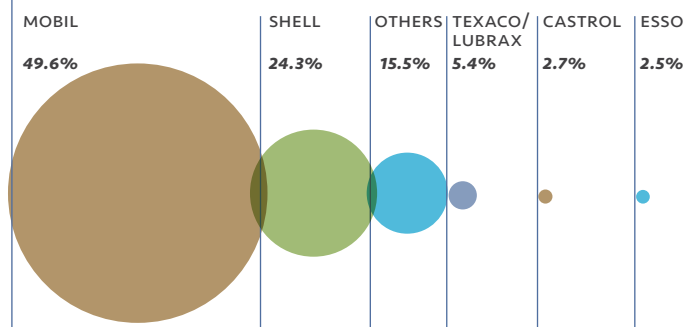
In this context and to improve this service, Copec is building a used oil processing plant at Quintero to remove the solid and liquid waste that contains hydrocarbons and turn it into fuel that can be used by industries. This initiative will entail an investment of US\$ 5.5 million and is scheduled to come on stream in 2013.

In addition, the company implemented the replacement of plastic containers with recyclable cardboard packaging to drive the use of less contaminating materials.

The company developed a new biodegradable product called Bio Chainsaw for the forestry industry to replace the traditional lubricant for chainsaws. It is also driving the use of fuel economy and energy-conserving products, lubricants with better performance and lower viscosity grades that save fuel in vehicles.

In 2013, Copec Lubricantes will continue to enhance the network of MobilTec premium lubrication centers, which will reach a total of 26 centers in Chile. The company will also consolidate its dealer model to raise national coverage.

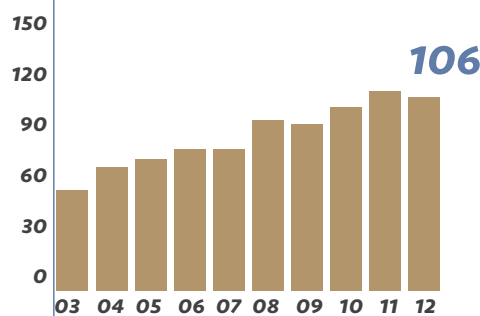
LUBRICANT MARKET SHARE 2012



SOURCE: OWN ESTIMATES

LUBRICANT SALES

THOUSAND CUBIC METERS



Sonacol / Sonamar

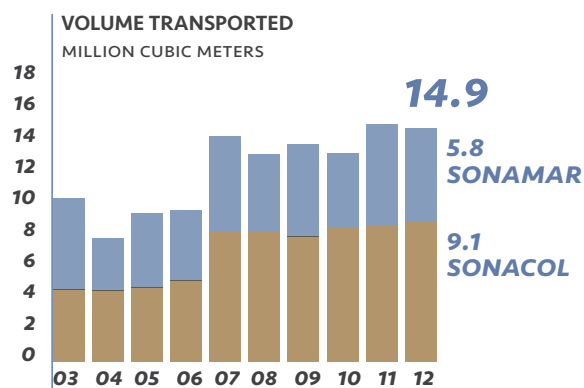
Copec, ENAP and Esso Chile established Sociedad Nacional de Oleoductos S.A. (Sonacol) in 1957 to create an oil pipeline network to transport fuels and other oil by-products. In 1979, the company added a maritime division to service the remotest parts of the country. Sonacol later became an affiliate of Empresas Copec in 2004 and in 2005 it split the ocean and land businesses, creating Sociedad Nacional Marítima S.A. (Sonamar). Sonamar has become one of the leading oil tanker companies in Chile.

Sonacol has a 465 kilometer oil pipeline network that runs from Quintero to San Fernando, which transports most of the fuels for the Metropolitan region. The company also has 9 pumping stations, a product delivery terminal and a dispatch facility. All these facilities are equipped with cutting-edge technology enabling the company's operative processes to be undertaken in accordance with the most stringent safety and environmental protection standards, and provide an efficient and safe customer service.

Sonamar has a fleet of six oil tankers with a total capacity to ship 307,000 m³ of oil and by-products to supply the domestic market.

Sonacol piped 9.1 million m³ of liquefied fuels in 2012, a 4% year-on-year increase. Sonamar's vessels shipped 5.8 million m³, which was 8.4% down on 2011.

In regard to investment, Sonacol completed works at the Curacaví station which will increase the transport capacity of the Concón-Maipú oil pipeline for clean products from 600 m³ per hour to 1,200 m³ per hour. The company also developed the conceptual and detailed engineering for a new oil pipeline to improve the supply of the Arturo Merino Benítez airport.

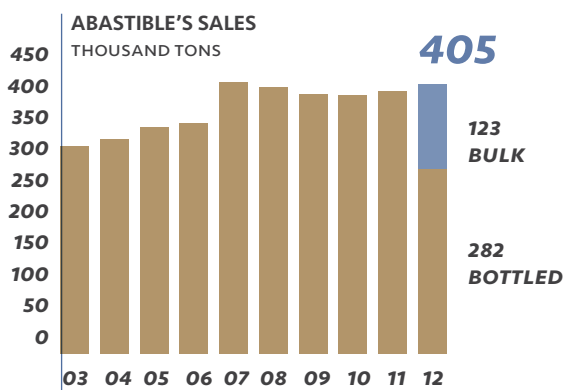




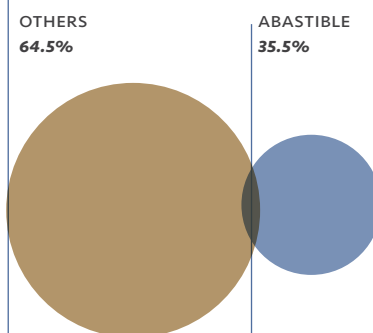
At the same time, Sonamar purchased the Abtao oil tanker in March, which has a freight capacity of 44,000 tons of fuel. This new vessel, built in Croatia, will enable the company to offer new supply services. As part of the fleet renewal process, the company transferred the Estrecho de Magallanes oil tanker to Argo-System FZE Dubai, thereby bidding farewell to the first double-hull oil tanker to sail under the national ensign.

In the risk prevention area, Sonacol attained a record of 6 years and 7 months without any lost-time accidents; it secured Competitive Company Program (PEC) excellence certification from the Safety Association of the Chilean Chamber of Construction, taking new steps with its safety commitment. Sonamar obtained first place in Chile in PEC certification in the transport category from the Safety Association of the Chilean Chamber of Construction, and it is the first time the company has managed to be top of this segment.

In the next few years, Sonacol and Sonamar will continue to work on providing a service to timely meet the needs of all their customers and consolidate their leadership of a key sector for national energy supply.



LIQUIFIED PETROLEUM GAS MARKET SHARE 2012



SOURCE: ABASTIBLE

Abastible

Abastecedora de Combustibles S.A. (Abastible) was established in 1956 to market liquefied gas for residential, commercial and industrial use. Since then, the company's strategy has been based on operating efficiency, service quality, continuous improvement of its processes and the ongoing quest for innovative applications for its products. This has enabled Abastible to become a key player in the energy business and guarantee its customers a timely and safe supply.

The company is currently present in Chile in the Arica and Parinacota region and from the Atacama to the Magallanes regions, and also in Colombia through Inversiones del Nordeste S.A., of which Abastible owns 51%.

In Chile the company has 16 sales offices, a network of approximately 1,500 distributors, 8 storage and bottling plants, 5.8 million gas bottles and 50,000 tanks. It also has a marine terminal in the Bío-Bío region for liquefied fuel wharfage, and a 40,000 m³ liquefied gas storage plant.

In Colombia, Inversiones del Nordeste has five liquefied gas distribution and sales companies, two companies that make gas bottles and storage tanks, and a bottled and bulk gas haulage company.

In 2012, the company's sales in Chile amounted to 404,000 tons, a 2.4% year-on-year increase, attaining a domestic market share of 35.5%. This increase is mainly explained by higher liquefied gas sales to cars and the company entering the Arica and Parinacota region.

Regarding investments, Abastible started an expansion process into the large north of Chile by inaugurating a gas bottling plant in Arica in August. This plant entailed a total investment of US\$ 3 million and is the first step of the company to extend its supply of products and services throughout the country. In 2013, the company will add new facilities in Iquique, Antofagasta and Calama, with an investment of US\$ 15 million.

Abastible has continued to deliver energy solutions with solar thermal energy by installing solar panels in homes, businesses and industries, which allow for the dual use of liquefied gas and solar energy to heat water. This system is currently being used in over 2,500 homes.

As in previous years, Abastible's service quality was recognized by its customers and the industry. The company gained first place in the service, electricity, water and gas category of the corporate reputation ranking by Collect GFK Investigaciones de Mercado, Hill + Knowlton Strategies and *La Tercera* newspaper; first place in the Consumer Loyalty Awards given by Alco Consultores, Universidad de Los Andes and *Estrategia* newspaper; and first place in the Chile 3D Award, in the gas company services category, given by Collect GFK Investigaciones de Mercado.

In 2013, the company will continue to work on increasing operations in the domestic and international market, seeking better services for its customers. Abastible also hopes to carry out its geographical expansion plans and attain national coverage for its products and services.



Inversiones del Nordeste

Inversiones del Nordeste was established in 2004 to sell liquefied gas to homes and industries in Colombia. The company currently has five regional companies that distribute and market liquefied gas (Asogas, Gasan, Norgas, Colgas de Occidente and Gases de Antioquía), which supply virtually all the departments in Colombia, and it has a 33.33% interest in the Montagas S.A. E.S.P. distribution company.

Inversiones del Nordeste also has two companies that make gas bottles and storage tanks and another bottled and bulk gas haulage company.

Due to this, it has become a leading company in the liquefied gas market in Colombia. It attained a total market share of 35.5% in 2012; physical sales of 198,000 tons, a 0.5% year-on-year decrease.

In regard to investments, the partners of Inversiones del Nordeste, Abastible and the Urbina Group, enhanced the strategic alliance they entered into in May 2011, leveraging the experience of liquefied gas development to better address the future growth of the Colombian market.

As part of this, the company made large improvements to its processes for better optimization in the commercial, logistics and service areas.

In the next few years, Inversiones del Nordeste will continue to work on increasing its share of the liquefied gas market in Colombia, leveraging current administrative, operative and commercial synergies and endorsing its commitment to competitiveness and a quality service.



Metrogas

Metrogas S.A. was established in 1994 and is the main natural gas distributor in the country and one of the major players in the domestic energy market. The company has over 470,000 residential, commercial and industrial customers in the Metropolitan and O'Higgins regions by means of an over 5,000 kilometer long gas pipeline network.

The company also has a 20% stake of the liquefied natural gas (LNG) regasification terminal in Quintero, GNL Quintero S.A. This terminal has a 1,878 meter long dock to unload vessels with up to 180,000 m³ of LNG; a storage area with a capacity of 334,000 m³ of LNG; three vaporizers to regas 10 million m³ a day as a base flow and 15 million m³ of natural gas a day as a peak flow; and a truck loading yard which can handle up to 27 trucks a day.

In 2012, the company's physical sales in the residential, commercial and industrial markets climbed 2.2% on the previous year to 701 million m³, due to higher demand from industrial customers. Natural gas sales for electric power generation amounted to 432 million m³, a 24.1% year-on-year increase. There was also growth in the vehicle natural gas (VNG) market, because of the incorporation of new service stations to the distribution network and greater vehicle conversion.

The company started to distribute natural gas in the mobile LNG segment, which involves piping liquefied natural gas from Quintero to consumption points outside the distribution network. Metrogas has satellite plants for this to store and regas the LNG at consumption points. To date, the company is providing the service to five industrial customers in the Metropolitan region and there are many customers who have signed up and who will start to consume natural gas in this segment in 2013.

Regarding this, the decision by GNL Quintero S.A. to double the loading capacity of the truck yard by building two new bays that will be operative in 2014 should be highlighted. Moreover, the LNG terminal will increase the daily regassing capacity by 50% to meet the needs of greater use of natural gas. It should be mentioned that in October 2012 the Golar Grand vessel from Trinidad and Tobago docked at the terminal, making it the 100th vessel to dock and unload at this terminal.

In the supply area, Metrogas renegotiated its supply contract with BG to 2030, which will give it higher gas volumes, competitive prices for customers and guarantee a continual and safe supply.

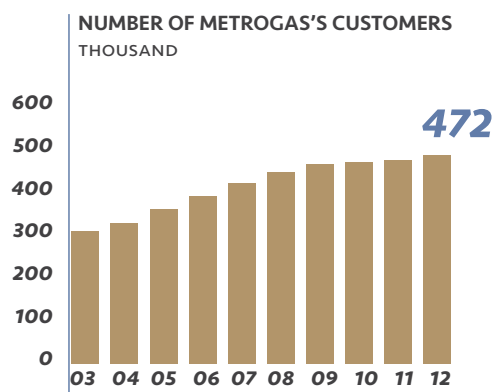
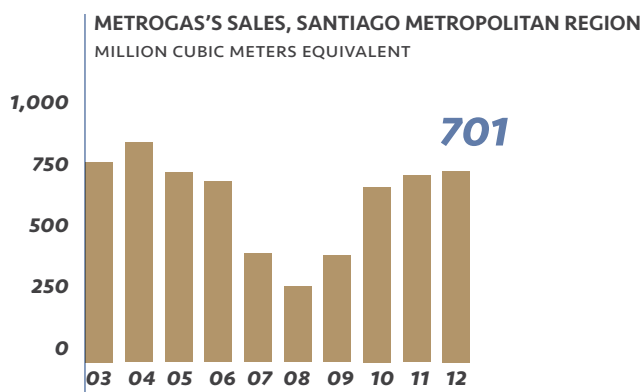
Metrogas and Aguas Andinas continued to jointly operate the La Farfana biogas plant to use the biogas produced at the wastewater treatment plant to make city gas.

As in previous years, Metrogas was given recognition for providing a quality and timely customer service. For the ninth year running, the company attained first place of the household service sector in the member company category, based on the National Consumer Satisfaction Index drawn up by *ProCalidad* and *Capital* magazine.

Metrogas was distinguished with the gold category in the Sustainable Innovation Awards, given by the *El Mercurio* newspaper and Universidad Autónoma de Chile, for its Progas project developed with the Workers' Education and Training Institute (INFOCAP) and aimed at enhancing the formal education of gas technicians. It also received distinction from the ESE Business School of Universidad de los Andes for its work on innovation.

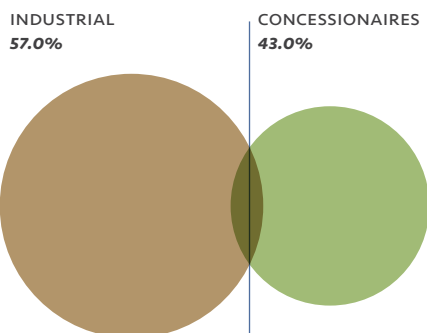
In the next few years, Metrogas will carry on driving innovative and effective initiatives to provide a comprehensive, efficient and safe service to its industrial, residential and commercial customers.





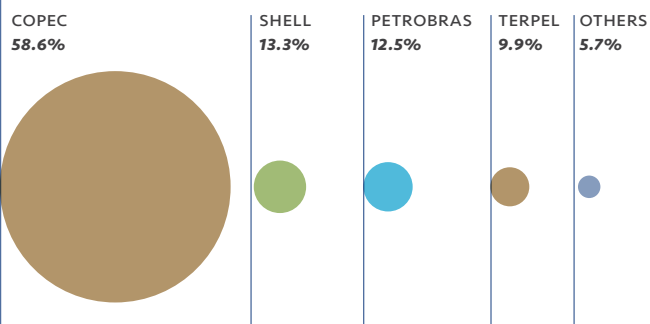
Copec

COPEC'S SALES PER DISTRIBUTION CHANNEL 2012



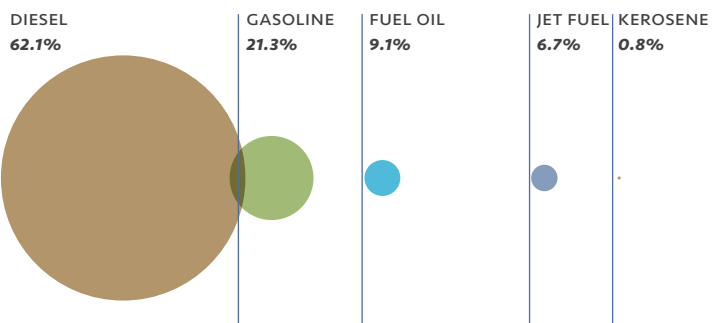
TOTAL: 9.30 MILLION CUBIC METERS

LIQUID FUEL MARKET SHARE 2012



SOURCE: OWN ESTIMATES

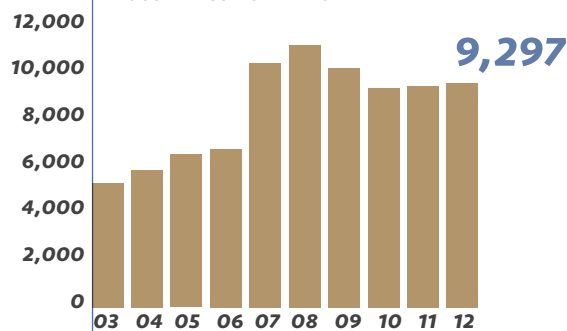
COPEC'S SALES PER PRODUCT 2012



TOTAL 9.30 MILLION CUBIC METERS

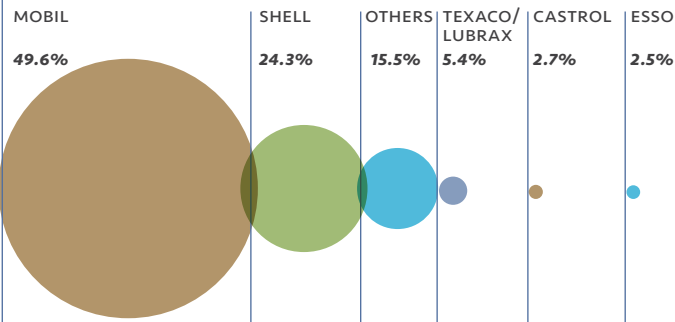
COPEC'S SALES

THOUSAND CUBIC METERS



Lubricants

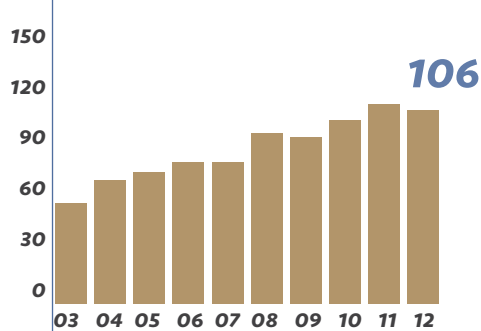
LUBRICANT MARKET SHARE 2012



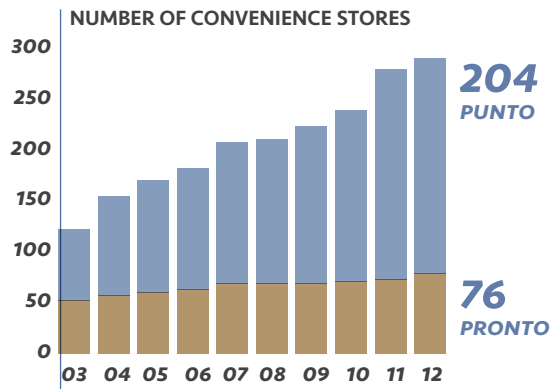
SOURCE: OWN ESTIMATES

LUBRICANT SALES

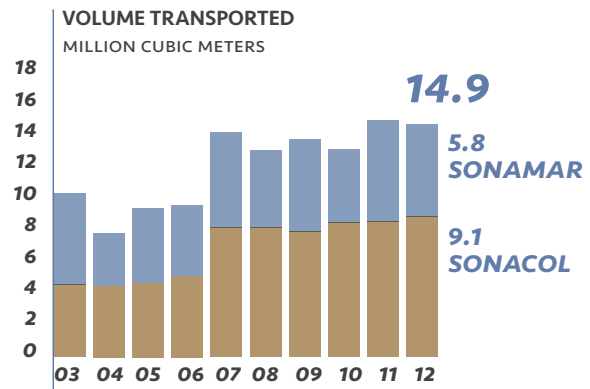
THOUSAND CUBIC METERS



Convenience Stores

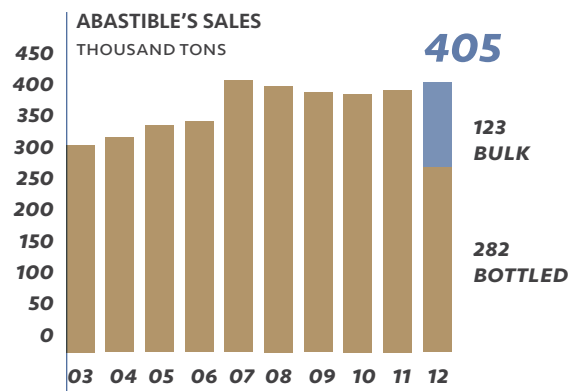
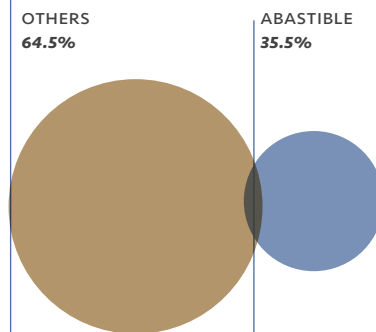


Sonacol / Sonamar



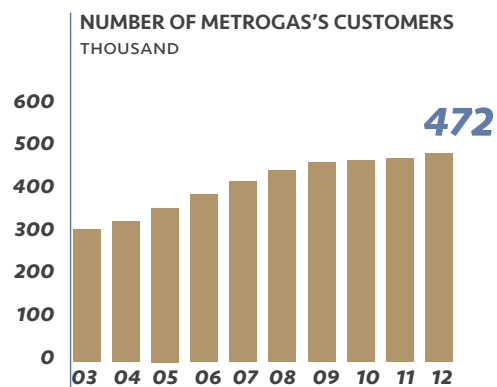
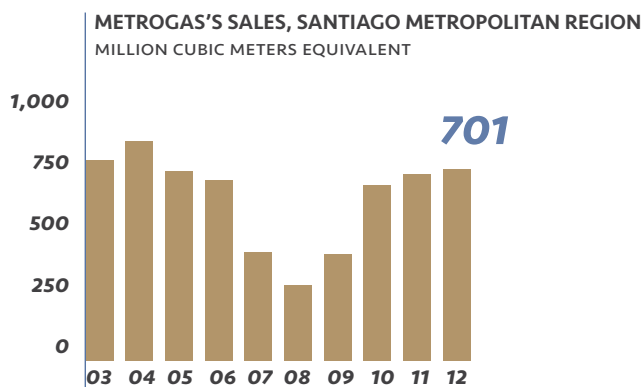
Abastible

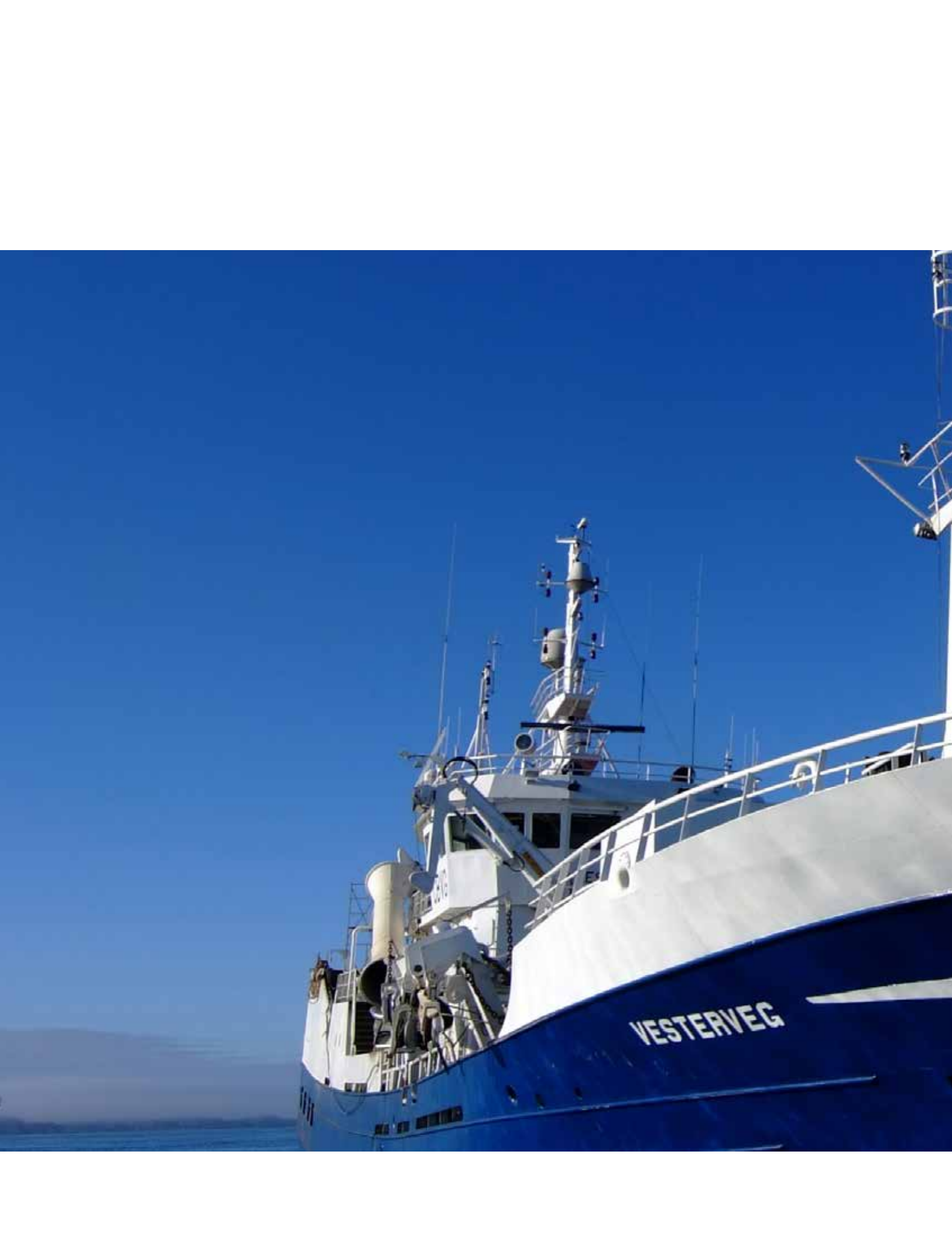
LIQUIDATED PETROLEUM GAS MARKET SHARE 2012



SOURCE: ABASTIBLE

Metrogas





FISHING BUSINESS



Igemar

Empresas Copec ventured into the national fisheries sector in 1980 after acquiring Pesquera Guanaye Ltda., which later merged with Pesquera Iquique S.A. into Pesquera Iquique-Guanaye S.A. (Igemar).

The company currently operates in the north of Chile through its related company Corpesca S.A. and in the center and south of Chile through its affiliate Orizon S.A. Igemar has thereby diversified the catch risk, reducing exposure to fluctuations in weather and sea conditions and adding value to the wealth of the Chilean coastline.

Both Corpesca and Orizon have a strategy focused on meeting market needs efficiently and adapting to the changing conditions of the fisheries business, pursuant to Chilean regulations in force up to December 31, 2012, i.e., the maximum catch limit (MCL) per vessel. It should be noted that the modification of the General Fisheries and Aquaculture Law on the sustainability of hydrobiological resources, access to industrial and nonprofessional fishing and regulations on investigation and control was published in the *Official Gazette* on February 9, 2013, after taking a year to go through the National Congress. This new regulation adds additional costs to this business, like the royalty and tender costs.

Both companies operate with the highest standards of fisheries and productive processes to guarantee customers the quality of its products, which are mainly fishmeal, fish oil and canned seafood.

Fishmeal is sold in the domestic market, Europe and Asia and is used to make animal feed due to its high protein, easy digestibility and its high omega-3 fatty acid content.

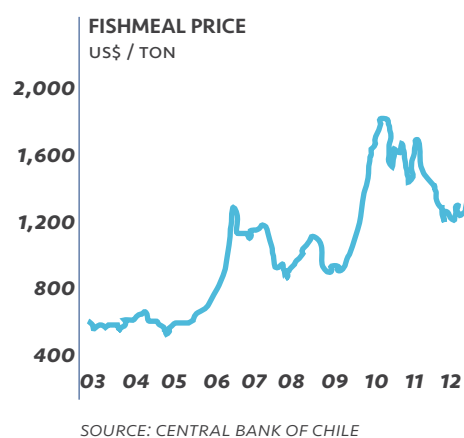
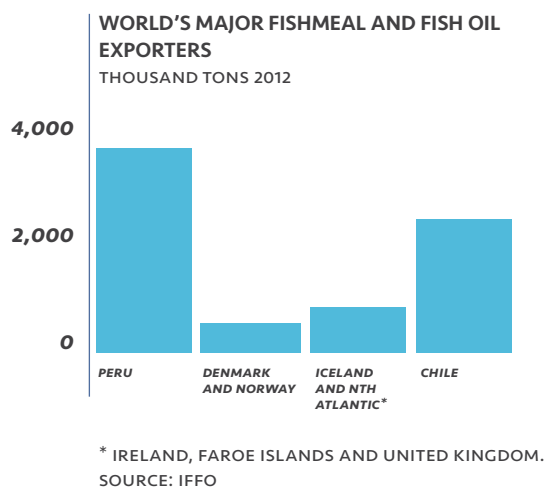
Fish oil is mainly sold in the domestic market and is used in the aquaculture, pharmaceutical and food industries due to its high protein and benefits of omega-3 fatty acids in preventing cardiovascular diseases and protecting the neurological system.

Canned and frozen seafood are mainly made from jack mackerel, mackerel, cuttlefish and mussels. They are mostly sold for human consumption in the domestic market.

Catches in the north of Chile amounted to 0.8 million tons in 2012, 24% down on the previous year. Total catches in the center and south of the country were 22% up on 2011 amounting to 1 million tons.

Golden Omega S.A., of which Corpesca and Orizon each have a 35% stake, inaugurated a plant in Arica in November to produce omega-3 fatty acid concentrates from fish oil. This new facility entailed an investment of US\$ 80 million, and products are currently being sold to the nutraceutical industry in the United States, Europe, Australia, New Zealand and Japan. The company is also working on the pharmaceutical certification process for these products.

In the next few years, Corpesca and Orizon will carry on working on research and innovation projects to expand the product offering and assure customers high quality standards.





Corpesca

Corpesca S.A. was established in 1999 from the merger of the operating assets of Igemar, Eperva and Coloso in northern Chile. Corpesca is currently the leading fishing company in the production of fishmeal and fish oil in Chile and one of the largest producers worldwide, having diversified its offering to the distribution and marketing of protein fishmeal made from different raw materials.

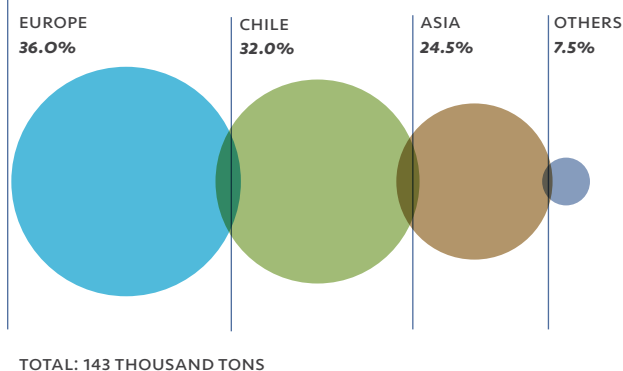
The company's strategy is based on a sustainable, flexible and efficient operation focused on high quality and value products by using the best technology available and strictly complying with all the current environmental regulations. That has enabled Corpesca to meet the demand of dynamic and demanding markets and it is renowned as a highly competitive and reliable supplier.

Corpesca has an authorized fishing fleet comprising 79 vessels with a hold capacity of over 31,000 m³. Of that total, it maintains 47 vessels in operation, which have high technological standards, including a refrigerated hold capacity of 1,430 m³.

In 2012, the company had fishmeal and fish oil processing plants at the ports of Arica, Iquique, Tocopilla and Mejillones, with a processing capacity of around 1,000 tons of raw material per hour, adjusting their operations based on the availability of the raw material.

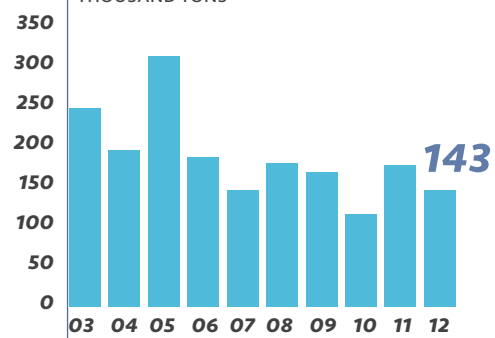
Corpesca also has a frozen seafood plant in Iquique that can produce 100 tons of jack mackerel or mackerel for human consumption and cold storage for 6,000 tons of product. The company completed the construction of a canning plant in Iquique, which can produce 500 boxes of final product an hour. It also has a distribution terminal in Puerto Montt to supply the salmon farming industry in the south of Chile.

CORPESCA'S FISHMEAL SALES PER MARKET 2012

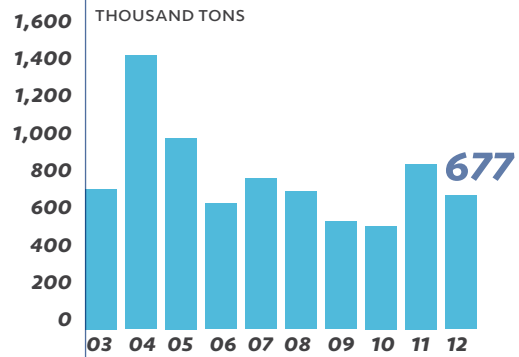




CORPESCA'S FISHMEAL SALES
THOUSAND TONS



CORPESCA'S PROCESSED CATCH
THOUSAND TONS



Corpesca processed 677,000 tons of fish in 2012, which was 20% down on the previous year as a result of lower anchovy availability.

Fishmeal and fish oil output was 161,000 tons, which was a 23.9% year-on-year decrease. Physical sales amounted to 155,000 tons, 16.2% lower than the volume of the previous year. It should be noted that 68% of the fishmeal was sold in export markets, mainly Europe and Asia, and 93% of the fish oil was mostly exported to international markets, especially Europe and America.

There were no canned or frozen seafood sales in the year due to a commissioning period and current jack mackerel quota restrictions. Nevertheless, there were higher sales of fish oil for human consumption with a high Omega-3 content.

The company made investments to improve its fleet and plants to optimize operating standards, consolidate and diversify the productive capacity, preserve the environmental conditions of the areas where it operates, and ensure the high quality standard of the fishmeal and fish oil produced.

The continuation of the fleet renewal program should be highlighted, which entailed the modernization and reconditioning of the Eperva 51 vessel in the year.

At the same time, the company secured IFFO RS sustainability certification for all its production plants. This new certification is in addition to other certification such as the Hazard Analysis and Critical Control Points (HACCP) quality assurance program. This is certified by Chile's Directorate of Fisheries (SERNAPESCA) and Corpesca keeps it in force at all its plants, and guarantees contaminant-free production.

The company is assessing pilot experiences with the Fisheries Research Institute of the North (INPESNOR) and local universities to obtain essential Omega-3 oils from microalgae and farming marine species in water recirculation systems.

To develop new markets and diversify its supply, stands the investment of 60% interest in the Brazilian company Sementes Selecta S.A., which produces soy protein concentrates (SPC). This operation will boost the distribution channels and widely meet its customer needs.

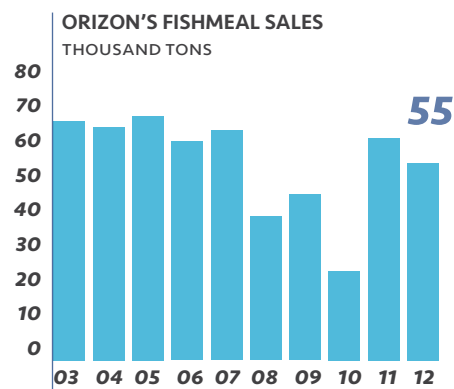
In the future, Corpesca will continue to undertake initiatives to operate sustainably with the environment, increase the added value of the fish resources caught, assure the high quality standard of its products, and boost the marketing and logistics related to the distribution of protein fishmeal and fish oil made from different raw materials.

Orizon

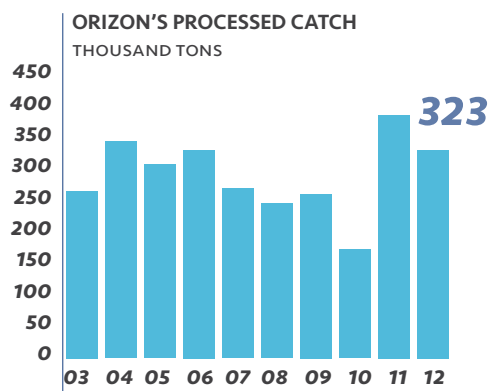
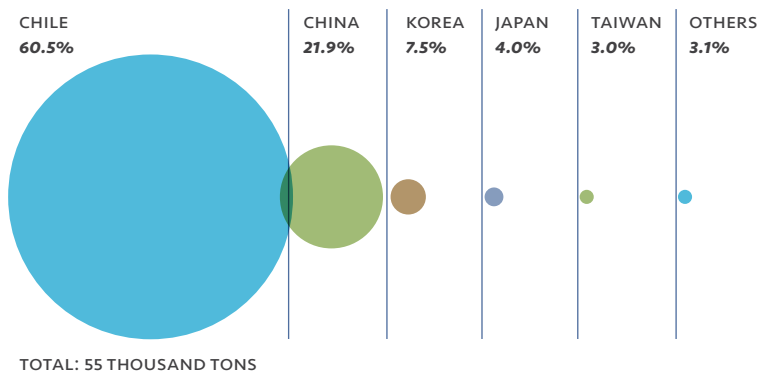
Orizon S.A. was established in November 2010 after the merger of the operating assets of SouthPacific Korp, an affiliate of Igemar, and Pesquera San José, belonging to Pesquera Coloso. Igemar has a 50.1% stake in this new company, Pesquera Coloso 40%, and Pesquera Eperva has the remaining 9.9%.

Orizon currently has four fishmeal and fish oil plants, three in the Biobío Region and one in the Coquimbo region, which can jointly produce 370 tons of raw material per hour. In the human consumption area, the company has two canned seafood plants in Coronel and Coquimbo, with a total production capacity of 48,000 boxes a day each containing 24 cans of jack mackerel, and one in Puerto Montt, which can process 2,000 boxes a day each containing 48 cans of mussels. It also has two frozen seafood plants in Coronel and Coquimbo, with a daily production capacity of 660 tons of product a day, and an individually quick frozen (IQF) seafood plant in Puerto Montt, which can produce 60 tons of mussels a day.

The company has an operative fleet of 8 vessels with a total hold capacity of around 11,000 m³ and high-tech cold storage, which comply with catch quality assurance regulations.



ORIZON'S FISHMEAL SALES PER MARKET 2012



Orizon's own catches in 2012 amounted to 108,000 tons, a 2.7% year-on-year increase. The company had around a 23.8% share of nonprofessional fishing catches amounting to 205,000 tons, 23.8% lower than in 2011. This was due to lower resource availability in the operating area of the nonprofessional fishing fleet.

Fishmeal production amounted to 49,000 tons, which was 17.2% down on 2011, and fish oil output was 12,000 tons, which was 21.9% lower than the previous year.

This resulted in physical sales of 55,000 tons of fishmeal, 11,000 tons of fish oil, 1.7 million boxes of canned seafood and 30,000 metric tons of frozen seafood. Fishmeal, fish oil and canned seafood were mainly sold in the domestic market, and frozen seafood products mainly to Nigeria, Japan and China.

Regarding this, it should be mentioned that the company continued to work on becoming a major player in the global food market. For this reason, in 2012 Orizon expanded its San José-branded product line, adding new foods like rice, beans and lentils, which are already being sold in the main distribution channels.

In the next few years, Orizon will continue to develop innovative projects to expand its offering of quality food solutions and thereby consolidate its presence in the global food market.



Golden Omega

In 2008, Corpesca and Orizon entered into a strategic alliance to build an industrial plant in Arica to produce omega-3 concentrates from fish oil. This project is being undertaken by Golden Omega S.A., in which Corpesca and Orizon each have a 35% stake, and Logística Ados S.A. with the remaining 30% interest.

In 2010, Golden Omega started to build a plant with a production capacity of 1,800 tons of finished product a year.

It was inaugurated in November 2012, making Golden Omega the only omega-3 concentrate producer in the world that is vertically integrated to fish catches, allowing it to select the best raw materials and offer full traceability in the production chain.

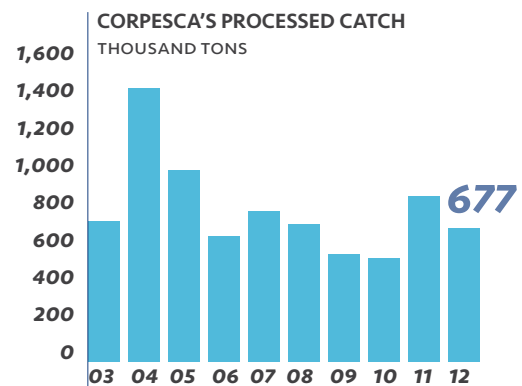
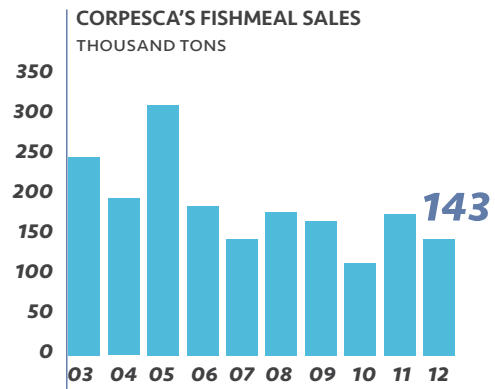
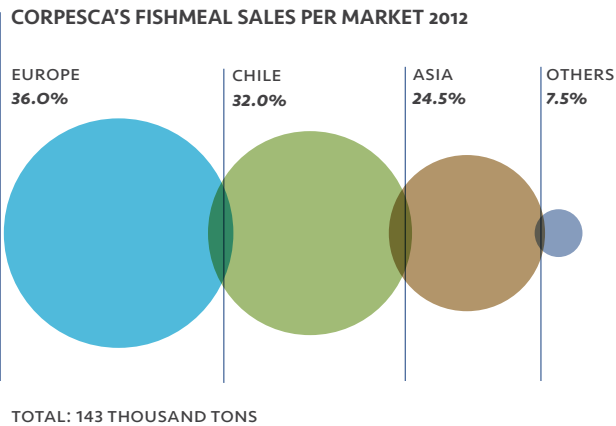
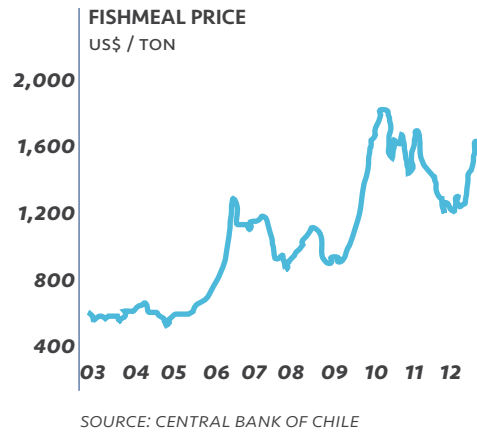
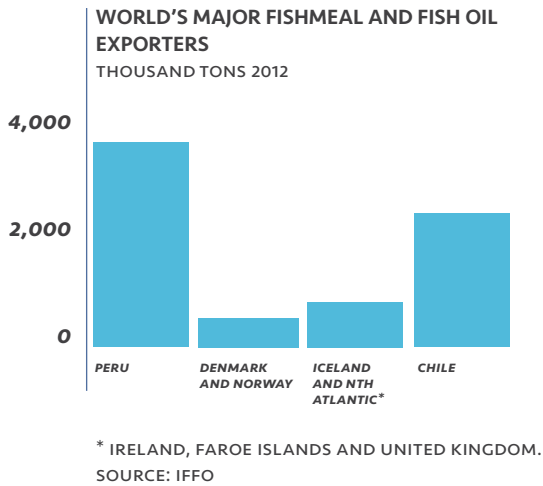
This facility entailed an investment of US\$ 80 million and it was built and is being operated in accordance with the pharmaceutical standards of the US Food and Drug Administration (FDA).

The plant is currently making products with concentrations of up to 60% of omega-3 fatty acids, which are sold in the United States, Europe, Australia, New Zealand and Japan. Biodiesel is also obtained from the by-products generated in the productive process.

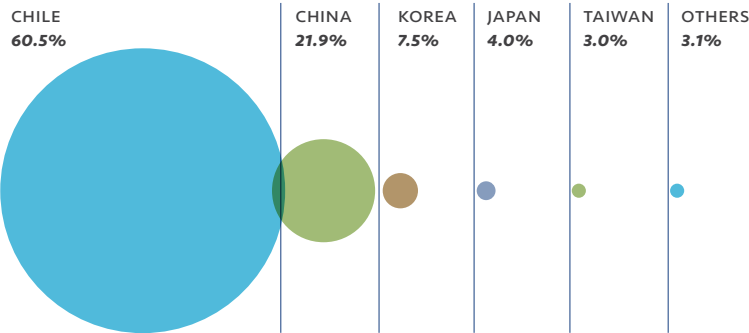
At the same time, the company is working on the pharmaceutical certification process, and the result is expected in 2013. This will enable Golden Omega to sell its products worldwide as pharmaceutical active principals. By mid-2013, Golden Omega will be able to offer products with 85% concentration, with unique features in terms of purity and organoleptic quality, and these qualities are in great demand in the food industry.

The affiliate Bioambar SpA continued to do research with Harvard University to determine the benefits that omega-3 concentrates might have for curing or preventing cancer.

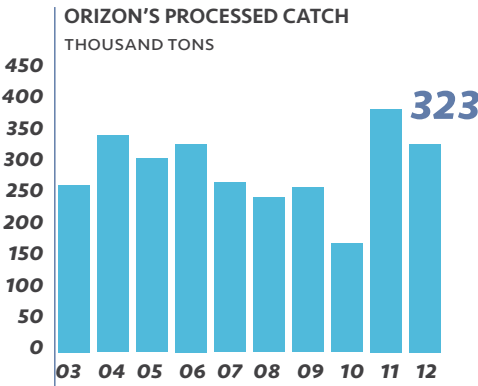
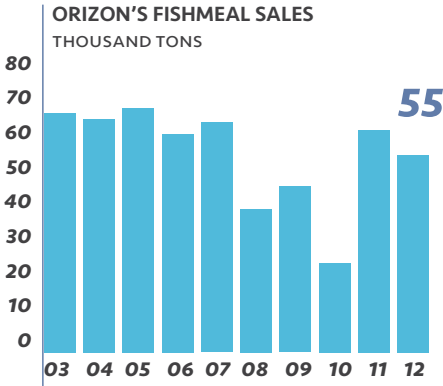


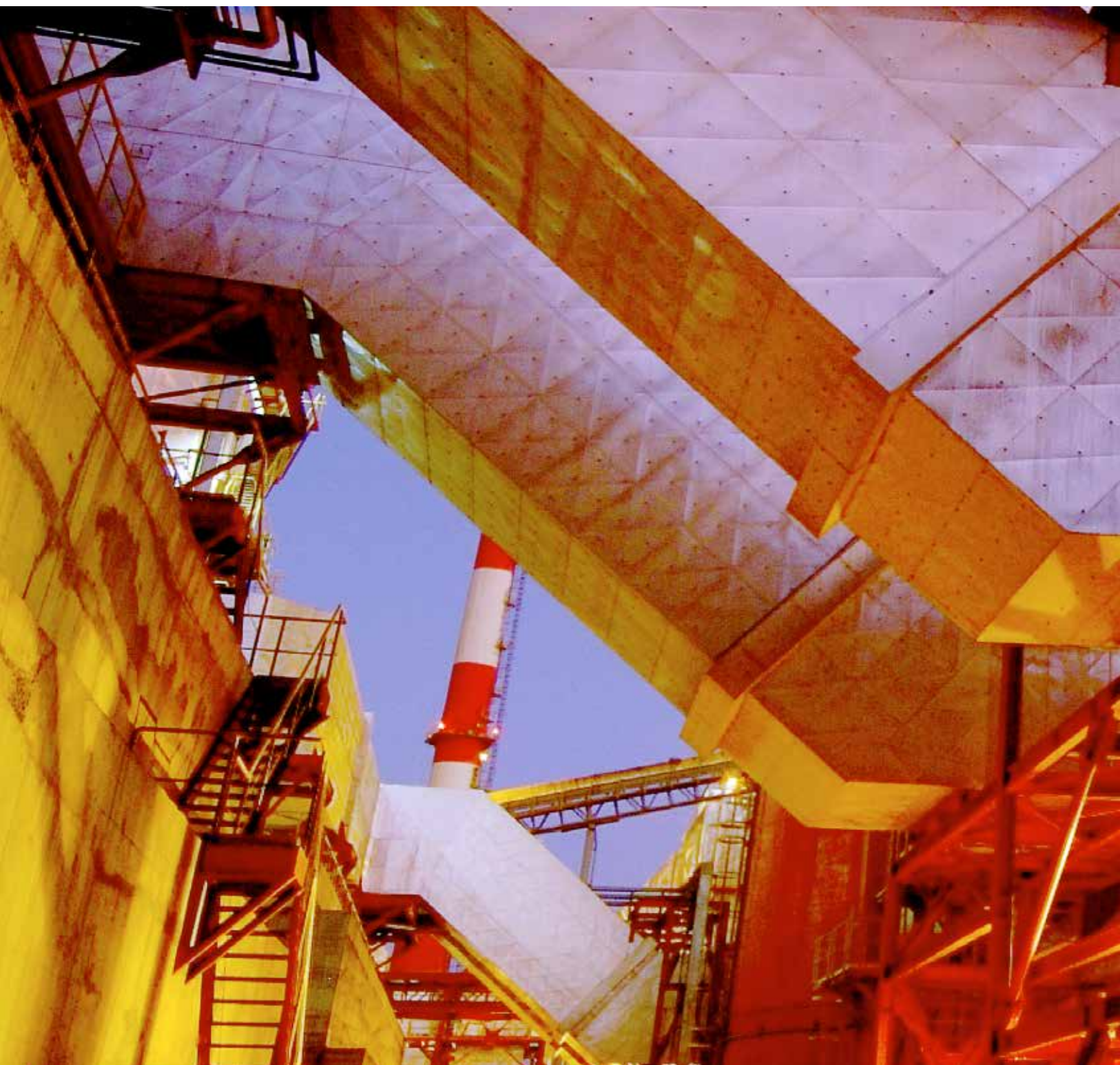


ORIZON'S FISHMEAL SALES PER MARKET 2012

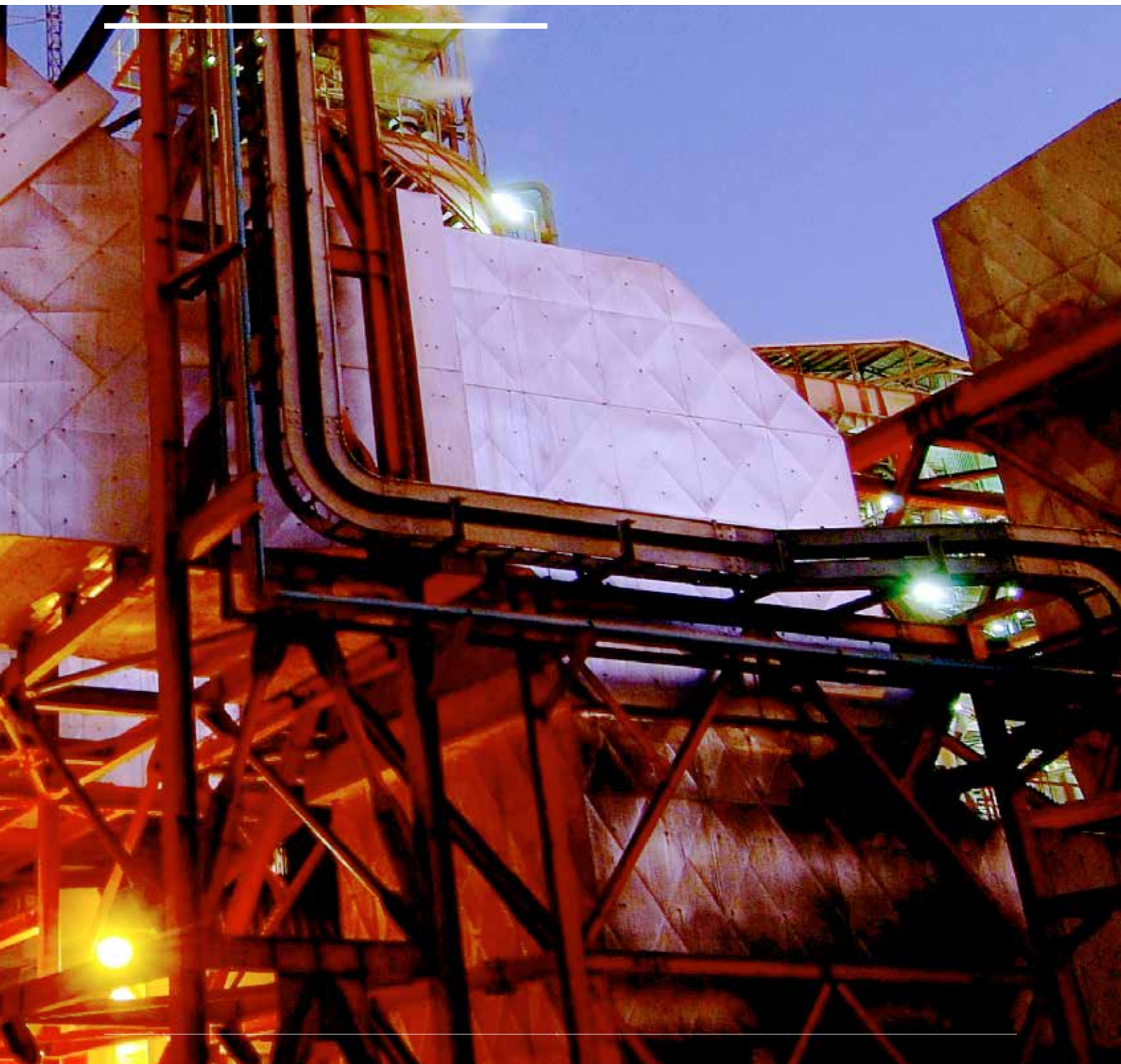


TOTAL: 55 THOUSAND TONS





OTHER INVESTMENTS





Inmobiliaria Viña Norte

Inmobiliaria Viña Norte was established in 2012 to hold the real estate assets in the Las Salinas beach area under one company, which up to them were managed by Compañía de Petróleos de Chile S.A. (Copec). The new company is managed directly by Empresas Copec for real estate purposes.

The Las Salinas site, formerly used for clean fuel distribution operations, was purchased fully by the fuel affiliate after exercising a call option it had on a site owned by Petrobras as part of the tender this company held in late 2011. Before that, the company had already purchased other sites belonging to ExxonMobil and Shell.

In October 2012, Copec staged an international tender to undertake a master plan to include all the requirements needed for an area conceived to be a mixed, residential, commercial and entertainment area and meeting the touristic expectations for this important hub of Viña del Mar.

The tender was awarded to the consortium led by Urbe Arquitectos, which will coordinate the work of 12 multidisciplinary teams to develop the strategic plan of organizing and developing the area. Besides Urbe Arquitectos, there is also the international design and urban planning firm Sasaki with offices in Boston and which was the designer of the master plan for the Olympic city of Beijing.

The aim of the project is to have a model in keeping with the strategic city vision, which has suitable treatment for public areas and creates value with four core aspects: urban identity, sustainability, business plan and paradigmatic development. This means the architecture is commensurate with what Viña del Mar is; it has suitable road and pedestrian connectivity; that sustainability in the long run means a better quality of life for inhabitants and envisages better energy efficiency, among other variables.

The master plan will be ready in August 2013, after which the different options to physically build on the area will be analyzed.

Guacolda Energía

Empresa Eléctrica Guacolda S.A. was established in 1992 to provide electricity to the central interconnected power grid (SIC). Since then, it has been supplying important mining customers in the Atacama and Coquimbo regions and the main electricity distributors. It is currently the leading electric power generating company in the small north of Chile and a major player in the development of the north of the country.

The company has a complex in the province of Huasco in the Atacama region, comprising four coal-fired power generating plants with a gross power rating of 152 MW each, giving it a total power rating of 608 MW. These plants have cutting-edge environmental technology including electrostatic precipitators, denitrifiers and desulfurizers.

It should be noted that each one of these power plants can use coal of different qualities and calorie ratings, which is a significant competitive advantage since it gives the company greater flexibility and it can therefore get more competitive prices and a larger variety of suppliers.

Guacolda Energía also has a sea terminal that can receive vessels of up to 240 meters long, a coal stockpile yard that can store around 350,000 metric tons of coal, and five own 223-kilometer long transmission lines.

In 2012, the company had sales of 4,524 GWh, which was a 1.9% year-on-year increase, explained by higher energy demand from its main customers and an increase in the prices for new customers. It is important to highlight that the contracts with Candelaria and Ojos del Salado ended during the year, and new supply contracts started with Gener, Pucobre and Compañía Minera Mantos de Oro. Moreover, new contracts were signed with Minera Mantoverde and Compañía Minera del Pacífico. The complex also had a decreased generation rate in the year due to the lower availability of units 1, 3 and 4, mainly because of scheduled maintenance.

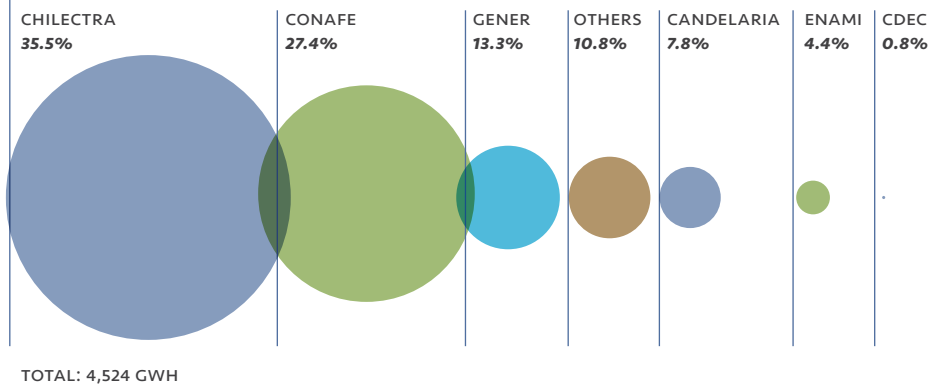
Regarding investments, Guacolda Energía gave Japan-based Mitsubishi instructions to proceed on building unit 5, which will provide a further gross 152 MW of power. This new power plant will entail an investment of about US\$ 455 million, of which up to US\$ 318 million will be financed with a credit line of Banco Itaú Chile and Banco del Estado de Chile – New York branch. It will have the best environmental technology, complying with current legislation and high standards in the industry and it is forecasted it will be commissioned in September 2015.

The company also continued to analyze new non-conventional renewable energy (NCRE) generation projects, mainly wind, mini-hydraulic and biomass energy, to take advantage of the opportunities in this area.

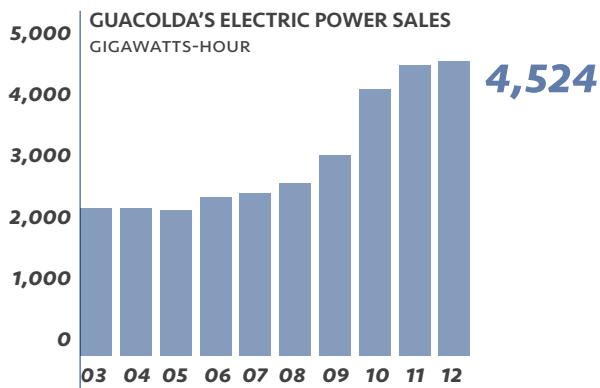
At the same time, Guacolda Energía signed a supply contract with Mina Invierno for up to one million tons of sub-bituminous coal to give it a competitive and advantageous supply in logistical terms.

In the next few years, the construction work on unit 5 is expected to progress according to schedule and, after commissioning, this unit will increase the company's electricity sales. The company will also continue to undertake initiatives to consolidate its position in the country's electric power generating business and enhance its community and environmental commitment.

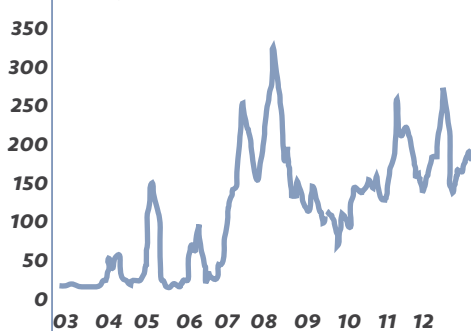
GUACOLDA'S SALES PER CLIENT 2012



GUACOLDA'S ELECTRIC POWER SALES GIGAWATTS-HOUR

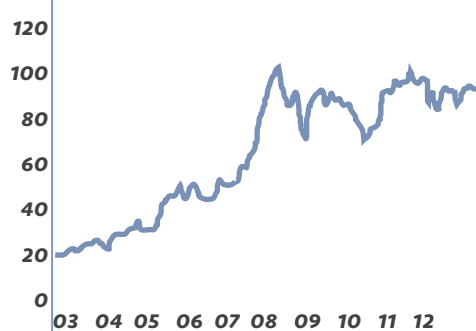


QUILLOTA'S MARGINAL COST MILLS / KWH



SOURCE: CDEC-SIC'S MONTHLY REPORT

ALTO JAHUEL'S KNOT PRICE MILLS / KWH



SOURCE: CNE'S KNOT PRICE REPORT

Camino Nevado

Sociedad Minera Camino Nevado Ltda. was established in 2011 to have in a single entity the specialized management of the holding's companies in the mining sector. The company therefore operates in the national copper, gold and silver mining industry through its affiliate Compañía Minera Can-Can, and in coal mining through its related company Mina Invierno.

This has enabled Empresas Copec to strengthen its strategic position and know-how in a sector in which it has been involved for decades, and reaffirm its ongoing quest for new business opportunities which complement and have synergy with its current operations.

Camino Nevado is currently developing large mid-sized exploration and mining projects in the north and south of the country.

In the next few years, the company will continue to develop mining projects in a sector offering large growth and development opportunities, due to the support of a structure facilitating partnerships and securing the financing needed for these kinds of projects.





Mina Invierno

Empresas Copec and Inversiones Ultraterra established Mina Invierno in 2007 to develop a coal mining project in the Magallanes region.

The company has four deposits on Riesco Island: “Estancia Invierno,” “Río Eduardo,” “Mina Elena” and “Adela,” with resources of over 516 million tons and reserves of 250 million tons. This will allow for a sustainable mining operation for several decades and supply the domestic energy market, leveraging the large advantages of coal from Magallanes for the electric sector, such as its abundance and safe supply, it is easy to mine, it is close to consumption points and it has a low sulfur content.

In 2007, the company was the successful bidder in two tenders launched by Chile’s Economic Development Agency (CORFO) for exploration with a call option of the “Río Eduardo,” “Mina Elena,” and “Estancia Invierno” deposits. The former two became available to the company in 2008, and exploration works started immediately, which confirmed the reserves. Mina Invierno therefore exercised the call option for “Río Eduardo” in 2009.

In the case of “Estancia Invierno,” the company has mining rights up to 2017 and, according to what was established by the CORFO, it may exercise the call option late that year, should this be appealing. The reserves of this deposit amount to 119 million tons.

Mina Invierno also owns a deposit called “Adela,” which has coal reserves of over 80 million tons.

In April 2012, the company started mining operations with the pre-stripping process, which entails stripping waste material to reach the coal seams. This will enable the first coal to be mined in the first quarter of 2013, for which an open-cut mining technique called “mobile pit” will be used, filling in the areas mined as coal is removed to minimize outside surface use.

Progress was made during the year on the construction of a sea terminal, which can receive vessels of 140,000 tons and transfer up to 3,000 tons of coal per hour. This terminal will have a 500-meter long dock, a 500,000-ton stockpile yard, and cutting-edge technology to guarantee efficiency, operating safety and conserve the environment.

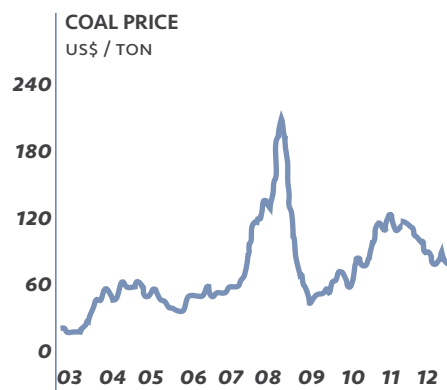
In the commercial area, the company signed a supply contract with Guacolda Energía for up to 1 million tons of sub-bituminous coal in the first year of mining operations and it is at an advanced negotiating stage with other national and foreign customers.

At the same time, Mina Invierno continued to develop a series of forestry, livestock and grazing projects on the land around the mine site. These include an integrated compensation zone with a surface area of 690 hectares for the reforestation of lenga (*Nothofagus pumilio*) trees and relocation of the species affected.

This is in addition to an 800-m² greenhouse, the largest and most modern in Patagonia. Mina Invierno will start to build two new modules in 2013 to double the greenhouse capacity and accommodate more native species.

The company has also allocated 1,600 hectares close to the mine where 1,600 sheep and 300 cattle graze to show that the livestock activity and coal mining can be undertaken simultaneously. As of 2013, the surface area will be increased by 3,800 additional hectares.

In the next few years, Mina Invierno will play a major role in the national energy grid and in the development of the Magallanes Region. Regarding this, it should be mentioned that the company has made a major contribution to employment in the area, as over 80% of the people hired directly are from the Magallanes Region.



SOURCE: INTERNATIONAL COAL REPORT,
NORTHWEST EUROPE CIF 6,000 KCAL/KG



Can-Can

Compañía Minera Can-Can S.A. was established in 1991 to develop mid-sized gold, silver and copper exploration and underground mining projects.

The company has mining deposits in the Arica and Parinacota, Atacama and Valparaíso regions, which are managed directly or through its affiliates. These include the El Bronce and Botón de Oro mine sites in the province of Potorca, and the projects of Choquelimpie, in the province of Parinacota, and Diego de Almagro, in the province of Chañaral.

It also has a leaching plant in Copiapó to produce dore metal from the recovery of fine gold and silver contained in ores and tailings.

In 2012, Can-Can's total sales amounted to 13,000 ounces of gold equivalent, which was a 13.3% year-on-year decrease, which were mainly sold in the United States and China.

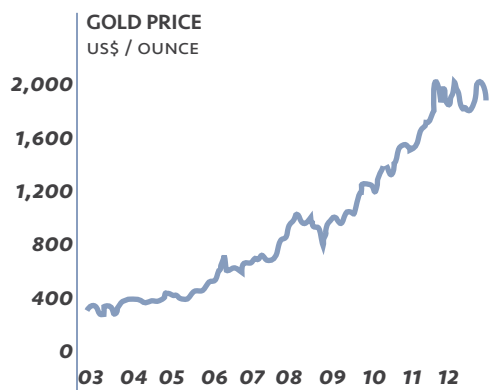
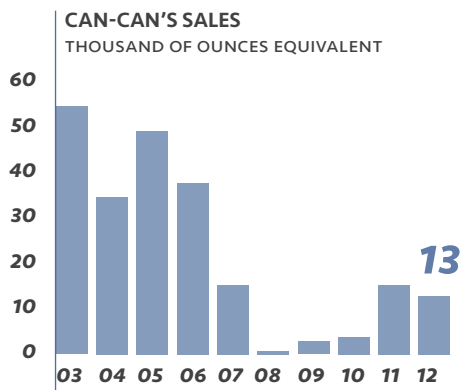
Regarding investments, the company submitted the Diego de Almagro project, which it was awarded in a tender in March 2011, to the environmental impact assessment system. This deposit has large copper reserves, which could produce about 10,000 tons of cathodes and 30,000 tons of copper concentrate a year. Its development will entail an investment of around US\$ 475 million.

At the same time, Can-Can completed the first drilling phase of the Choquelimpie polymetal deposit to define the quality and location of the mining resources available. Next year, the company will continue to conduct geological studies to define a mid-scale project to produce gold and silver.

Work started at the Botón de Oro gold deposit to obtain the first ounces of gold in late 2013. The company focused on developing the mine at the El Bronce mine site with the outlook of attaining higher production rates in 2013.

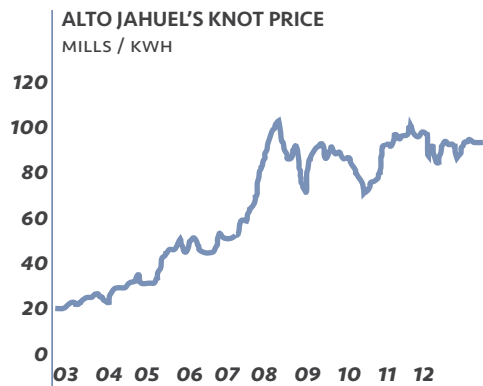
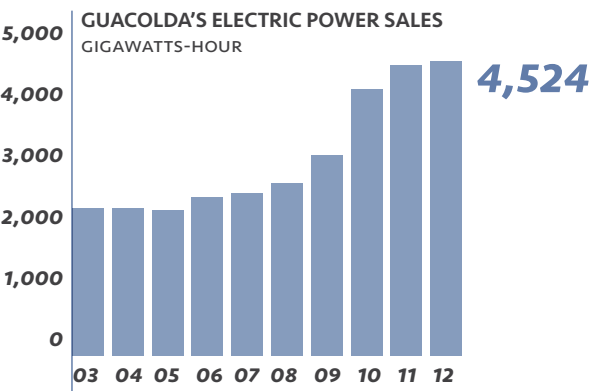
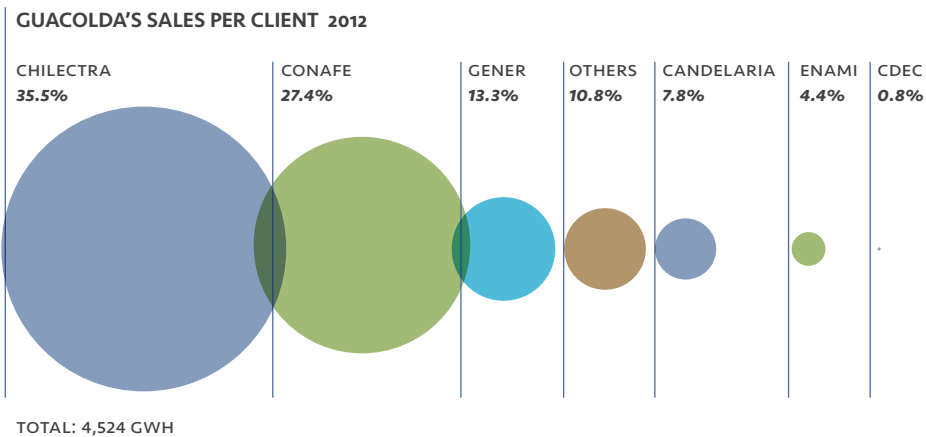
In the corporate area, Can-Can consolidated the operation of its three affiliates established from the company restructuring process in 2011: Compañía Minera Sierra Norte S.A., which is in charge of the assets of the Diego de Almagro project; Compañía Minera Paso San Francisco S.A., which holds the assets of the leaching plant in Copiapó; and Compañía Minera La Merced S.A., which is in charge of the assets of Botón de Oro.

In the next few years, Can-Can will carry on seeking new lines of development and putting improvements in place to maximize the efficiency of its operations and attain a better growth outlook for its current and future projects.

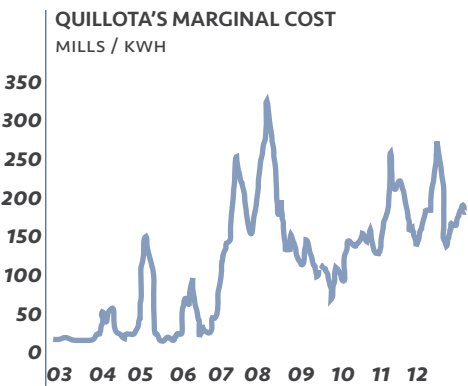


SOURCE: BLOOMBERG



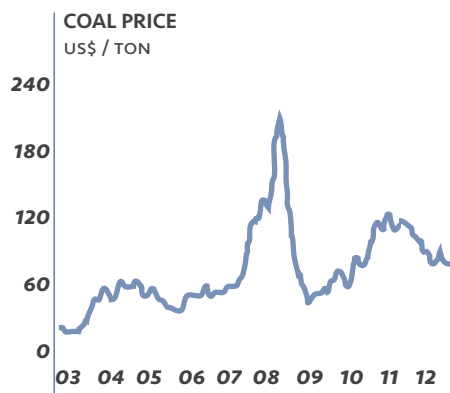


SOURCE: CNE'S KNOT PRICE REPORT



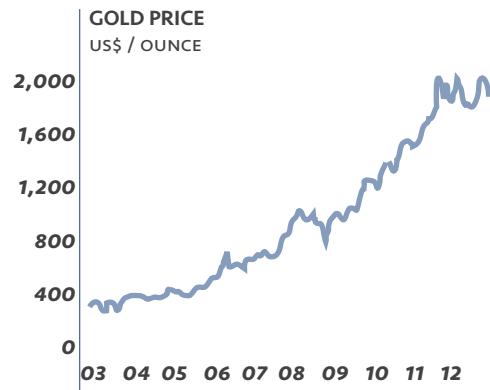
SOURCE: CDEC-SIC'S MONTHLY REPORT

Mina Inverno

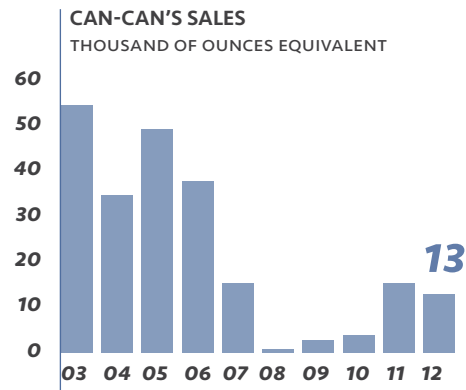


SOURCE: INTERNATIONAL COAL REPORT,
NORTHWEST EUROPE CIF 6,000 KCAL/KG

Can-Can



SOURCE: BLOOMBERG



US\$ 1,559

MILLION IN EBITDA





FINANCIAL INFORMATION

GENERAL INFORMATION

COMPANY OWNERSHIP

Shareholder Name (1)	Taxpayer Code N°	N° of Shares	%
AntarChile S.A. (2)	96.556.310-5	790,581,560	60.82
Banco de Chile por Cuenta de Terceros	33.338.248-2	35,042,813	2.70
Banco Itaú por Cuenta de Inversionistas	33.338.288-1	34,375,330	2.64
Forestal y Pesquera Callaqui S.A.	96.513.480-8	29,731,091	2.29
Viecal S.A.	81.280.300-K	29,439,066	2.26
Minera Valparaíso S.A.	90.412.000-6	22,027,125	1.69
AFP Provida	98.000.400-7	20,492,817	1.58
Forestal y Pesquera Copahue S.A.	79.770.520-9	18,692,371	1.44
Banco Santander – JP Morgan	33.338.330-6	17,056,227	1.31
AFP Habitat	98.000.100-8	15,692,267	1.21
Servicios y Consultoría Ltda.	93.865.000-4	15,446,423	1.19
Larraín Vial S.A. Corredora de Bolsa	80.537.000-9	14,926,086	1.15
Subtotal		1,043,503,176	
Total Shares		1,299,853,848	

(1) Twelve major shareholders

(2) AntarChile S.A. owns more than 10% of the Company capital

At December 31, 2012 there were 8,179 shareholders

Company Controllers

For the year ended December 31, 2012, Empresas Copec S.A. was controlled by the publicly-traded corporation AntarChile S.A., owner of 60.821% of Empresas Copec S.A.'s stock. In turn, the final controllers of AntarChile S.A. and hence Empresas Copec S.A. are Mrs. María Nosedá Zambra de Angelini, Mr. Roberto Angelini Rossi and Mrs. Patricia Angelini Rossi. It is also left on record that some of the above-mentioned final controllers have a direct stake in Empresas Copec S.A., as follows: Mr. Roberto Angelini Rossi is the direct owner of 0.002% of Empresas Copec S.A.'s stock and Mrs. Patricia Angelini Rossi is the direct owner of 0.0002% of Empresas Copec S.A.'s stock.

It should also be noted that the following individuals related by kinship to the final controllers are the direct owners of the following percentages of Empresas Copec S.A.'s stock: Mrs. Daniela Angelini Amadori: 0.00005%, Mr. Maurizio Angelini Amadori: 0.00005%, Mr. Claudio Angelini Amadori: 0.00005%, Mr. Mario Angelini Amadori: 0.00005%, Mr. Franco Roberto Mellafe Angelini: 0.00006%, Mr. Maximiliano Valdés Angelini: 0.00006% and Mrs. Josefina Valdés Angelini: 0.00006%.

As already mentioned, AntarChile S.A. is controlled by its final controllers with an agreement of acting jointly entered into, who are the above-mentioned Mrs. María Nosedá Zambra de Angelini, taxpayer code N° 1.601.840-6, Mr. Roberto Angelini Rossi, taxpayer code N° 5.625.652-0, and Mrs. Patricia Angelini Rossi, taxpayer code N° 5.765.170-9. They exercise such control as follows: a) Shares directly owned by the final controllers: a.1) Mr. Roberto Angelini Rossi is the direct owner of 0.21127% of the shares issued by AntarChile S.A.; and a.2) Mrs. Patricia Angelini Rossi is the direct owner of 0.22528% of the shares issued by AntarChile S.A. Total shares of AntarChile S.A. directly owned by the final controllers: 0.43655%. b) Shares of AntarChile S.A. owned by the company controlled by the final controllers: Inversiones Angelini y Compañía Limitada, taxpayer code N° 93.809.000-9, is the direct owner

of 63.4015% of the shares issued by AntarChile S.A., and indirect owner of, through its affiliate Inmobiliaria y Turismo Río San José S.A., 0.073% of the shares of AntarChile S.A. Inversiones Angelini y Compañía Limitada is controlled by the mentioned final controllers, i.e., Mrs. María Nosedá Zambra, Mr. Roberto Angelini Rossi and Mrs. Patricia Angelini Rossi, with a total shareholding of 52.118294%, broken down as follows: Mrs. María Nosedá Zambra, directly 10.944020%; Mr. Roberto Angelini Rossi, directly 5.377325% and indirectly 16.992312% through Inversiones Arianuova Limitada, taxpayer code N° 76.096.890-0, of which he has a 99% shareholding; and Mrs. Patricia Angelini Rossi, directly 5.105316% and indirectly 13.699321% through Inversiones Rondine Limitada, taxpayer code N° 76.096.090-K, of which she has a 99% shareholding. Moreover, Mr. Roberto Angelini Rossi has statutory control of Inversiones Golfo Blanco Limitada, taxpayer code N° 76.061.995-7, which has a 18.357026% shareholding of Inversiones Angelini y Compañía Limitada, whose partners are: (i) Mr. Roberto Angelini with a 0.00011% shareholding; and (ii) Maurizio, Daniela, Claudio and Mario Angelini Amadori with a 24.9999% shareholding each. Mrs. Patricia Angelini, has statutory control of Inversiones Senda Blanca Limitada, taxpayer code N° 76.061.994-9, which has a 14.793925% shareholding of Inversiones Angelini y Compañía Limitada, whose partners are: (i) Mrs. Patricia Angelini with a shareholding of 0.000013%; and (ii) Franco Mellafe Angelini, Maximiliano Valdés Angelini and Josefina Valdés Angelini with a shareholding of 33.33328%. They are also members of the controller of AntarChile S.A., with an agreement of acting jointly entered into, holders to own name of the shares of AntarChile S.A. passed to indicate: Yolab Investment Corp., taxpayer code N° 59.008.790-4, with a 4.57746% shareholding, and Jean Pierre Corp., taxpayer code N° 59.008.780-7, with a 5.52542% shareholding. These two companies were established pursuant to the laws of the Republic of Panama. It should be noted that these two foreign companies are also partners of Inversiones Angelini y Compañía Limitada, a company referred to in letter b) hereinabove, and have the following shareholding percentages: Yolab

Investment Corp.: 0.550382% and Jean Pierre Corp.: 7.298763%. Lastly, it is left on record that the aforementioned Inversiones Angelini y Compañía Limitada is the direct owner of 0.1507% of Empresas Copec S.A.'s stock, and indirect owner, through its affiliate Inmobiliaria y Turismo Río San José S.A., of 0.049% of the shares of the mentioned Empresas Copec S.A.



Other Majority Shareholders

The following shareholders control, directly or through some kind of relationship among them, over 10% of the Company's voting capital:

All these shareholders belong to the same business group whose final controllers, in equal shares, are the following individuals: Mr. Eliodoro Matte Larraín, taxpayer code N° 4.436.502-2, Mrs. Patricia Matte Larraín, taxpayer code N° 4.333.299-6 and Mr. Bernardo Matte Larraín, taxpayer code N° 6.598.728-7.

Shareholder Name	Taxpayer Code N°	N° of Shares	%
Forestal y Pesquera Callaqui S.A.	96.513.480-8	29,731,091	2.29
Viecal S.A.	81.280.300-K	29,439,066	2.26
Minera Valparaíso S.A.	90.412.000-6	22,027,125	1.69
Forestal y Pesquera Copahue S.A.	79.770.520-9	18,692,371	1.44
Servicios y Consultoría Ltda.	93.865.000-4	15,446,423	1.19
Forestal, Constructora y Comercial del Pacifico Sur S.A.	91.553.000-1	10,638,898	0.82
Coinindustria Ltda.	80.231.700-K	5,838,513	0.45
Cominco S.A.	81.358.600-2	5,513,550	0.42
Inmobiliaria Choapa S.A.	83.104.400-4	2,209,330	0.17
Inmobiliaria Rapel S.A.	83.104.700-3	1,164,237	0.09
Inmobiliaria y Forestal Chigualoco Ltda.	94.773.000-2	681,002	0.05
Agrícola e Inmobiliaria Las Agustinas S.A.	83.104.900-6	590,254	0.05
Inmobiliaria Bureo S.A.	83.164.900-3	275,500	0.02
Forestal Bureo S.A.	87.014.900-K	174,767	0.01
Others		940,431	0.07
Total		143,362,558	11.03

Transfers

The changes in the shareholdings of the major shareholders of Empresas Copec S.A. December 31, 2011 through December 31, 2012 are outlined below.

Banco de Chile por Cuenta de Terceros increased its shareholding from 28,861,442 shares to 35,042,813 shares. Banco Itaú por Cuenta de Inversionistas also increased its shareholding from 27,226,040 shares to 34,375,330 shares. AFP Provida reduced its shareholding from 20,810,555 to 20,492,817 shares. Banco

Santander - JP Morgan increased its shareholding from 13,519,223 shares to 17,056,227 shares. AFP Habitat reduced its shareholding from 16,941,076 shares to 15,692,267. Larraín Vial S.A. Corredora de Bolsa also reduced its shareholding from 16,783,235 to 14,926,086 shares.

Moreover, in 2012 the Company's controller, directors, chief executive, managers and senior officers carried out the following transactions as financial investments:

TOTAL SHARES PURCHASED

Shareholder	Current Relationship with Empresas Copec S.A.	Number of Shares Traded	Unit Price (Ch\$)	Total Amount Traded (ThCh\$)	Transaction Date
Inversiones Santa Elena S.A.	Related to Director	72,179	6,893.16	497,541,731	November 8

STOCK MARKET INFORMATION

	Number of Shares Traded	Total Amount Traded (ThCh\$)	Average Price (Ch\$)
Q1 - 2010	35,622,120	285,277,139	8,008.43
Q2 - 2010	38,141,998	316,286,875	8,292.35
Q3 - 2010	37,799,228	329,977,204	8,729.73
Q4 - 2010	35,726,108	330,174,909	9,241.84
Q1 - 2011	38,691,029	320,914,881	8,294.30
Q2 - 2011	34,279,808	296,974,822	8,663.26
Q3 - 2011	30,828,521	228,130,092	7,399.97
Q4 - 2011	39,212,542	271,803,315	6,931.54
Q1 - 2012	36,596,567	277,561,435	7,584.36
Q2 - 2012	31,874,708	233,143,532	7,314.37
Q3 - 2012	26,116,318	183,138,007	7,012.40
Q4 - 2012	31,289,173	213,927,992	6,837.13

Capital Stock

The Company's subscribed and paid-up capital amounted to US\$ 686,113,724.13 for the year ended December 31, 2012, distributed into 1,299,853,848 subscribed and paid-up shares.

The balance sheet showed net income of US\$ 409,570,206.66 for the year ended December 31, 2012, which is proposed to be distributed as follows:

DISTRIBUTION OF NET INCOME	US\$
To cover interim dividend N° 24 of US\$ 0.0427130 per share paid in December 2012 and agreed on October 2012	55,520,657.41
To cover final dividend N° 25 of US\$ 0.0907790 per share, to be distributed	117,999,432.47
To the accumulated profit surplus fund	236,050,116.78
Total Net Income for the Period	409,570,206.66

Should the Shareholders' Meeting approve the distribution proposed, the following is the breakdown of the capital accounts:

FINAL BREAKDOWN OF THE CAPITAL ACCOUNTS	Thousands of US\$
Paid-up capital	686,114
Other reserves	208,700
Accumulated profits	9,021,678
Total Shareholders' Equity	9,916,492



The Board agreed to propose to the Ordinary General Shareholders' Meeting, which will analyze this Annual Report, a final dividend distribution of US\$ 0.0907790 per share. This amount, plus interim dividend N° 24 paid in December 2012, gives a total dividend distribution of US\$ 173.52 million, which accounts for 40.00% of the net income of the 2012 period, according to the breakdown below:

DIVIDEND DISTRIBUTION	Thousands of US\$
Net income for the period according to the balance sheet	409,570
Adjustments to the distributable net income	24,230
Net Income	433,800
30% minimum legal dividend	130,140
Actual Dividends:	
Interim dividend distributed in December 2012 of US\$ 0.0427130 per share for 1,299,853,848 shares	55,521
Plus: Final dividend proposed by the Board and to be distributed of US\$ 0.090779 per share for 1,299,853,848 shares	117,999
Total dividends for the 2012 period income	173,520
Actual Percentage of Net Income	40.00%

In the next few years, the Board plans to propose to the shareholders a final dividend distribution of 40% of the net income obtained in such years.

DIVIDENDS	Date	Ch\$ / share
Final N° 15	May 2008	94

DIVIDENDS*	Date	US\$ / share
Interim N° 16	December 2008	0.103361
Final N° 17	May 2009	0.078000
Interim N° 18	December 2009	0.055573
Final N° 19	May 2010	0.090150
Interim N° 20	December 2010	0.102215
Final N° 21	May 2011	0.202360
Interim N° 22	December 2011	0.110189
Final N° 23	May 2012	0.180331
Interim N° 24	December 2012	0.042713

* The Company's accounting has been in US dollars as of January 1, 2008.

Directors' Committee

Pursuant to circular letter N° 1.956 of the Superintendency of Securities and Insurance (SVS), dated December 22, 2009, in an extraordinary meeting held on May 4, 2011, the Board appointed the members of the Directors' Committee referred to in article 50 bis of Law N° 18.046. The members appointed were Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel and Juan Obach González. The latter was appointed President of the Committee in a meeting held on May 24, 2011. Mr. Juan Edgardo Goldenberg Peñafiel is related to the controller, and Messrs. Andrés Bianchi Larre and Juan Obach González are unrelated.

In the 2012 period, the Committee fulfilled its duties and exercised the faculties set forth by law which, among other matters, entailed analyzing the reports submitted by the external auditors, the quarterly financial statements, the remuneration systems and compensation plans for senior managers and officers, and lastly the information concerning operations laid down in Title XVI of Law N° 18.046 on corporations. Regarding the latter, it should be highlighted that the Committee reviewed the transactions referred to in than Title and confirm that the operations were made in accordance with market conditions.

The main activities undertaken by the Directors' Committee in the 2012 period are outlined below.

Meeting N° 69, held on March 9, 2012

- Financial statements and report of the external auditors.
- Contracts with related companies.
- Operation with the related company Cruz del Sur S.A.
- Bidding of external auditors.

Meeting N° 70, held on March 29, 2012

- Proposition of external auditors.
- Proposition of risk rating agencies.
- Operations with related companies BAM Asset Management and Portaluppi, Guzmán y Bezanilla Asesorías Limitada.

Meeting N° 71, held on May 25, 2012

- Presentation of Audit Work Plan 2012.
- Contracts with related companies.
- Financial statements at March 31, 2012.

Meeting N° 72, held on August 9, 2012

- Presentation of risk rating agencies.
- Presentation of Servicios Corporativos Sercor S.A.

Meeting N° 73, held on August 27, 2012

- Financial statements at June 30, 2012 and report of the external auditors.
- Contracts with related companies.

Meeting N° 74, held on November 22, 2012

- Financial statements at September 30, 2012.
- Contracts with related companies.

Meeting N° 75, held on December 26, 2012

- Internal Control Report.
- Remuneration systems for the Company's senior managers and officers.
- Operations with related companies Cruz del Sur S.A. and Portaluppi, Guzmán y Bezanilla Asesorías Limitada.

The Committee did not incur any expenses for the exercise of its duties in 2012, except the remuneration paid to three of its members, approved in the last Ordinary Shareholders' Meeting of Empresas Copec S.A., as outlined hereinbelow.

The Committee has prepared an Annual Management Report that will be informed in the next Ordinary Shareholders' Meeting.





The Board

Messrs. Jorge Andueza Fouque, Roberto Angelini Rossi, Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, José Tomás Guzmán Dumas, Carlos Hurtado Ruiz Tagle, Bernardo Matte Larraín and Juan Obach González were Company directors in the 2012 period.

Board and Management Remuneration

Pursuant to what is laid down in Law N° 18.046, the Ordinary General Shareholders' Meeting held on April 25, 2012, agreed on the Board remuneration for this period.

The gross remunerations received by each director in the 2012 period amounted to: Mr. Roberto Angelini Rossi: US\$ 279,239 (US\$ 272,038 in 2011); Mr. José Tomás Guzmán Dumas: US\$ 111,696 (US\$ 108,815 in 2011); Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, Carlos Hurtado Ruiz-Tagle and Bernardo Matte Larraín: US\$ 55,848 (US\$ 54,408 in 2011); Messrs. Jorge Andueza Fouque and Juan Obach González: US\$ 55,848 (US\$ 36,222 in 2011).

Furthermore, the members of the Company's Directors' Committee received the following gross remunerations: Messrs. Andrés Bianchi Larre and Juan Edgardo Goldenberg Peñafiel: US\$ 27,924 (US\$ 27,204 in 2011); and Mr. Juan Obach González: US\$ 27,924 (US\$ 18,111 in 2011).

No incentive plans such as bonuses, stock benefits, stock options or others existed in which the directors participated.

The parent Company directors listed below received the following gross compensation for serving as directors on the boards of the following affiliates in each period.

For their services at Celulosa Arauco y Constitución S.A.: Mr. Roberto Angelini Rossi US\$ 83,706 (US\$ 81,187 in 2011); Mr. José Tomás Guzmán Dumas US\$ 100,448 (US\$ 97,424 in 2011); and Mr. Jorge Andueza Fouque: US\$ 66,965 (US\$ 85,966 in 2011).

For their services at Forestal Arauco S.A.: Mr. Roberto Angelini Rossi: US\$ 83,689 (US\$ 81,185 in 2011); Mr. José Tomás Guzmán Dumas: US\$ 100,427 (US\$ 97,422 in 2011); Mr. Jorge Andueza Fouque: US\$ 67,136 (US\$ 27,787 in 2011).

For their services at Compañía de Petróleos de Chile Copec S.A.: Mr. Roberto Angelini Rossi: ThCh\$ 82,043 (ThCh\$ 81,920 in 2011); Mr. José Tomás Guzmán Dumas: ThCh\$ 32,817 (ThCh\$ 32,768 in 2011); Messrs. Jorge Andueza Fouque, Arnaldo Gorziglia Balbi and Bernardo Matte Larraín: ThCh\$ 16,409 (ThCh\$ 16,384 in 2011).

For his services at Pesquera Iquique-Guanaye S.A.: Messrs. Roberto Angelini Rossi and Jorge Andueza Fouque: US\$ 27,879 (US\$ 27,493 in 2011).

For his services at Orizon S.A.: Mr. Roberto Angelini Rossi: US\$ 27,972 (US\$ 27,493 in 2011); and Mr. Jorge Andueza Fouque: US\$ 39,161 (US\$ 38,490 in 2011).

For his services at Compañía Minera Can-Can S.A.: Mr. Roberto Angelini Rossi: US\$ 27,924 (US\$ 27,204 in 2011).

The next Ordinary General Shareholders' Meeting shall establish the directors' remuneration for the 2013 period.

On the other hand, the remunerations and bonuses received by the Company's senior officials in the 2012 period amounted to Ch\$ 1,170 million. Bonuses are voluntary and are established based on the Company's results. No severance indemnities were paid to the Company's senior managers and officers in the 2012 period.

Related Party Transactions

The information on related party transactions is set out in Note N° 16 to the Company's financial statements, which are an integral part of this Annual Report.

Significant Events

The parent company and its affiliates reported the following significant events to the Superintendency of Securities and Insurance (SVS) in 2012:

I. Parent Company

1. On March 14, 2012, the SVS was informed of the following: "By means of newsletter N° 068 of the Colombian stock market, 55,948,159 shares of Proenergía Internacional S.A. were awarded to Copec Investments Ltd., an affiliate of Empresas Copec S.A. in a takeover bid, whose acceptance period ended on March 9, 2012, at a price of nine thousand two hundred and eighty Colombian pesos (COP\$ 9,280) per share. As reported previously, Proenergía Internacional S.A. is the parent company of Sociedad de Inversiones en Energía S.A., which in turn is the parent company of Organización Terpel S.A.

As a result of the mentioned award, when the operation has been liquidated and cleared, Copec Investments Ltd. will have a direct shareholding of 98.24% of Proenergía Internacional S.A.

The operation will entail an investment of US\$ 294 million and will be closed in the next three business days.

The company deems that when this operation has been completed it will have positive effects on the results of Compañía de Petróleos de Chile Copec S.A and its parent company Empresas Copec S.A. in the long-term, notwithstanding the fact that these are not quantifiable at present."

2. On March 30, 2012, the SVS was informed of the following: "A company board meeting, held on March 29, 2012, agreed to propose to the company's ordinary shareholders' meeting, scheduled for April 25, the payment of a minimum compulsory final dividend indicated below, charged to the profits for the year ended December 31, 2011, and charged to income of such year:



Dividend N° 23 of US\$ 0.180331 per share, single series.

This dividend shall be paid in Chilean pesos according to the "observed dollar" exchange rate published in the Official Gazette on May 4, 2012.

This dividend constitutes income for the shareholders. The company shall calculate and timely inform of the credit which, due to the mentioned dividend, corresponds to shareholders who pay the complementary global tax and additional tax.

If this dividend is approved by the mentioned shareholders' meeting, it shall be paid as of May 10, 2012, from 09:00 hours at the company share department, located at Avda. El Golf N° 140, district of Las Condes, with customary business hours of Monday through Friday 09:00 to 17:00 hours. For those shareholders who have asked the company, the mentioned dividend shall be deposited in their current account or they shall be sent their check by mail, as the case may be.

Those shareholders listed in the company shareholders' registry on May 4, 2012 shall be entitled to the dividend mentioned above, if it is approved by the shareholders' meeting."

3. On June 8, 2012, the SVS was informed of the following: "Our affiliate Celulosa Arauco y Constitución S.A., hereinafter referred to as "Arauco," and its Canadian affiliate Arauco Canada Ltd. have signed a contract in which it is agreed that the latter shall buy all the shares of Canada-based Flakeboard Company Limited, hereinafter referred to as "Flakeboard," a leading wood panel producer for furniture in North America.

The mentioned purchase and sale contract is subject to meeting the foregoing conditions laid down therein, including the authorization that shall be granted by (i) the competent authority in Canada, pursuant to the Investment Canada Act

(Canada), and (ii) the US free competition agency. The affiliate Arauco expects this operation to be completed in the second half of this year, unless the mentioned authorizations take longer than estimated.

The price agreed on to purchase 100% of Flakeboard's shares amounts to US\$ 242.5 million, which shall be paid when the preceding conditions have been met.

Flakeboard is a company that, directly and/or through its affiliates, owns and operates seven panel mills with a joint MDF production capacity of 1.2 million m³ a year; a production capacity of 1.1 million m³ of particleboard (PB) a year; and a production capacity of 180,000 m³ of melamine boards a year.

Two of the Flakeboard mills are located in Canada and the other five are in the United States.

When this purchase has been completed, Arauco will consolidate its position in the panel production area in North America, in which it already operates through the recent purchase of the Moncure mill located in the state of North Carolina, United States of America, as reported in a significant event dated December 29, 2011.

Hence, when the purchase of Flakeboard has been completed, Arauco's installed capacity in North America will enable it to produce up to 2.9 million m³ of panels a year.

The company deems that when this operation has been completed it will have positive effects on the results of Arauco and Empresas Copec S.A., notwithstanding the fact that these are not quantifiable at present."

4. On November 8, 2012, the SVS was informed of the following: "On September 27, 2012, Law N° 20.630 was published in the Official Gazette which, among various tax modifications, raised the first category income tax rate to 20%, effective in the 2013 fiscal year, 2012

commercial year. Empresas Copec S.A. and its auditors analyzed the effects of the mentioned tax rate change on the company's financial statements. One of these effects is an increase in net liabilities due to deferred tax, as laid down in International Financial Reporting Standard Nº 12. Since doubts arose in the market about this issue, the company filed a query to the Superintendency of Securities and Insurance on October 8, 2012, which was answered yesterday. With the information gathered so far we can inform you of the following:

a) The increase in the consolidated net liabilities of the company and its main affiliates and related companies due to deferred tax will give Empresas Copec S.A. a charge to income of about US\$ 168 million, which will be included in the financial statements as of September 30, 2012; and

b) Nevertheless, and regarding dividends, the charge to income for the increase in net liabilities due to deferred tax will reduce the company's net distributable income by about US\$ 113 million after applying to the mentioned US\$ 168 million the adjustments we deem should be made in accordance with the policy on determining the company's net distributable income, according to circular letter Nº 1.945, 2009, issued by the Superintendency of Securities and Insurance."

II. Affiliate: Celulosa Arauco y Constitución S.A.

1.- On January 2, 2012, the SVS was informed of the following: "As of Saturday, December 31, there have been various outbreaks of fires in the Biobío Region and, due to the high temperatures and strong winds, the fires intensified, affecting the plantations of Arauco's forestry affiliates, and also, as of the early hours of today the Nueva Aldea industrial and forestry complex in the Rancuél district (hereinafter referred to as the "Nueva Aldea" complex).

So far, the fire has affected about 4,000 hectares of Arauco's plantations. As reported, the fire reached the Nueva Aldea complex seriously damaging the panel mill, which has a production capacity of 450,000 m³ a year.

The fire did not damage any other facilities of the Nueva Aldea complex. Besides the panel mill, this has a wood pulp mill, a log plant, a sawmill and biomass-fired electricity generating plants. All the preventive action possible was taken so the fire would not reach these other industrial facilities, and so far the fire has only therefore damaged the panel mill.

Arauco shut down all the industrial facilities of the Nueva Aldea complex, and made sure its employees were safe and protected and none of them were harmed.

The National Forestry Corporation (CONAF) and Arauco are fighting this fire affecting the plantations and industrial facilities. The company is acting with over 300 specialized firefighters supported by seven planes and eight helicopters.

Arauco is assessing the damage caused by these fires, and we are therefore not yet able to quantify the effect they will have on its results.

Lastly, it should be mentioned that the plantations and the industrial assets have insurance coverage."

2.- On January 5, 2012, the SVS was informed of the following: "Yesterday, Celulosa Arauco y Constitución S.A. established the price and conditions of the bonds of US\$ 500 million to be issued in the United States of America on January 11, 2012. These bonds have 10-year maturity and an interest rate of 4.75% per annum. The capital will be paid on the bond maturity date of January 11, 2022, and interest will be paid half yearly.

The proceeds from this issuance will be allocated to refinancing the company's liabilities and for other corporate purposes."

3.- On April 26, 2012, the SVS was informed of the following: "Today, the company placed dematerialized bearer bonds in the domestic market, whose most important conditions are as follows:

1. "P" series bonds, issued and charged to the bond line approved by the Board on April 9, 2009, and registered in the Securities Registry of the Superintendency of Securities and Insurance under N° 588, on June 4, 2009. In turn, the mentioned "P" series was approved by the Board on October 25, 2011, and was recorded in official letter N° 30.212 of the above-mentioned Superintendency on November 23, 2011.

This placement was made for a total of 5 million *Unidades de Fomento* ("UF"), with 21-year maturity. Interest shall accrue as of November 15, 2011, and shall be paid half-yearly on May 15 and November 15 each year, as of

May 15, 2012. The capital shall be repaid in 22 installments payable half-yearly on May 15 and November 15 each year, as of May 15, 2022 and up to November 15, 2032.

The issuance attained a placement rate of 3.88%.

The "P" series bonds shall accrue compound past-due coupon interest of 4% per annum on the capital not fully paid, expressed in UF, calculated based on 180-day semesters, equivalent to a half-yearly rate of 1.9804%.

2. This bond series has a domestic risk rating of AA.
3. IM Trust S.A. Corredores de Bolsa was the underwriter, a company with whom there is no ownership relationship.
4. The spread on the "P" series bond with 20-year maturity issued by the Chilean Central Bank in UF ("BCU") was 110 base points.
5. The following are further important conditions of the mentioned bonds:
 - i) The "P" series bonds may be redeemed as of November 15, 2014.
 - ii) The bonds shall have no guarantee whatsoever.
 - iii) Approximately 70% of the proceeds from this bond placement shall be allocated to financing the investment projects of Arauco and/or its affiliates and about 30% to the payment or pre-payment of short or long-term liabilities of the company and/or its affiliates, be they expressed in national or foreign currency.

It is deemed that the mentioned bond placement will have no major effect on the company's financial statements."

4.- On June 8, 2012, the SVS was informed of the following: "Late yesterday, Arauco and its Canadian affiliate Arauco Canada Ltd signed a contract in which it is agreed that such affiliate shall buy all the shares of Canada-based Flakeboard Company Limited, hereinafter referred to as "Flakeboard," a leading wood panel producer for furniture in North America.

The mentioned purchase and sale contract is subject to meeting the foregoing conditions laid down therein, including the authorization that shall be granted by (i) the competent authority in Canada, pursuant to the Investment Canada Act (Canada), and (ii) the US free competition agency. Arauco expects this operation to be completed in the second half of this year, unless the mentioned authorizations take longer than estimated.

The price agreed on to purchase 100% of Flakeboard's shares amounts to US\$ 242.5 million, which shall be paid when the preceding conditions have been met.

Flakeboard is a company that, directly and/or through its affiliates, owns and operates seven panel mills with a joint MDF production capacity of 1.2 million m³ a year; a production capacity of 1.1 million m³ of particleboard (PB) a year; and a production capacity of 180,000 m³ of melamine boards a year.

Two of the Flakeboard mills are located in Canada and the other five are in the United States.

When this purchase has been completed, Arauco will consolidate its position in the panel production area in North America, in which it already operates through the recent purchase of the Moncure mill located in the state of North Carolina, United States of America, as reported in a significant event dated December 29, 2011.

Hence, when the purchase of Flakeboard has been completed, Arauco's installed capacity in North America will enable it to produce up to 2.9 million m³ of panels a year.

Arauco deems that when this operation has been completed it will have positive effects on the results of the company, notwithstanding the fact that these are not quantifiable at present."

5.- On November 8, 2012, the SVS was informed of the following: "On September 27, 2012, Law N° 20.630 was published in the Official Gazette which, among various tax modifications, raised the first category income tax rate to 20%, effective in the 2013 fiscal year, 2012 commercial year.

Arauco and its auditors analyzed the effects of the mentioned tax rate change on the company's financial statements. One of these effects is an increase in net liabilities due to deferred tax, as laid down in International Financial Reporting Standard N° 12.

Since doubts arose in the market about this issue, the company filed a query to the Superintendency of Securities and Insurance on October 8, 2012, which was answered yesterday.

With the information gathered so far we can inform you of the following:

a) The increase in the consolidated net liabilities of the company and its main affiliates and related companies due to deferred tax will give Celulosa Arauco y Constitución S.A. a charge to income of about US\$ 128.981 million, which will be included in the financial statements as of September 30, 2012; and



b) Nevertheless, and regarding dividends, the charge to income for the increase in net liabilities due to deferred tax will reduce the company's net distributable income by about US\$ 73.938 million after applying to the mentioned US\$ 128.981 million the adjustments we deem should be

made in accordance with the policy on determining the company's net distributable income, according to circular letter N° 1.945, 2009, issued by the Superintendency of Securities and Insurance."



III. Affiliate: Forestal Cholguán S.A.

1.- On March 23, 2012, the SVS was informed of the following: "A company board meeting, held on this same date, agreed to propose to the company's ordinary shareholders' meeting, scheduled for April 24, the payment of a minimum compulsory final dividend indicated below, charged to the profits for the year ended December 31, 2011, and charged to income of such year:

Dividend N°35 of US\$ 0.01502975451 per share.

This dividend shall be paid in Chilean pesos according to the "observed dollar" exchange rate published in the Official Gazette on April 30, 2012.

This dividend constitutes income for the shareholders. The company shall calculate and timely inform of the credit which, due to the mentioned dividend, corresponds to shareholders who pay the complementary global tax and additional tax.

If this dividend is approved by the mentioned shareholders' meeting, it shall be paid as of May 7, 2012, from 09:00 hours at the company share department, located at Avda. El Golf N° 140, district of Las Condes, with customary business hours of Monday through Friday 09:00 to 17:00 hours. For those shareholders who have asked the company, the mentioned dividend shall be deposited in their current account or they shall be sent their check by mail, as the case may be.

Those shareholders listed in the company shareholders' registry on April 30, 2012 shall be entitled to the dividend mentioned above, if it is approved by the shareholders' meeting."

2.- On November 8, 2012, the SVS was informed of the following: "On September 27, 2012, Law N° 20.630 was published in the Official Gazette which, among various tax modifications, raised the first category income tax rate to 20%, effective in the 2013 fiscal year, 2012 commercial year.

Cholguán and its auditors analyzed the effects of the mentioned tax rate change on the company's financial statements. One of these effects is an increase in net liabilities due to deferred tax, as laid down in International Financial Reporting Standard N° 12. Since doubts arose in the market about this issue, the company filed a query to the Superintendency of Securities and Insurance on October 8, 2012, which was just answered.

With the information gathered so far we can inform you of the following:

a) The increase in the consolidated net liabilities of the company and its main affiliates and related companies due to deferred tax will give Forestal Cholguán S.A. a charge to income of about US\$ 7.436 million, which will be included in the financial statements as of September 30, 2012; and

b) Nevertheless, and regarding dividends, the charge to income for the increase in net liabilities due to deferred tax will reduce the company's net distributable income by about US\$ 1.158 million after applying to the mentioned US\$ 7.436 million the adjustments we deem should be made in accordance with the policy on determining the company's net distributable income, according to circular letter N° 1.945, 2009, issued by the Superintendency of Securities and Insurance."

IV. Affiliate: Compañía de Petróleos de Chile S.A.

1.- On February 15, 2012, the SVS was informed of the following: "The Financial Superintendency of Colombia authorized a takeover bid for the common stock of Proenergía Internacional S.A. by the subsidiary Copec Investments Ltd.

The following are the main characteristics of this takeover bid:

a) Those entitled shall be all those shareholders holding common and outstanding stock of Proenergía, other than Copec Investments, its parent company and/or subsidiaries.

b) The aim is to buy a minimum of one share and a maximum of 58,285,355 shares.

c) Copec Investments currently holds 74,629,442 shares (56.15%).

d) The price to be paid per share is COP\$ 9,280.

e) The term to submit acceptance is ten working days from February 27, 2012 through March 9, 2012.

f) Copec Investments and Corporación Financiera Colombiana signed a pre-agreement to sell 13,278,232 shares (9.99%) which the latter has in Proenergía."

V. Affiliate: Pesquera Iquique Guanaye S.A.

1.- On November 8, 2012, the SVS was informed of the following: "On September 27, 2012, Law N° 20.630 was published in the Official Gazette which, among various tax modifications, raised the first category income tax rate to 20%, effective in the 2013 fiscal year, 2012 commercial year.

Pesquera Iquique Guanaye S.A. and its auditors analyzed the effects of the mentioned tax rate change on the company's financial statements. One of these effects is an increase in net liabilities due to deferred tax, as laid down in International Financial Reporting Standard N° 12. Since doubts arose in the market about this issue, the company filed a query to the Superintendency of Securities and Insurance on October 8, 2012, which was just answered.

With the information gathered so far we can inform you of the following:

The increase in the consolidated net liabilities of the company and its main affiliates and related companies due to deferred tax will give Pesquera Iquique Guanaye S.A. a charge to income of about US\$ 5 million, which was included in the financial statements as of September 30, 2012."

Financing, Risk Factors and Insurance

Financing

At December 31, 2012, the consolidated financial debt amounted to US\$ 6,851 million, corresponding US\$ 1,283 to current financial liabilities and US\$ 5,568 to non-current financial liabilities plus non-current financial liabilities of current portion. The affiliate Celulosa Arauco y Constitución S.A. accounted for 64.4% of this amount, and its debt mainly consisted of bonds issued in the United States and expressed in US dollars. The affiliate Compañía de Petróleos de Chile Copec S.A. accounted for 24.1% of this amount, and its debt mainly with banks. 6.7% of the consolidated debt was issued by the parent company Empresas Copec S.A. and consisted of bonds expressed in "Unidades de Fomento."

Empresas Copec had a consolidated financial debt to shareholders' equity ratio of 0.64 and a hedging ratio (EBITDA to financial expenses) of 4.1 times. Debt maturing in 2013 amounts to US\$ 584 million. Altogether, the Company has kept its financing capacity open on a favorable basis as domestic and foreign banks have a very good appraisal of the risk rating quality and financial performance of Empresas Copec.

Risk Rating

In 2012, the risk rating agency Feller Rate reaffirmed the rating and outlook given to the shares of Empresas Copec, rating them as 1st Class, Level 1. Likewise, the Company obtained a credit rating of AA-. Moreover, Fitch Ratings maintained the rating given to the Company's shares at Level 1 and assigned AA- for its credit rating. In regard to international ratings, Standard & Poor's and Fitch Ratings established the Company's risk rating as BBB.

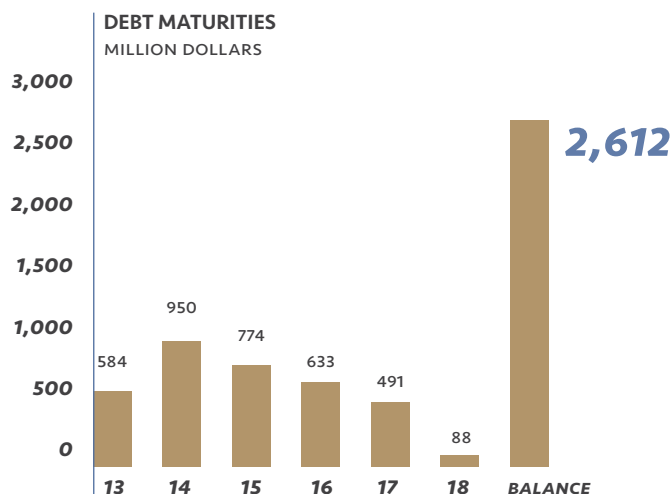
Concerning this, stands the leadership of Empresas Copec S.A. in its both main business, its efficient cost structure and sound international presence of its forestry affiliates, its extensive network, its efficient logistics and

strategical locations in the fuel distribution, and the support of its controlling group. However, is warns about the possible scenario of lower pulp wood prices and the higher debt of the Company related to its historicals levels.

Risk Factors

The Company has operations in different areas through its affiliates and related companies concerning natural resources and energy. The significant risk factors vary depending on the type of business. Based on this, the management of each of the affiliates carries out its own risk management in collaboration with the respective business units.

The most relevant affiliates are Arauco, with activities in the forestry sector, and Copec, with activities in the fuels sector. Together these two companies represent approximately 85% of the Group's consolidated assets, 85% of EBITDA and 67% of net income. Additionally, they represent around 94% of receivables. Together with the



Parent Company, they represent 94% of consolidated placements and 89% of the debt. Therefore, a significant portion of the risks faced by the Group lie within these three units.

Forestry Sector

The variations in the sales prices of wood pulp and forestry products arise from global supply and demand factors, and affect the earnings of companies in the forestry sector. Nevertheless, by maintaining one of the lowest cost structures in the industry, risks from price swings are limited.

As illustration of the sensitivity to prices, considering all other variables remain constant, a variation of + / - 10% in the average price of wood pulp would result in a variation of + / - 33.63% in net income for the period after taxes, + / - 1.17% in equity and + / - 15.90% in EBITDA.

The affiliate Celulosa Arauco y Constitución S.A. does not participate in forward operations or other hedging markets. In regard to the economic risks from interest rate variations, the affiliate had a fixed-rate debt to total consolidated debt ratio of approximately 87% for the year ended December 31, 2012, and this policy is in keeping with the industry in which it participates.

Most of the affiliates in the forestry business have accounting in US dollars. However, they are affected to the risk of loss from fluctuations in the exchange rates of the currencies of their assets and liabilities that are denominated in currencies other than the functional currency defined by Arauco. Considering all other variables remain constant, a variation of + / - 10% in the dollar exchange rate of the Chilean peso result in a variation of + / - 0.06% (ThUS\$ 573) in Arauco's EBITDA, + / - 3.64% (ThUS\$ 9,675) in net income for the period after taxes and + / - 0.08% in equity (ThUS\$ 5,805).

Similarly, considering all other variables remain constant, a variation of + / - 10% in the Brazilian real exchange rate of the Chilean peso result in a variation of + / - 0.42% (ThUS\$ 555) in net income for the period after taxes and + / - 0.42% in equity (ThUS\$ 555).

Fuels Sector

The Company has a leading market position through its affiliates Copec and Abastible of the distribution of liquefied fuels and liquefied petroleum gas for automobiles and consumption in various productive sectors and services and for residential consumption. The Company also participates in Colombia, through its affiliates Terpel and Inversiones del Nordeste. In both countries, the supplies of these fuels are primarily obtained from important local companies. Notwithstanding the foregoing, the Company can access alternative fuel markets to assure the supply and distribution of products to the public, resorting to international markets whenever local supply conditions make it necessary.

The major risk in the fuels and liquefied petroleum gas distribution business is essentially the distribution margin more than the prices of oil and its byproducts. The distribution margin mainly depends on competitive factors that arise daily in the Chilean market. Moreover, since they are products with a low price elasticity, possible oil price or exchange rate increases or decreases have little relative effect on the volumes traded in the market.

Without prejudice of the above, the value of the stocks of the Company is impacted by changes in international fuel prices. The Company's policy is not cover the permanent stock, because the ups and downs in prices are offset in the long run. In the case of specific stocks, given the methodology of market pricing, there isn't found a hedging instrument to mitigate this risk.

The affiliates in the fuels business, accounting for approximately 30% of the Company's assets, have accounting in Chilean and Colombian pesos, and their accounts receivable, financial liabilities and most of their earnings are expressed in that currencies. Due to this, exposure to exchange rate fluctuations is significantly reduced. Nevertheless, for the parent company exchange rate variations affect the value in US dollars of investments in the sector and the income obtained.

Fishing Sector

In regard to the fishing sector, the availability of pelagic species at the different fishing grounds is a determining factor of its results. A second risk factor is the market price of fishmeal and fish oil, which is obtained from the equilibrium of supply and demand, and Peruvian production is a decisive factor regarding supply, and consumption in Asia in general and China in particular concerning demand.

Since it is a sector that exports the bulk of its production, the result of its operations is sensitive to exchange rate variations, to certain financial return policies determined by the Chilean Central Bank and to export promotion policies of competitor countries. Fishmeal and fish oil are essentially traded in US dollars, and therefore virtually 100% of the company's earnings from this sector are indexed to this currency. Due to the nature of this, the bank debt of these companies is generally related to shipment advances in US dollars. Nevertheless, the necessary conversion of a large part of the resources to Chilean pesos is exposed to exchange rate variations, which is a risk that can be mitigated by issuing forwards or other financial instruments.

Sales agreed in non-US dollar currencies are generally converted to such currency by using forward sales contracts that convert such earnings into US dollars. This eliminates the risk of the volatility of these currencies compared with the US dollar.

Regarding costs, the fishing sector is highly sensitive to the price fluctuations of fuels, specifically diesel and bunker oil.

Concerning regulations, the application of catch quotas, closed seasons and restrictions imposed by the authorities can have a significant effect on the production of affiliates and related companies in this business.

Parent Company

Lastly, the parent company risks are mainly related to its financial placements, which at December 31, 2012 amount to US\$ 433 million. These are exposed to various risks, including interest rate, exchange rate and loan risks. Management provides written investment management policies, which establish the objectives of getting the maximum return for tolerable risk levels, maintaining suitable liquidity and reducing the levels of different kinds of risks. Such policies identify the instruments allowed and set limits for types of instruments, currencies, duration, issuers and risk rating. Moreover, investment operation and control mechanisms are determined.

Finally, on December 22, 2009, the Parent Company placed a UF-denominated bond in the Chilean market (BECOP-C) for a total amount of UF 7,000,000. The placement rate was 4.30%, for a nominal rate of 4.25%. Interest is paid semiannually, and the principal is amortized in a single payment in 2030. This liability is denominated in a currency (UF) other than the Parent Company's functional currency (US dollars). However, these bonds have been transferred to the affiliates belonging to the fuel sector, whose functional currency is the peso, such that the consolidated exposure to the exchange rate for this concept is eliminated. This transfer also eliminates all liquidity risk at the Parent level. Similar situation occurs with a new UF-denominated bond emission in the Chilean Market (BECOP-E) placed by the Parent Company on September 15, 2011 for a total amount

of UF 1,300,000. The placement rate was 3.40%, for a nominal rate of 3.25%. Interest is paid semiannually, and the principal is amortized in a single payment on July 31, 2021.

More information on risk factors is set out in Note N°4 to the Company's financial statements.

Insurance

The Company has insurance coverage for its principal assets against risks of fire, earthquake, loss from work stoppages, civil liability and others with lower effects on its equity. Hence, such risks are reasonably protected with first-class insurance companies that agree on reinsurance for the bulk of the significant risks with first-class risk underwriters based in Europe.

Each year the Company assesses the risks involved in its operating, commercial and administrative activities. This allows for suitable risk management, incorporating appropriate coverage or modification of existing coverage in keeping with what is offered in the market.

Difference Market and Book Values

For the year ended December 31, 2012, there were no major differences between the market and book values of the Company's main assets, with the exception of investments in affiliates and related companies which, pursuant to the regulations laid down by the Superintendency of Securities and Insurance, were stated using the equity method of the respective companies.

Headcount

For the year ended December 31, 2012, the headcount of the parent company Empresas Copec S.A. amounted to 23 people, including 7 officers and 8 professionals and technicians.

As of that same date, the consolidated headcount, i.e., that of Empresas Copec and those companies in which it has a shareholding of more than 50%, amounted to 24,759 employees, including 821 officers and 9,095 professionals and technicians.



FINANCIAL STATEMENTS SUMMARY

ASSETS

At December 31

	2012	2011
	ThUS\$	ThUS\$
Current Assets	6,126,558	5,635,568
Cash and cash equivalents	1,153,925	1,131,981
Other current financial assets	154,765	93,141
Other current non financial assets	251,043	244,192
Trade and other receivables	1,984,061	1,747,144
Accounts receivable with related parties	267,771	209,781
Inventories	1,569,927	1,494,465
Biological assets	258,914	285,301
Current tax assets	133,045	71,967
Non current assets held for sale	353,107	357,596
Non Current Assets	15,890,421	14,573,671
Other non current financial assets	71,554	36,738
Other non current non financial assets	153,073	105,830
Non current fees receivable	29,471	20,449
Non current accounts receivable with related parties	6,010	2,460
Investment in associates through equity method	1,700,076	1,494,075
Intangible assets other than goodwill	951,432	878,538
Goodwill	192,889	185,406
Property, plant and equipment	9,007,007	8,061,680
Biological assets	3,473,442	3,463,166
Investment property	62,218	137,292
Deferred tax assets	236,679	188,037
TOTAL ASSETS	22,010,409	20,209,239

LIABILITIES AND EQUITY

At December 31

	2012	2011
	ThUS\$	ThUS\$
Current Liabilities	3,399,816	2,704,683
Other current financial liabilities	1,282,670	694,628
Commercial creditors and other accounts payable	1,690,929	1,306,496
Accounts payable to related parties	14,565	11,924
Other provisions	14,331	17,124
Current tax liabilities	88,822	223,757
Current provisions for employee benefits	5,983	5,729
Other current non financial liabilities	174,791	301,642
Liabilities included in groups held for sale	127,725	143,383
Non Current Liabilities	7,848,201	6,705,506
Other non current financial liabilities	5,568,555	4,712,448
Non current liabilities	1,001	896
Accounts payable to related parties	5,317	0
Other provisions	26,296	22,012
Deferred tax liabilities	1,944,243	1,684,000
Non current provisions for employee benefits	86,497	72,497
Other non current non financial liabilities	216,292	213,653
Net Equity	10,762,392	10,799,050
Share capital	686,114	686,114
Accumulated earnings (losses)	9,021,679	8,785,629
Other reserves	208,700	341,347
Equity attributable to equity holders of the company	9,916,493	9,813,090
Minority interest	845,899	985,960
TOTAL LIABILITIES AND NET EQUITY	22,010,409	20,209,239

INCOME STATEMENT

For the years ended December 31,

	2012	2011
	ThUS\$	ThUS\$
Revenue	22,761,176	21,124,578
Cost of sales	(20,204,827)	(18,297,232)
Gross income	2,556,349	2,827,346
Other operating income	426,862	503,008
Distribution costs	(812,835)	(748,119)
Administrative expenses	(1,083,917)	(976,085)
Other operating expenses	(140,971)	(140,467)
Other income (loss)	1,083	10,369
Financial income	41,790	48,825
Financial costs	(378,854)	(303,571)
Income on investments in related companies and joint ventures	97,443	64,740
Exchange rate differences	(12,772)	(31,964)
Gains (losses) on net monetary position	(8,720)	(14,666)
Income before taxes	685,458	1,239,416
Income taxes	(250,905)	(249,111)
Income from continuing operations after taxes	434,553	990,305
Income from discontinued operations	2,778	4,465
Net Income	437,331	994,770
Income attributable		
Income attributable to equity holders of the company	409,570	932,725
Income attributable to minority interests	27,761	62,045
Net Income	437,331	994,770

	2012	2011
	ThUS\$	ThUS\$
Earnings per share		
Common shares		
Basic earnings per share	0.3150893	0.7175614
Basic earnings per share from discontinued operations	0.3129521	0.7141264
Basic earnings per share from continuing operations	0.0021372	0.0034350
Diluted common shares		
Earnings per diluted share	0.3150893	0.7175614
Earnings per diluted share from discontinued operations	0.3129521	0.7141264
Earnings per diluted share from continuing operations	0.0021372	0.0034350

COMPREHENSIVE INCOME STATEMENT

For the years ended December 31,

	2012	2011
	ThUS\$	ThUS\$
Net Income	437,331	994,770
Other comprehensive income, net of tax		
Exchange difference on conversion	54,407	(338,135)
Gain (loss) for exchange differences, before tax	54,407	(338,135)
Financial assets held for sale	2,339	373
Gain (loss) on fair value changes of financial assets held for sale	2,339	373
Cash flow hedges	(31,176)	(32,213)
Gain (loss) for cash flow hedges, before tax	(31,176)	(32,213)
Participation in other comprehensive income in associates and joint ventures	0	(24,342)
Other comprehensive income, net of tax	25,570	(394,317)
Income tax related to other comprehensive income		
Income tax related to financial assets held for sale on other comprehensive income	(335)	(74)
Income tax related to cash flow hedges on other comprehensive income	6,749	6,409
Total income tax related to other comprehensive income	6,414	6,335
Other comprehensive income	31,984	(387,982)
Total comprehensive income	469,315	606,788
Comprehensive income attributable		
Comprehensive income attributable to parent company	441,269	545,112
Comprehensive income attributable to non controlling interests	28,046	61,676
Total comprehensive income	469,315	606,788

STATEMENT OF CHANGES IN EQUITY

Current Period (ThUS\$)	Ordinary Shares Share Capital	Reserves available for sale	Conversion Reserves	Hedge Reserves
Opening balance at January 1, 2012	686,114	683	(164,948)	(36,529)
Restated opening balance	686,114	683	(164,948)	(36,529)
Changes in equity				
Comprehensive income statement				
Net income	0	0	0	0
Other comprehensive income	0	2,004	54,136	(24,441)
Dividends	0	0	0	0
Other increases (decreases) through transfers and other changes	0	0	0	0
Increase (decrease) from changes in shares in subsidiaries that do not imply loss of control	0	0	0	0
Changes in equity	0	2,004	54,136	(24,441)
Closing balance at December 31, 2012	686,114	2,687	(110,812)	(60,970)
Previous Period (ThUS\$)	Ordinary Shares Share Capital	Reserves available for sale	Conversion Reserves	Hedge Reserves
Opening balance at January 1, 2011	686,114	384	172,802	(10,727)
Restated opening balance	686,114	384	172,802	(10,727)
Changes in equity				
Comprehensive income statement				
Net income	0	0	0	0
Other comprehensive income	0	299	(337,750)	(25,802)
Dividends	0	0	0	0
Other increases (decreases) through transfers and other changes	0	0	0	0
Increase (decrease) from changes in shares in subsidiaries that do not imply loss of control	0	0	0	0
Changes in equity	0	299	(337,750)	(25,802)
Closing balance at December 31, 2011	686,114	683	(164,948)	(36,529)

STATEMENT OF CASH FLOWS

For the years ended December 31,

	2012	2011
	ThUS\$	ThUS\$
Cash Flows from (used in) Operating Activities	1,165,573	1,296,922
Classes of cash receipts from operating activities		
Receipts from sales of goods and rendering of services	25,190,743	22,861,456
Receipts from royalties, fees, commissions and other revenue	0	2,630
Receipts from premiums and claims, annuities and other policy benefits	133,881	331,632
Other cash receipts from operating activities	247,091	278,656
Classes of cash payments		
Payments to suppliers for goods and services	(23,047,717)	(21,062,677)
Payments to and behalf of employees	(683,025)	(560,517)
Payments from premiums and claims, annuities and other policy benefits	(5,954)	(5,057)
Other payments from operating activities	(111,524)	(56,664)
Dividends received	20,375	15,336
Interest paid	(228,860)	(233,133)
Interest received	23,760	31,603
Income taxes refund (paid)	(372,884)	(294,031)
Other inflows (outflows) of cash	(313)	(12,312)

	2012	2011
	ThUS\$	ThUS\$
Cash Flows from (used in) Investing Activities	(1,756,602)	(1,921,323)
Cash flows from loss of control of subsidiaries or other businesses	(2,454)	0
Cash flows used to obtain control of subsidiaries or other businesses	(551,287)	(267,913)
Cash flows used to purchase in associates	(15,614)	(242,360)
Other cash payments to acquire equity or debt instruments of other entities	0	(518)
Other receipts from sale of participation in joint ventures	6,607	0
Other cash payments to acquire joint ventures	(149,864)	(177,397)
Loans to related companies	(83,101)	(253,551)
Proceeds from sale of property, plant and equipment	2,458	25,432
Purchase of property, plant and equipment	(848,683)	(959,331)
Proceeds from sale of intangible assets	3,250	0
Purchase of intangible assets	(85,801)	(118,796)
Proceeds from other non current assets	19,733	11,561
Purchase of other non current assets	(118,650)	(139,360)
Proceeds from government subventions	0	0
Cash advances and loans to third parties	(6,529)	0
Cash receipts from related parties	39,641	167,045
Dividends received	66,216	56,086
Interests received	361	670
Other inflows (outflows) of cash	(32,885)	(22,891)

	2012	2011
	ThUS\$	ThUS\$
Cash Flows from (used in) Financing Activities	585,859	34,215
Proceeds from issuing shares	20,706	16,472
Proceeds from issuing other equity instruments	0	(6)
Proceeds from long term borrowings	1,191,752	637,312
Proceeds from short term borrowings	2,017,288	2,177,245
Proceeds from borrowings	3,209,040	2,814,557
Borrowings to related parties	5,341	101
Payments of borrowings	(2,191,587)	(2,371,576)
Payments of borrowings to related parties	0	(477)
Proceeds from government grants	527	536
Dividends paid	(347,593)	(483,975)
Interest paid	(81,037)	(47,131)
Other inflows (outflows) of cash	(29,538)	105,714
Net Increase (Decrease) in Cash and Cash Equivalents	(5,170)	(590,186)
Effect of exchange rate changes on cash and cash equivalents	26,946	(17,862)
Effect of changes in consolidation on cash and cash equivalents	21,776	(608,048)
Cash and cash equivalents at beginning of period	1,131,581	1,739,629
Cash and cash equivalents at end of period	1,153,357	1,131,581



FINANCIAL STATEMENTS PRINCIPAL AFFILIATES

Celulosa Arauco y Constitución S.A. and Affiliates

BALANCE SHEET

At December 31	2012	2011
	ThUS\$	ThUS\$
Assets		
Current assets	2,698,968	2,462,660
Non current assets	10,852,218	10,089,518
TOTAL ASSETS	13,551,186	12,552,178
Liabilities		
Current liabilities	1,425,287	1,031,945
Non current liabilities	5,160,140	4,490,083
Total liabilities	6,585,427	5,522,028
Equity		
Issued capital	353,176	353,176
Other reserves	(216,579)	(96,821)
Accumulated earnings (losses)	6,754,725	6,683,252
Equity attributable to equity holders of the company	6,891,322	6,939,607
Minority interest	74,437	90,543
Net equity	6,965,759	7,030,150
TOTAL LIABILITIES AND NET EQUITY	13,551,186	12,552,178

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	1,131,784	1,492,040
Profit (loss) before taxes	311,621	773,285
Income taxes	(171,150)	(152,499)
Profit (loss) after taxes	140,471	620,786
PROFIT (LOSS)	140,471	620,786
Profit (loss) attributable to equity holders of the company	135,813	612,553
Profit (loss) attributable to minority interests	4,658	8,233
PROFIT (LOSS)	140,471	620,786

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	458,492	982,237
Net cash flow from (used in) investing activities	(1,027,039)	(1,208,857)
Net cash flow from (used in) financing activities	648,084	(481,184)
Net Increase (Decrease) in Cash and Cash Equivalents	79,537	(707,804)
Effect of exchange rate changes on cash and cash equivalents	278	(20,129)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	315,901	1,043,834
CASH AND CASH EQUIVALENTS AT END OF PERIOD	395,716	315,901

Compañía de Petróleos de Chile COPEC S.A. and Affiliates

BALANCE SHEET

At December 31	2012	2011
	ThCh\$	ThCh\$
Activos		
Current assets	1,270,655,450	1,258,290,878
Non current assets	1,239,410,329	1,228,204,315
TOTAL ASSETS	2,510,065,779	2,486,495,193
Liabilities		
Current liabilities	799,931,536	735,886,082
Non current liabilities	970,654,661	858,055,778
Total liabilities	1,770,586,197	1,593,941,860
Equity		
Issued capital	410,502,349	408,421,597
Other reserves	(157,838,446)	(77,965,956)
Accumulated earnings (losses)	331,524,663	323,350,634
Equity attributable to equity holders of the company	584,188,566	653,806,275
Minority interest	155,291,016	238,747,058
Net equity	739,479,582	892,553,333
TOTAL LIABILITIES AND NET EQUITY	2,510,065,779	2,486,495,193

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Gross profit	510,893,674	493,257,094
Profit (loss) before taxes	95,560,816	149,257,166
Income taxes	(18,295,720)	(35,435,742)
Profit (loss) after taxes	77,265,096	113,821,424
PROFIT (LOSS)	78,595,997	115,973,562
Profit (loss) attributable to equity holders of the company	66,629,680	95,413,409
Profit (loss) attributable to minority interests	11,966,317	20,560,153
PROFIT (LOSS)	78,595,997	115,973,562

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Net cash flow from (used in) operating activities	282,387,865	73,708,577
Net cash flow from (used in) investing activities	(289,762,561)	(198,648,735)
Net cash flow from (used in) financing activities	6,945,365	190,680,622
Net Increase (Decrease) in Cash and Cash Equivalents	(429,331)	65,740,464
Effect of exchange rate changes on cash and cash equivalents	(4,367,989)	7,013,566
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	205,885,009	133,130,979
CASH AND CASH EQUIVALENTS AT END OF PERIOD	201,087,689	205,885,009

Abastecedora de Combustibles S.A. and Affiliates

BALANCE SHEET

At December 31	2012	2011
	ThCh\$	ThCh\$
Assets		
Current assets	57,440,680	49,584,708
Non current assets	378,853,850	356,201,228
TOTAL ASSETS	436,294,530	405,785,936
Liabilities		
Current liabilities	51,062,111	56,032,621
Non current liabilities	172,219,227	158,962,640
Total liabilities	223,281,338	214,995,261
Equity		
Issued capital	4,947,076	4,947,076
Other reserves	1,446,115	1,251,591
Accumulated earnings (losses)	166,091,297	149,629,721
Equity attributable to equity holders of the company	172,484,488	155,828,388
Minority interest	40,528,704	34,962,287
Net equity	213,013,192	190,790,675
TOTAL LIABILITIES AND NET EQUITY	436,294,530	405,785,936

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Gross profit	132,667,350	100,953,371
Profit (loss) before taxes	46,601,038	39,182,270
Income taxes	(10,444,289)	(8,368,055)
Profit (loss) after taxes	36,156,749	30,814,215
PROFIT (LOSS)	36,156,749	30,814,215
Profit (loss) attributable to equity holders of the company	33,299,624	30,206,669
Profit (loss) attributable to minority interests	2,857,125	607,546
PROFIT (LOSS)	36,156,749	30,814,215

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Net cash flow from (used in) operating activities	59,091,500	31,741,906
Net cash flow from (used in) investing activities	(34,172,931)	(70,599,868)
Net cash flow from (used in) financing activities	(21,622,110)	31,277,290
Net Increase (Decrease) in Cash and Cash Equivalents	3,296,459	(7,580,672)
Effect of exchange rate changes on cash and cash equivalents	1,002,092	396,938
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11,891,510	19,075,244
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,190,061	11,891,510

Sociedad Nacional de Oleoductos S.A.

BALANCE SHEET

At December 31	2012	2011
	ThCh\$	ThCh\$
Assets		
Current assets	5,378,727	5,600,399
Non current assets	180,601,860	176,793,021
TOTAL ASSETS	185,980,587	182,393,420
Liabilities		
Current liabilities	30,915,784	22,991,570
Non current liabilities	75,578,453	76,528,651
Total liabilities	106,494,237	99,520,221
Equity		
Issued capital	59,575,440	59,575,440
Other reserves	0	0
Accumulated earnings (losses)	19,910,910	23,297,759
Net equity	79,486,350	82,873,199
TOTAL LIABILITIES AND NET EQUITY	185,980,587	182,393,420

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Gross profit	27,932,626	25,890,800
Profit (loss) before taxes	24,435,277	22,795,303
Income taxes	(8,300,842)	(4,646,485)
Profit (loss) after taxes	16,134,435	18,148,818
PROFIT (LOSS)	16,134,435	18,148,818

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Net cash flow from (used in) operating activities	24,094,264	26,509,489
Net cash flow from (used in) investing activities	(7,494,115)	(8,900,263)
Net cash flow from (used in) financing activities	(17,931,486)	(16,797,908)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,331,337)	811,318
Effect of exchange rate changes on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,423,646	612,328
CASH AND CASH EQUIVALENTS AT END OF PERIOD	92,310	1,423,646

Servicios de Combustibles Ltda.

BALANCE SHEET

At December 31	2012	2011
	ThCh\$	ThCh\$
Assets		
Current assets	2,114,138	2,114,084
Non current assets	57,170,555	61,749,127
TOTAL ASSETS	59,284,693	63,863,211
Liabilities		
Current liabilities	0	0
Non current liabilities	11,755	10,278
Total liabilities	11,755	10,278
Equity		
Issued capital	74,012,984	74,012,984
Other reserves	5,686,587	9,704,446
Accumulated earnings (losses)	(20,426,633)	(19,864,027)
Net equity	59,272,938	63,853,403
TOTAL LIABILITIES AND NET EQUITY	59,284,693	63,863,681

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Gross profit	0	0
Profit (loss) before taxes	(2,239,309)	294,339
Income taxes	1,676,697	328,884
Profit (loss) after taxes	(562,612)	623,223
PROFIT (LOSS)	(562,612)	623,223

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThCh\$	ThCh\$
Net cash flow from (used in) operating activities	20,883	17,479
Net cash flow from (used in) investing activities	103	0
Net cash flow from (used in) financing activities	0	321
Net Increase (Decrease) in Cash and Cash Equivalents	20,986	17,800
Effect of exchange rate changes on cash and cash equivalents	(8,064)	10,506
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	392,727	364,422
CASH AND CASH EQUIVALENTS AT END OF PERIOD	405,649	392,727

Pesquera Iquique-Guanaye S.A. and Affiliates

BALANCE SHEET

At December 31	2012	2011
	ThUS\$	ThUS\$
Assets		
Current assets	172,819	152,692
Non current assets	668,632	635,516
TOTAL ASSETS	841,451	788,208
Liabilities		
Current liabilities	172,511	126,600
Non current liabilities	132,581	105,197
Total liabilities	305,092	231,797
Equity		
Issued capital	347,457	347,457
Other reserves	(10,871)	(11,016)
Accumulated earnings (losses)	(26,667)	(11,953)
Equity attributable to equity holders of the company	309,919	324,488
Minority interest	226,440	231,923
Net equity	536,359	556,411
TOTAL LIABILITIES AND NET EQUITY	841,451	788,208

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	39,467	34,701
Profit (loss) before taxes	(35,500)	(10,017)
Income taxes	(644)	2,961
Profit (loss) after taxes	(36,144)	(7,056)
PROFIT (LOSS)	(36,144)	(7,056)
Profit (loss) attributable to equity holders of the company	(14,713)	1,900
Profit (loss) attributable to minority interests	(21,431)	(8,956)
PROFIT (LOSS)	(36,144)	(7,056)

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	(15,263)	43,323
Net cash flow from (used in) investing activities	(30,887)	(70,076)
Net cash flow from (used in) financing activities	50,150	4,731
Net Increase (Decrease) in Cash and Cash Equivalents	4,000	(22,022)
Effect of exchange rate changes on cash and cash equivalents	(693)	257
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,272	31,037
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,579	9,272

Minera Camino Nevado Ltda. and Affiliates

BALANCE SHEET

At December 31	2012	2011
	ThUS\$	ThUS\$
Assets		
Current assets	63,337	42,236
Non current assets	136,825	125,263
TOTAL ASSETS	200,162	167,499
Liabilities		
Current liabilities	138,866	109,427
Non current liabilities	1,951	1,871
Total liabilities	140,817	111,298
Equity		
Issued capital	69,105	69,105
Other reserves	(16,996)	(13,957)
Accumulated earnings (losses)	(5,784)	1,022
Equity attributable to equity holders of the company	46,325	56,170
Minority interest	13,020	31
Net equity	59,345	56,201
TOTAL LIABILITIES AND NET EQUITY	200,162	167,499

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	3,157	4,047
Profit (loss) before taxes	(6,752)	1,567
Income taxes	(53)	(542)
Profit (loss) after taxes	(6,805)	1,025
PROFIT (LOSS)	(6,805)	1,025
Profit (loss) attributable to equity holders of the company	(6,793)	1,022
Profit (loss) attributable to minority interests	(12)	3
PROFIT (LOSS)	(6,805)	1,025

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	3,449	4,888
Net cash flow from (used in) investing activities	(11,501)	(36,120)
Net cash flow from (used in) financing activities	6,500	32,075
Net Increase (Decrease) in Cash and Cash Equivalents	(1,552)	843
Effect of exchange rate changes on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,981	3,138
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2,429	3,981

Cotec International Inc.

BALANCE SHEET

At December 31	2012	2011
	ThUS\$	ThUS\$
Assets		
Current assets	238	238
Non current assets	0	0
TOTAL ASSETS	238	238
Liabilities		
Current liabilities	11	9
Non current liabilities	0	0
Total liabilities	11	9
Equity		
Issued capital	100	100
Other reserves	0	0
Accumulated earnings (losses)	127	129
Net equity	227	229
TOTAL LIABILITIES AND NET EQUITY	238	238

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	0	0
Profit (loss) before taxes	(2)	(2)
Income taxes	0	0
Profit (loss) after taxes	(2)	(2)
PROFIT (LOSS)	(2)	(2)

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	0	0
Net cash flow from (used in) investing activities	0	0
Net cash flow from (used in) financing activities	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	0	0
Effect of exchange rate changes on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	238	238
CASH AND CASH EQUIVALENTS AT END OF PERIOD	238	238

EC Investrade Inc.

BALANCE SHEET

At December 31	2012 ThUS\$	2011 ThUS\$
Assets		
Current assets	14	15
Non current assets	32	32
TOTAL ASSETS	46	47
Liabilities		
Current liabilities	22	19
Non current liabilities	0	0
Total liabilities	22	19
Equity		
Issued capital	20	20
Other reserves	(2)	(2)
Accumulated earnings (losses)	6	10
Net equity	24	28
TOTAL LIABILITIES AND NET EQUITY	46	47

INCOME STATEMENT

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	0	0
Profit (loss) before taxes	(4)	(3)
Income taxes	0	0
Profit (loss) after taxes	(4)	(3)
PROFIT (LOSS)	(4)	(3)

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	(1)	(1)
Net cash flow from (used in) investing activities	0	0
Net cash flow from (used in) financing activities	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	(1)	(1)
Effect of exchange rate changes on cash and cash equivalents	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15	16
CASH AND CASH EQUIVALENTS AT END OF PERIOD	14	15

Inmobiliaria Viña Norte Ltda.

BALANCE SHEET

At December 31	2012	2011
	ThUS\$	ThUS\$
Assets		
Current assets	680	-
Non current assets	115,384	-
TOTAL ASSETS	116,064	-
Liabilities		
Current liabilities	8,762	-
Non current liabilities	11,140	-
Total liabilities	19,902	-
Equity		
Issued capital	52,262	-
Other reserves	(3,887)	-
Accumulated earnings (losses)	47,781	-
Equity attributable to equity holders of the company	96,156	-
Minority interest	6	-
Net equity	96,162	-
TOTAL LIABILITIES AND NET EQUITY	116,064	-

INCOME STATEMENT

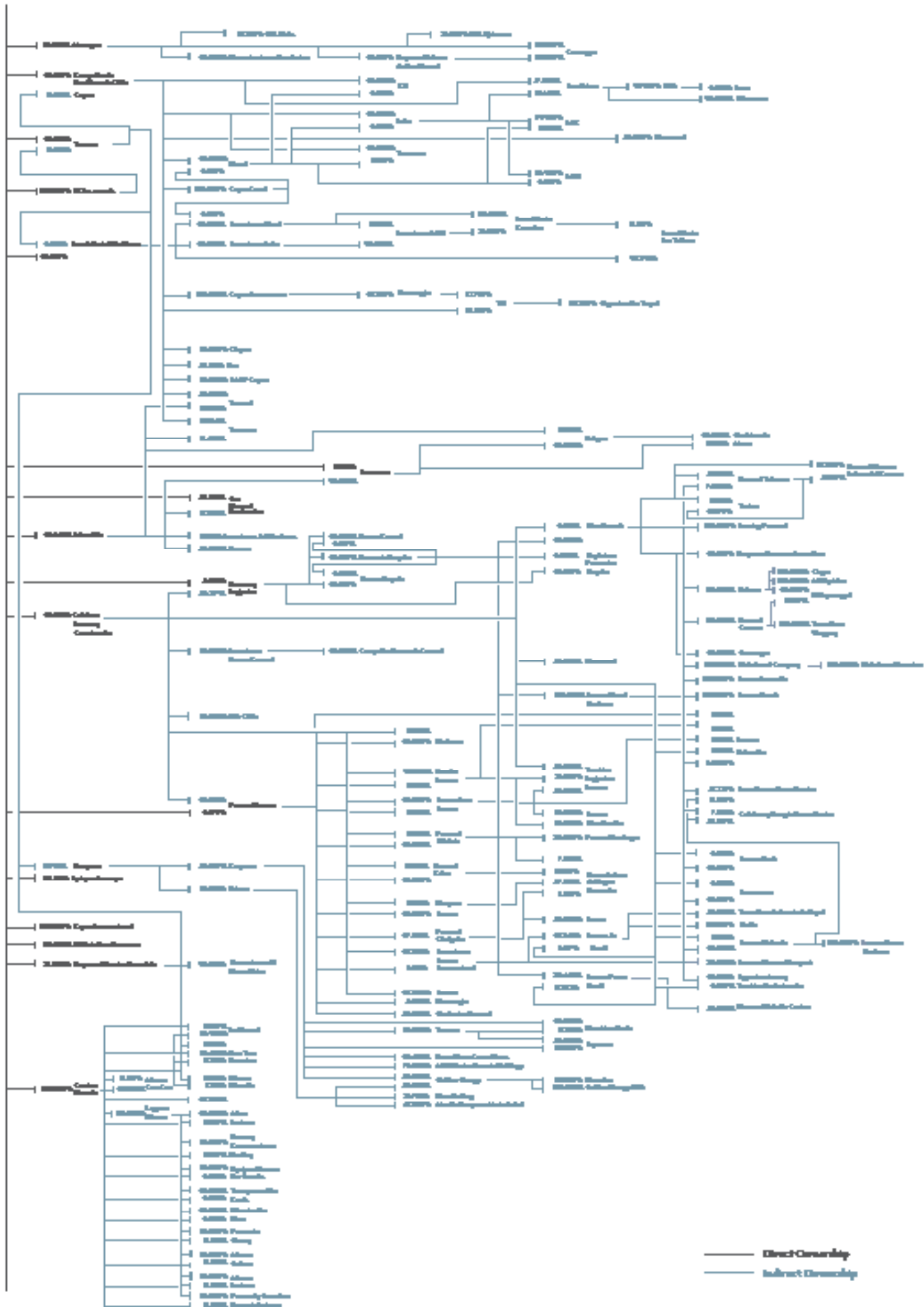
For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Gross profit	-	-
Profit (loss) before taxes	(2,587)	-
Income taxes	(1,967)	-
Profit (loss) after taxes	(4,554)	-
PROFIT (LOSS)	(4,554)	-
Profit (loss) attributable to equity holders of the company	(4,553)	-
Profit (loss) attributable to minority interests	(1)	-
PROFIT (LOSS)	(4,554)	-

STATEMENT OF CASH FLOWS

For the years ended December 31,	2012	2011
	ThUS\$	ThUS\$
Net cash flow from (used in) operating activities	(1,009)	-
Net cash flow from (used in) investing activities	(21,050)	-
Net cash flow from (used in) financing activities	22,505	-
Net Increase (Decrease) in Cash and Cash Equivalents	446	-
Effect of exchange rate changes on cash and cash equivalents	(178)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	268	-

OWNERSHIP STRUCTURE





CORPORATE NAME AND ARTICLES OF INCORPORATION

Empresas Copec S.A.

78th Annual Report

Corporate Name: Empresas Copec S.A.

Chilean Taxpayer Identification

Number (RUT): 90.690.000-9

Business Activity: Investments and Business Services

Legal Address: El Golf 150, piso 17, Santiago de Chile

Type of Entity: Chilean publicly held stock company

Securities Registry Number: 0028

External Auditors: Deloitte

ARTICLES OF INCORPORATION

The Company was established under public deed dated October 31st, 1934, signed in the presence of the Santiago Notary Mr. Luis Azócar, and was authorized by Supreme Decree N° 3,610, dated November 22nd, 1934. The corresponding registration was made on folio 1,813 N° 1,008, and folio 1,829, entry N° 1,009, in the Santiago Trade Registry of 1934.

The corporate bylaws have been amended on several occasions, noteworthy amongst which were: the amendment made under public deed dated April 20th, 1982, in the presence of the Santiago Notary Mr. Andrés Rubio, when the bylaws were restated to adapt them to the requirements of Chilean Law N° 18,046; an amendment to increase equity capital, now divided into 1,299,853,848 shares of no par value, in accordance with a public deed dated January 29th, 1988, in the presence of Mr. Andrés Rubio, published in the Chilean Official Gazette of February 10th, 1988, and registered on folio 3,268 N° 1,690, of the Trade Registry of Santiago's Real Estate Registry of 1988; and, finally, an amendment set out in public deed dated May 7th, 2003, in the presence of the Santiago Notary Mr.

René Benavente, which changed the name of the Company to Empresas Copec S.A., effective October 1st, 2003, the required excerpt of which was published in the Chilean Official Gazette of May 31st, 2003 and was registered on folio 14,697, N° 11,252, of the Trade Registry of Santiago's Real Estate Registry of 2003; and an amendment made under public deed dated September 12th, 2008, in the presence of the Santiago Notary Mr. Félix Jara, when the currency of the capital stock laid down in the Company's bylaws was changed, of the financial accounting registries and of the issuance of the Company's financial statements, from pesos of the Republic of Chile to US dollars, effective as of January 1, 2008, and all as laid down in "Transitory Article Four" of the company's bylaws, and this provision is added to the bylaws. The required excerpt of which was published in the Chilean Official Gazette of October 10th, 2008 and was registered on folio 46,937, N° 32,354, of the Trade Registry of Santiago's Real Estate Registry of 2008.





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