

80/80





# 80/80

**80 YEARS** OF A WAY OF  
DOING BUSINESS, MARKED  
BY THE COMMITMENT  
TO SUSTAINABILITY  
AND INNOVATION, THE  
CONTINUOUS ENDEAVOR TO  
ADD VALUE TO OPERATIONS  
AND THE CONSOLIDATION  
OF A PRODUCTIVE AND  
COMMERCIAL PRESENCE  
IN OVER 80 COUNTRIES.



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**CORPORATE  
INFORMATION**  
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# BOARD OF DIRECTORS

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**JOSÉ TOMÁS  
GUZMÁN DUMAS**

Lawyer  
2.779.390-8  
Vice-Chairman

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**ANDRÉS BIANCHI  
LARRE\***

Economist  
3.367.092-3

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**JUAN EDGARDO  
GOLDENBERG  
PEÑAFIEL\***

Lawyer  
6.926.134-5

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**CARLOS HURTADO  
RUIZ-TAGLE**

Commercial Engineer  
2.300.859-9

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**ROBERTO ANGELINI  
ROSSI**

Industrial Engineer  
5.625.652-0  
Chairman

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**JORGE ANDUEZA  
FOUQUE**

Civil Engineer  
5.038.906-5

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**ÁLVARO FISCHER  
ABELIUK\***

Mathematical Engineer  
6.400.719-K

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**ARNALDO  
GORZIGLIA BALBI**

Lawyer  
3.647.846-2

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**BERNARDO MATTE  
LARRAÍN**

Commercial Engineer  
6.598.728-7

\* Member of the Steering Committee



# SENIOR MANAGEMENT



**RODRIGO HUIDOBRO  
ALVARADO**

CHIEF FINANCIAL  
OFFICER

Industrial Engineer  
10.181.179-4

**SERGIO PRIETO  
ARRATE**

PUBLIC AFFAIRS  
MANAGER

Journalist  
3.938.158-3

**JOSÉ TOMÁS GUZMÁN  
RENCORET**

CORPORATE COUNSEL  
AND SECRETARY  
OF THE BOARD OF  
DIRECTORS

Lawyer  
6.228.614-8

**EDUARDO NAVARRO  
BELTRÁN**

CHIEF EXECUTIVE  
OFFICER

Commercial Engineer  
10.365.719-9

**JORGE  
FERRANDO  
YÁÑEZ**

CORPORATE RESEARCH  
MANAGER

Industrial Engineer  
12.059.564-4

**PAMELA HARRIS  
HONORATO**

HEAD OF CORPORATE  
AFFAIRS

Industrial Engineer  
14.119.104-7

**CRISTIÁN PALACIOS  
GONZÁLEZ**

DIRECTOR OF INVESTOR  
RELATIONS AND  
INVESTMENTS

Commercial Engineer  
13.234.980-0

# SENIOR MANAGEMENT OF MAIN AFFILIATES AND ASSOCIATES

## FORESTRY SECTOR

**MATÍAS DOMEYKO  
CASSEL**

Celulosa Arauco y  
Constitución S.A.

## FUELS SECTOR

**LORENZO GAZMURI  
SCHLEYER**

Copec S.A.

**JOSÉ ODOÑO ODOÑO**

Abastible S.A.

**VÍCTOR TURPAUD  
FERNÁNDEZ**

Metrogas S.A.

**ROBERTO HETZ  
VORPAHL**

Sonacol S.A.

## FISHERIES SECTOR

**ARTURO NATHO  
GAMBOA**

Corpesca S.A.

**JOAQUÍN CRUZ SANFIEL**

Orizon S.A.

## OTHER INVESTMENTS

**ERWIN KAUFMANN  
SALINAS**

Compañía Minera Can-Can S.A.

**SEBASTIÁN GIL CLASEN**

Mina Invierno S.A.

# CHAIRMAN'S STATEMENT



Dear shareholders:

In 2014, the human team of Empresas Copec continued to work on adding value to the company's activities, consolidating its operative and commercial presence in over 80 countries, and endorsing the permanent commitment to sustainability and innovation. In this Annual Report we want to give you an overview of our main initiatives and the environment in which they were developed, along with the financial results attained.

The global economic scenario has continued to show contrasting signs. Economic recovery in the United States has taken hold, which has enabled the monetary stimulus in such country to be slowly withdrawn. In Europe, however, the non-conventional incentives are just beginning. Although that continent has managed to emerge from recession, there are still large systemic risks in the peripheral economies. In China, the main export market of Chile and our companies, the economic slowdown has exacerbated. This, along with the major and surprise drop in the oil price in the last few months, has really hit the price of raw materials.

In Chile, the economy continued to slow down in 2014 to a very low level, particularly for investment, partly a reflection of a more uncertain environment for business projects in general. Concerning this, I think it is important to say that for Chile to be able to carry on competing suitably in demanding international markets, it is essential to have a more favorable environment, clear and stable rules with a greater focus on productivity, which drive investment.

In 2014, Empresas Copec and its affiliates had sales of US\$ 23,841 million and net income of US\$ 856 million, a 9% year-on-year increase. The operating flow or EBITDA also increased to US\$ 2,043 million, and investment was US\$ 922 million, all despite the challenging context in which we developed our activities. These figures would not have been possible without the huge productive efforts and commercial power of our companies, which are in turn a reflection of the work of their great human team.

The investment highlight was the commissioning of the Montes del Plata industrial complex, which our affiliate Arauco carried out with Stora Enso in Uruguay. This industrial project entailed an investment of US\$ 2,270 million and includes a wood pulp mill and a biomass-fired power generating plant, both world-class. The facilities also have a port with two piers, one for ocean vessels and one for barges, and as a whole are the largest private investment ever made in that country. Its construction was a huge challenge, as Uruguay did not have the infrastructure in place for projects of this scale. After the inauguration, attended by President Mujica, the commissioning process was very successful regarding industry standards, and the mill is already producing and will soon reach its design capacity. With Montes del Plata, Arauco will increase its wood pulp production by 20% and expand its productive base to a new country, helping to create a new development hub in a new industry for Uruguay.

Arauco has become a leading world-scale company in its sector with a global presence, and is now the third largest wood pulp producer in the market, the number three panel producer in the world, and the top sawn lumber producer in Latin America. We currently have seven wood pulp mills in Chile, Argentina and Uruguay, and our 17 panel facilities in Chile, Argentina, Brazil, Canada and the United States are a privileged platform to position the company as one of the leading wood board producers and vendors in those and other important markets.

Empresas Copec is undoubtedly a global company. At the close of 2014, over a third of our non-current assets are overseas, and foreign subsidiaries account for more than 40% of the sales. Moreover, we have exported our forestry and fishery products to more than 80 countries through the commercial offices on the different continents.

The operative internationalization of our activities is not limited to the natural resources area. In the fuel distribution sector, further to the sound position of Empresas Copec in Chile there is now also leadership

in the Colombian market of liquefied fuel and gas and a growing presence in other countries in the region.

Ever since Copec ventured into Colombia, we have implemented a strategy focused more on customers, services and competitiveness at Terpel to take advantage of the attractive outlook of the Colombian market and other countries in which this affiliate operates. Terpel's service stations now have an upgraded image and are applying Copec's valuable and vast experience with customer service and loyalty. After a merger process that simplified the ownership structure and control of these investments, in 2014 Terpel's shares made their debut on the Colombian stock market, with the operative affiliate thereby being listed on the stock market and the parent companies were dissolved. Hence, all those people who were previously indirect shareholders of Terpel ended up as direct shareholders and with greater liquidity. The financial market immediately endorsed this strategy with the share price increasing 15% on its debut, and also fully subscribing a new bond issue of COP\$ 400,000 million in January 2015.

Although in 2014 we continued to make progress with the productive internationalization of our company through its affiliates, we also endorsed our permanent commitment to Chile, particularly helping to address the large challenge of giving the country the energy it needs for its development, i.e., safe, competitive and environmentally friendly energy. This is a task for everyone that is complex and challenging and we want to participate with various contributions and with a broad vision.

Based on contact with our customers, we know they all have different energy needs. We are convinced that our role is not to pick the best form of energy, trying to sell a specific product or service at any price. What we are seeking is to be able to offer them various solutions, so they can choose according to their own requirements and preferences. This entails viewing markets in a broad way, breaking down their traditional limits. Far from putting up resistance to the arrival of new products, we are thinking of launching them ourselves, if they better meet usual needs, or meet other needs that we have not addressed before.

This is the philosophy that two decades ago inspired the creation of Metrogas. We crossed the Andes with other companies in the sector, combining strength to bring a new fuel for our customers, unknown in Chile but abundant in Argentina, with applications similar to those of

liquefied gas, diesel oil and kerosene too, but much cheaper and with excellent environmental properties. Not long afterwards and having made large investments to develop this new industry in Chile, Metrogas was on the brink of having no product to sell when Argentina decided to give priority to its domestic consumption and limit exports. After a huge financial and logistical operation, Metrogas overcame the crisis, firstly provisionally due to the construction of propane-air backup plants, and then permanently by joining the public-private initiative that ended up with the start-up of GNL Quintero, the first liquefied natural gas import terminal in the Southern Hemisphere. That is the scale of the huge risks we have had to withstand.

Over and over again, Metrogas has been able to overcome the large challenges it has faced, extending its networks, managing to supply natural gas timely and efficiently to its residential and industrial customers, who have freely opted to prefer this energy instead of other alternatives available, seeing large savings due to its lower rates. This is how the forces of enterprise and competition operate, which drive our companies to attract their customers every day with good offers.

I think it is important to reiterate our ongoing commitment to permanently safeguard free competition. All our companies strive to reach their customers with the best products and services at good prices. We agree with the need of enhancing any legislation to fill any loophole that might exist but without endangering an industry to thereby give certainty to all the players involved and always benefit customers.

In the liquefied fuel area, in the year Copec strengthened its logistics and distribution networks, inaugurating ten new urban service stations throughout the country. Of particular note are the new sales points on the austral road, essential supports of the sovereignty and touristic development of this beautiful region in Chile. Always with the aim of providing the best experience for its industrial and vehicle customers, Copec has continued to innovate its service. This year it launched Aero'tank in the market, a new fuel storage and supply line for the industrial sector, and five new sales points of NeoGas LPG for vehicles, which is further evidence that our companies are committed to customers not products.

As part of its plan to expand to the greater north of Chile, Abastible started up its new gas storage and filling plants in Antofagasta and Iquique. It also continued to develop commercial applications of the novel liquefied gas-fired cogenerating system, dual thermal solar systems, new uses for liquefied petroleum gas (LPG), and it also extended its own network of Autogas LPG pumps.

In addition to these examples of the transversal quest for innovative energy solutions, there are also the various consortiums established to develop biofuels from microalgae, wood pulp and oil, and Arauco's continued leadership of biomass-fired power generation, an important renewable energy source for the central interconnected power grid.

On summarizing 2014 in the energy area, the sale of our 25% stake in the related company Guacolda for US\$ 364 million and which generated profits nearby US\$ 200 million before tax deserves a special mention. Guacolda, which we established with CAP, Gener and the Ultramar Group twenty years ago, is a faithful reflection of Empresas Copec's way of doing business. For two decades we reinvested the profits to build each of its five power units, thereby contributing 760 MW of base, safe and competitive energy to the northern stretch of the central interconnected power grid where it is most needed.

The fact that its energy has already been fully committed in long-term sales contracts and that its fifth power unit, currently under construction, will end up using all the space available on the peninsula where this power plant is located made Guacolda a more attractive asset for an investor profile different from ours and less inclined to reinvest. This thereby ends our direct participation in this successful history of enterprise in the smaller north of Chile.

Nevertheless, we will continue to be indirectly related to Guacolda Energía and the rest of the thermal energy capacity in our country, which now complies with more demanding emission regulations than those in the European Union. In the year, our related company Mina Invierno shipped 4 million tons of coal from its maritime terminal at the Otway Inlet in Magallanes. Besides going to the domestic market, our coal was exported, mainly to Europe and India.

Mina Invierno helps to reduce Chile's dependence on fossil fuel imports, taking advantage of national resources to address our own energy challenges. This is also an efficient and cutting-edge mine site with the highest operating and environmental standards, which for example is evident by the largest tree nursery in Patagonia. These efforts gain special importance at a time when the global coal industry is going through a very tough time, hit by plummeting commodity prices.

To continue making progress with being a benchmark for mid-sized mining, this time in the north of Chile, our affiliate Can-Can, progressed with the environmental processing and pre-feasibility of the Diego de Almagro project, which will produce over 4,000 tons of copper cathodes and 30,000 tons of copper concentrate a year, and continued to seek new development opportunities.

Even farther north in Arica, the affiliate Golden Omega completed the commissioning of the second stage of its plant, which will attain higher concentrations of Omega 3 from fish oil due to proprietary processes that are already patented. This cutting-edge plant is a reflection of the essential role that technology plays in the deep transformation of the traditional fisheries industry. What we have developed in this area from raw materials to products for direct human consumption extends to functional foods, the nutraceutical industry and soon the pharmaceutical industry too.

This is not the only way the fisheries industry has been adapting to a more challenging environment. Orizon has extended its operations to a new segment of groceries in the food market in which it was already operating, where it can leverage the strength of its trademarks and distribution channels. Corpesca added soy concentrates to its line of products that its new Brazilian affiliate Selecta produces, thereby becoming a heavyweight in the large protein market.

Early in 2014, the International Court of Justice in The Hague gave its verdict on the lawsuit filed by Peru in a particularly important process for Corpesca's operations. Concerning the fisheries industry, the sentence set new maritime boundaries, taking away from Chile a maritime area of several thousand km<sup>2</sup>. Although the company's fishing authorizations and rights include such area, in the last few years it has made virtually all its catches in the part that Chile will keep. Despite this not guaranteeing that this situation will continue in the future, due to the migratory nature of pelagic resources, Corpesca will carry on making a contribution to the progress of this border region with the same commitment and resolve as always.

Maintaining a long-term track record, and even more growing in a challenging environment in constant evolution requires staying ahead of changes and permanently adapting to address them in time. This is the origin of our ongoing commitment to innovation, a key factor of any enterprise and an essential pillar in our operations.

One of the ways of innovating is by developing and incorporating new technologies to our traditional activities. For decades, Bioforest has pushed the boundaries of forest productivity with sophisticated techniques developed in Chile. On the same lines, it should be highlighted that Arauco submitted an environmental impact statement in 2014 to produce textile pulp at the Valdivia mill. This new product is used as a raw material to make textile fibers like rayon, thereby expanding our markets and adding even more value to our natural resources.

Nevertheless, besides technology, products and service, innovating also means challenging what was traditionally considered doing business, extending our action area beyond our immediate productive focus and thinking in the long term.

As innovation itself is also a key aspect of Chile's economic and social development, early in the decade we undertook a commitment to drive it by creating the Copec-Catholic University (UC) Foundation, and then the Private Venture Capital Fund. A special highlight in 2014 was the inauguration of the Anacleto Angelini-UC Innovation Center, an area where ideas can be exchanged that is open to all companies and enterprises, conceived with the Catholic University. The Center will undoubtedly help with the large task of raising Chile's productivity and competitiveness, directly connecting university research to business challenges.

Other examples of this vocation are the demanding certifications of our operations, the clean production agreements we have signed, our participation in the emission reduction certificate markets, environmental monitoring of the ecosystems around us, measurement of the carbon footprint of our operations, or the development of the Las Salinas master plan, among many other initiatives.

This vision also gives rise to Empresas Copec's firm community commitment, beyond our own productive operations. We are involved in many initiatives that embodied in the same long-term vision, helping to address the large challenges we have as a society by providing financing, human capital and management.

Our commitment of decades to education and culture was evident in 2014 as we have participated in teacher training and development for 25 years through the Arauco Foundation; attracting young professionals to the classroom with Enseña Chile; working with the Belén Educa Foundation in vulnerable sectors in Santiago; and relaunching Copec's Viva Leer (Long Live Reading) and Sueña Leyendo (Dream by Reading) campaigns.

In the year we also once again brought together thousands of youngsters in competitions promoting sports and a healthy life; we continued to support social housing and overcoming poverty with initiatives like the reconstruction of Constitución, under the guidelines of the award-winning master plan sponsored by Arauco, or the valuation of neighborhoods due to Elemental, among many other activities.


Dear shareholders, this is an overview of 2014. It is another step in our 80-year track record. 80 years of a way of doing business, marked by the commitment to sustainability and innovation, the continuous endeavor to add value to operations and the consolidation of a productive and commercial presence in over 80 countries. We want to carry on advancing along this path we have mapped out with a long-term vision, with the same principles as always, thinking in decades; committed to best practice on corporate governance, making our host community challenges our own. All this is from Chile to the world, with a firm focus on natural resources and energy.

I end up by recognizing the permanent commitment of our shareholders, directors, executives and employees, the real protagonists in our operations. I would also like to give thanks for the support from financial markets, which every year provide our companies the financing to carry on undertaking all the projects envisaged in our development strategy.

Please carry on writing the future history of Empresas Copec with us.



Roberto Angelini R.  
CHAIRMAN



# — EMPRESAS COPEC AT A GLANCE —

Empresas Copec is one of the leading corporations in Chile and operates in two large areas: natural resources, where has clear competitive advantages, and energy, that is closely related to growth and productive development.

The company is permanently driving large investment programs in each of these sectors to raise the scale of its operations, expand abroad, leverage synergies and safeguard the sustainability of all its activities.

The company now sells its products in over 80 countries with productive platforms in Chile, Argentina, Brazil, Canada, Colombia, Ecuador, the United States, Mexico, Panama, Peru, the Dominican Republic and Uruguay.



## FORESTRY BUSINESS

Empresas Copec operates in the forestry business through its subsidiary Arauco, one of the leading forestry companies 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 volumes, sales and forest equity in South America. This is the outcome of a sound investment plan, large cost advantages and ongoing optimization of its operations, and maintaining a prominent presence throughout the value chain.



## FUELS BUSINESS

Empresas Copec, through its subsidiaries, has attained a major presence and sustained leadership in the distribution of liquefied fuels, lubricants, liquefied and natural gas markets, attaining a major presence and sustained leadership in Chile, Colombia, Ecuador and Panama. Furthermore, in each of these markets the company has a large operating scale and sound brand positioning. Moreover, it constantly seeks innovation and strives to provide a top-quality customer service.



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## FISHERIES BUSINESS

Empresas Copec is a player in the fisheries business through its subsidiary Igemar, which operates in the north and center-south of Chile. The company has now consolidated in producing fishmeal, fish oil, canned and frozen seafood in a period characterized by restrictions on the biological availability of resources. Likewise, it is a pioneer in the production of Omega 3 concentrates in Chile, which are value-added products and highly sought after by the nutraceutical, and pharmaceutical industries, and a major player in the vegetable protein industry.

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## OTHER INVESTMENTS

Empresas Copec also operates in other business areas, which have large competitive advantages and are related to the country's development and which enhance its strategic position, leverage synergies and complement its operations. It therefore operates in the metal mining industry through Minera Can-Can, in the coal mining industry through Mina Invierno, and in the real estate business through Inmobiliaria Las Salinas.



# EMPRESAS COPEC IN FIGURES

## STATEMENT OF FINANCIAL POSITION

Thousand dollars

	2014	2013
Current assets	6,105,504	5,922,813
Non current assets	15,785,639	16,484,778
<b>TOTAL ASSETS</b>	<b>21,891,143</b>	<b>22,407,591</b>
Current liabilities	2,913,576	3,437,050
Non current liabilities	8,641,440	8,150,711
<b>TOTAL LIABILITIES</b>	<b>11,555,016</b>	<b>11,587,761</b>
Share capital	686,114	686,114
Other reserves	(598,117)	(49,264)
Accumulated earnings	9,651,252	9,475,164
Equity attributable to equity holders	9,739,249	10,112,014
Minority interes	596,878	707,816
<b>TOTAL EQUITY</b>	<b>10,336,127</b>	<b>10,819,830</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>21,891,143</b>	<b>22,407,591</b>

**STATEMENT OF COMPREHENSIVE INCOME**

Thousand dollars

	2014	2013
Gross margin	3,188,170	3,204,424
Administrative and sales expenses	(2,073,416)	(2,088,203)
Investments in related companies and joint ventures	77,237	122,195
Financial expenses	(350,036)	(363,229)
Other	59,053	(40,608)
<b>NET INCOME</b>	<b>901,008</b>	<b>834,579</b>
Income attributable to equity holders	855,555	786,013
Income attributable to minority interests	45,453	48,566
<b>NET INCOME</b>	<b>901,008</b>	<b>834,579</b>

**INTERNACIONAL RISK RATING**

Standard & Poor's	BBB
Fitch Ratings	BBB

**DOMESTIC RISK RATING**

Feller-Rate	AA-/1° Class level 1
Fitch Ratings	AA-/1° Class level 1

**INDEBTEDNESS (NET FINANCIAL DEBT / EQUITY)****0.48**

# EMPRESAS COPEC

## FORESTRY SECTOR

99.978%	CELULOSA ARAUCO Y CONSTITUCIÓN		99.984%	FORESTAL ARAUCO
			98.019%	ARAUCO INTERNACIONAL
			99.000%	ASERRADEROS ARAUCO
			99.000%	PANELES ARAUCO

## FUELS SECTOR

99.999%	COPEC		58.510%	TERPEL
98.048%	ABASTIBLE		40.800%	SONACOL
39.830%	METROGAS		12.000%	
			51.000%	INVERSIONES DEL NORDESTE

## FISHERIES SECTOR

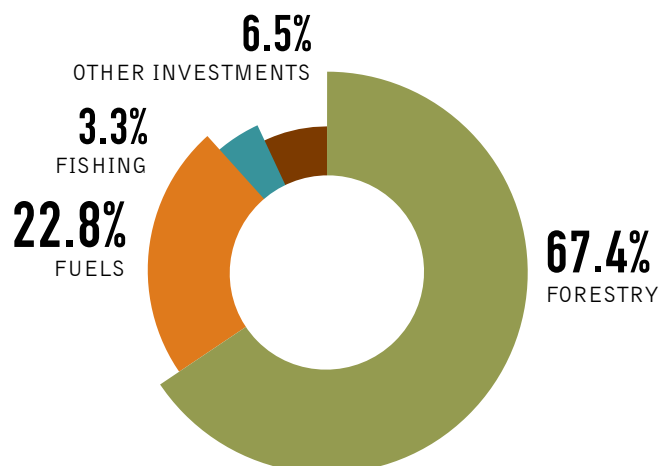
81.933%	IGEMAR		66.800%	ORIZON
			30.640%	CORPESCA

## OTHER INVESTMENTS

100.000%	CAMINO NEVADO		99.961%	CAN-CAN
100.000%	LAS SALINAS		50.000%	MINA INVIERNO

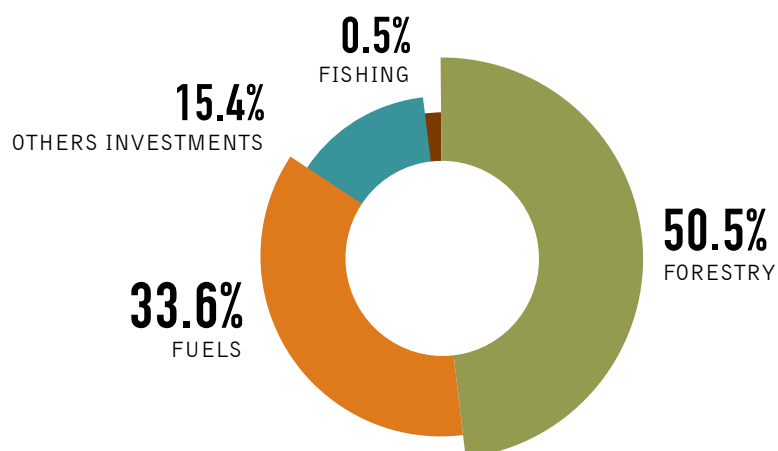
## CONSOLIDATED ASSETS

Total: 21,9 Million dollars



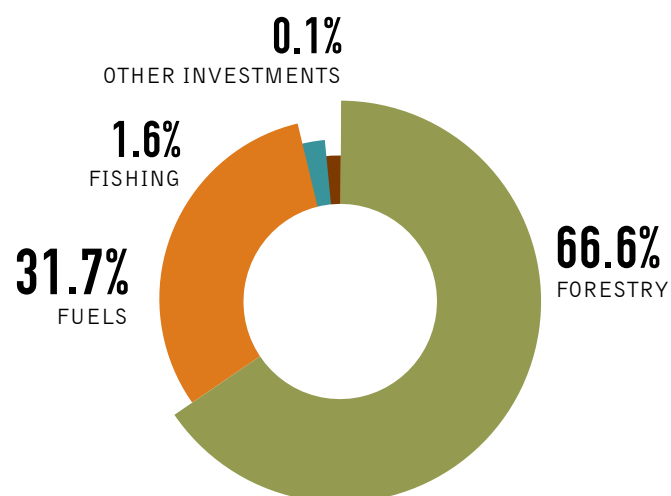
## NET INCOME

Total: 856 Million dollars



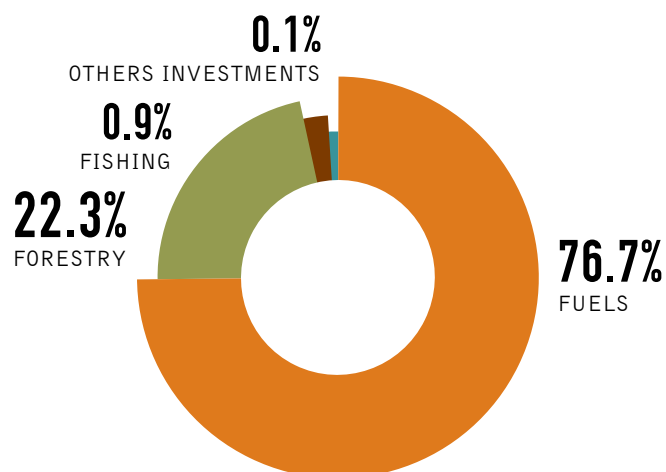
## CONSOLIDATED INVESTMENT

Total: 922 Million dollars



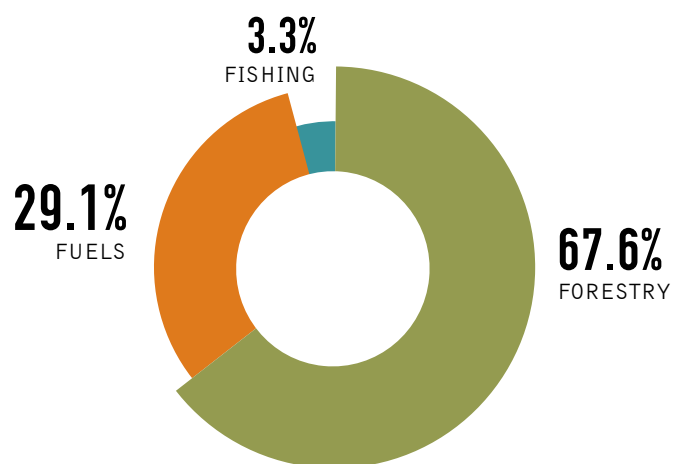
## CONSOLIDATED SALES

Total: 23,8 Million dollars

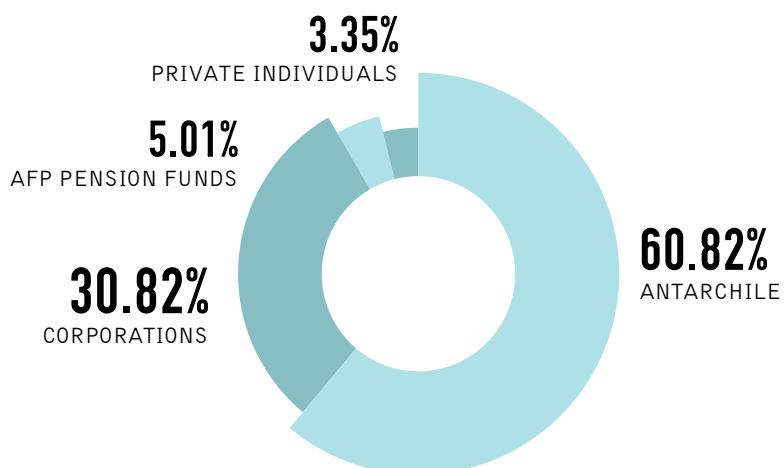


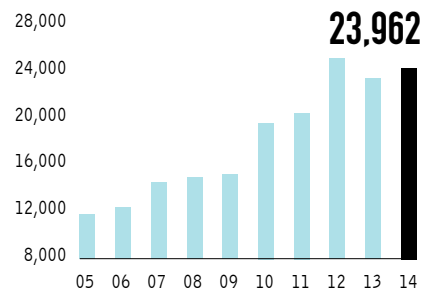
## CONSOLIDATED EBITDA

Total: 2,0 Million dollars

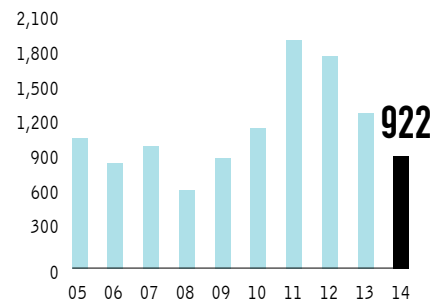


## OWNERSHIP ESTRUCTURE

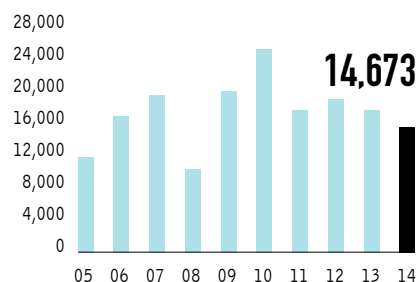


**CONSOLIDATED  
PERSONNEL****CONSOLIDATED  
INVESTMENT**

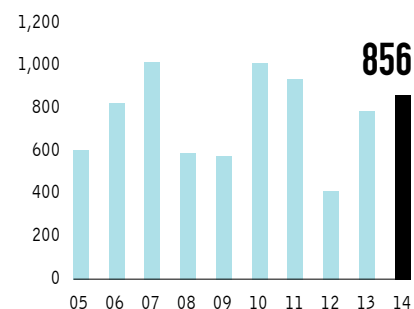
Million dollars

**MARKET  
CAPITALIZATION**

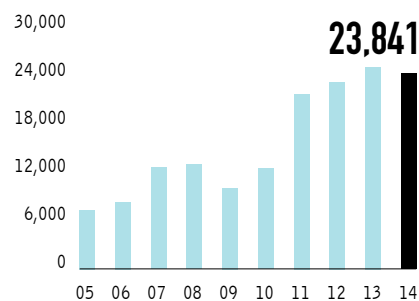
Million dollars

**NET  
INCOME**

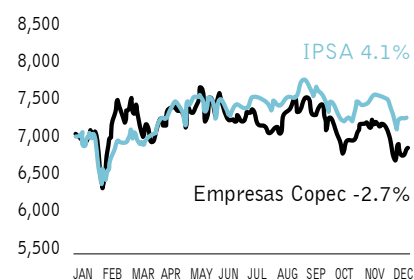
Million dollars

**CONSOLIDATED  
SALES**

Million dollars

**STOCK  
PRICE**

Chilean pesos



\* Adjusted Ipsa.



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**2014**  
**HIGHLIGHTS**  
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## FORESTRY BUSINESS

- 01** Arauco and Stora Enso inaugurate the Montes del Plata wood pulp mill in Uruguay. This facility entailed an investment of US\$ 2,270 million and has a production capacity of 1.3 million tons a year.
- 02** Arauco receives the environmental approval of the "Arauco Mill Modernization and Expansion" (MAPA) project, which will raise the production capacity of this industrial complex up to 2.1 million tons of wood pulp a year.
- 03** Arauco submits an environmental impact statement (EIS) to produce textile pulp at the Valdivia mill. This considers an investment of US\$ 180 million and will enable the company to offer a new product, which is used as a raw material to make textile fibers like rayon or viscose, cellophane, filters, and others.
- 04** The Nueva Aldea panel mill successfully completes its first year of operation. It entailed an investment of approximately US\$ 190 million and has a production capacity of 350,000 m<sup>3</sup> a year.
- 05** Arauco issues bonds of US\$ 500 million in the United States, with 10-year maturity and an interest rate of 4.5% a year. The proceeds obtained were allocated to refinance its financial liabilities.
- 06** Arauco issues two series of bonds (Q & R) of UF 7 million in the domestic market. The first placement was a series of UF 2 million with 7-year maturity, three years' grace, and attained a record placement rate of 2.6%. The second series of UF 5 million with 21-year bullet maturity was placed at par value with an interest rate of 4.5%.
- 07** For the second year running, Arauco will be Chile's official sponsor at Expo Milan 2015, providing all its experience of the construction industry and wood product innovation.

## FUELS BUSINESS

- 
- 01** Copec inaugurates ten urban service stations at Calama, Coquimbo, Futaleufú, Padre Hurtado, Peñalolén, Puerto Tranquilo, San Bernardo, San Francisco de Mostazal, Tucapel and Villa O'Higgins.
- 02** Abastible commissions a new gas bottling and storage plant in Antofagasta and Iquique as part of its expansion plan in the Norte Grande.
- 03** Terpel entered on the Colombian stock market and its share value rose 15% on the listing debut.
- 04** Inversiones del Nordeste steps up its presence in Colombia, attaining a total market share of 33.1%.
- 05** Metrogas starts to expand its distribution network in the Libertador General Bernardo O'Higgins region.
- 06** Abastible inaugurates its first "Abastible Autogas" service stations in Valparaíso and Arica. These new facilities also have Pausa convenience stores and a car wash service.
- 07** Sonacol issues bonds of UF 2 million in the domestic market, with 7- and 21-year maturity, and 3.33% and 4.64% interest rates, respectively. The proceeds obtained were allocated to refinancing its financial liabilities.
- 08** Copec incorporates Aero'tank, a new fuel storage and supply line for the industrial sector.
- 09** Metrogas starts the construction of the methanization stage of the La Farfana biogas plant to convert biogas into biomethane to then inject it into the supply network.
- 10** Copec inaugurates five NeoGas LPG stations, in Chillán, Concepción, La Serena, Santiago and Viña del Mar.
- 11** Metrogas develops a new program called "Environmental Brigade" to enhance the educational content for children and youngsters on environmental care and energy efficiency.
- 12** Copec acquired the total shareholding that the Spanish company Áreas S.A. had in ArcoPrime.



## FISHERIES BUSINESS

**01** Corpesca completes the modernization of the PAM Eperva 49 vessel.

**03** Selecta reaffirms its leading position in the super concentrated soy market with production of 526,000 tons.

**02** Golden Omega completes the start-up of the second stage of its Omega 3 fish oil concentrate plant, consolidating its presence in the processing area of products with a fatty acid content of up to 85%.



## OTHER INVESTMENTS

**01** Compañía Minera Can-Can continues to make progress with the development of the Diego de Almagro copper mining project.

**02** Mina Invierno makes coal shipments of over 4 million tons, mainly to domestic and Asian markets.

**03** Mina Invierno participates in the publication of the books "La historia olvidada: tras la ruta del carbón" (The forgotten history: in search of the coal route) by the journalist Cristián Morales, and "Isla Riesco: la naturaleza y el hombre" (Riesco Island: nature and man) by the photographer and naturalist Claudio Almarza.



## CORPORATE

**01** Empresas Copec completes 80 years of history.

**02** Empresas Copec issues bonds in the domestic market of UF 2.5 million, with 10-year maturity and a placement rate of 2.88% a year. The proceeds obtained were allocated to refinancing its financial liabilities.

**03** Empresas Copec and Ultraterra sell their equal stake in Guacolda to AES Gener for a total amount of US\$ 728 million.

## COMMUNITY RELATIONS

**01** Empresas Copec and the Catholic University of Chile (UC) inaugurate the Anacleto Angelini-Catholic University Innovation Center.

**02** The Arauco Educational Foundation completes 25 years of making a contribution to municipal education in Chile with teacher training programs to give pupils a quality education.

**03** The Arauco Educational Foundation organizes its seventh seminar: "The value of continuous teacher training" in the cities of Talca, Valdivia and Concepción.

**04** The Copec-Catholic University Foundation organizes its tenth international seminar "Nanotechnology: innovation and enterprise opportunities."

**05** The Copec-Catholic University Foundation holds the award ceremony of the eleventh National Natural Resource Development Project Competition, the second Counterparts Competition and the second Competition for Young Researchers.

**06** The Copec-Catholic University Foundation adds a new competition called "Apply your Idea," which is targeted at students in higher education whose ideas aim to resolve issues in the natural resources area.

## AWARDS

**01 EMPRESAS COPEC** obtains third place of the most respected companies, according to the ranking by GfK Adimark and *La Segunda* newspaper.

**02 COPEC** is elected as the third most known and top of mind brand by Chilean consumers and number one in the fuels market, according to the Top of Mind 2014 survey.

**03 METROGAS** is distinguished as one of the leading companies working on innovation according to the Most Innovative Companies 2014 ranking of Universidad de Los Andes.

**04 EMPRESAS COPEC** is the Chilean company with the top sales, according to the regional ranking by the *América Economía* magazine.

**05 ABASTIBLE** is in first place in the bottled gas category of the ProCalidad 2014 ranking and first place in the Consumer Loyalty Awards.

**06 METROGAS** attains first place in the household services category in the National Consumer Satisfaction Awards.

**07 EMPRESAS COPEC** is runner-up in the investor relations category of the Alas20 2014 Award.

**08 CAN-CAN** is distinguished by the Municipality of Petorca with the Good Neighbor 2014 prize.





**09 ARAUCO** wins the Good Corporate Citizenship Award for its AcercaRedes social innovation project.

**10 SONACOL** once again secures certification in the Competitive Company Program (PEC) excellence of the Workers' Safety Association and is distinguished by the same institution as one of the companies with the best safety and occupational health performance.

**11 SONAMAR** is distinguished by the Workers' Safety Association with safety and occupational health certification of the PEC.

**12 METROGAS** is distinguished as one of the six safest companies to work for in Chile by the Chilean Safety Association.

**13 ARAUCO'S PRES CONSTITUCIÓN PLAN** receives the Zumbotel 2014 Award for sustainable urban development.

**14 ARAUCO'S VESTO MELAMINE AND PRES CONSTITUCIÓN** are distinguished with the Avonni 2014 Awards.

**15 ARAUCO** is distinguished in the energy efficiency category of the sustainability hub ranking for its contribution to forest biomass-fired power generation and diversification of the country's power grid.

**16 EMPRESAS COPEC** is once again distinguished in the MERCOSUR corporate reputation ranking.

# HISTORY

## 1934

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

## 1936

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

## 1956

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

## 1957

Sociedad Nacional de Oleoductos (Sonacol) is established. Copec becomes the representative and distributor of Mobil products.

## 1976

Copec buys Celulosa Arauco and Forestal Arauco.

## 1979

Copec acquires Celulosa Constitución and merges it with Celulosa Arauco to establish Celulosa Arauco y Constitución.

## 1980

Copec acquires Pesquera Guanaye and the electric power distribution companies Saesa and Frontel.

## 1986

The Angelini Group acquires a 41% shareholding of Copec.

## 1989

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

## 1990

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

## 1991

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

A large fishing ship is shown at sea during sunset. The ship is white with a dark hull and has several antennas and masts. The sun is low on the horizon, creating a warm orange glow over the water and the ship. The ship is moving towards the right side of the frame.

## 1992

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

## 1994

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

## 1996

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

## 1999

Arauco acquires Licancel, gaining a new bleached wood pulp mill and plantations. Corpesca is established in the north of Chile after merging the fishery and industry operations of Igemar, Eperva and Coloso.

## 2000

The Angelini Group takes control of the company by acquiring an additional 30.05% of Copec's stock. SPK is established in the center and south of Chile from the merger of the operating assets of the fishing companies Igemar, El Quillay and Pacific Protein.

## 2001

Copec sells off its interest in Saesa and Frontel.

## 2002

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

## 2003

Compañía de Petróleos de Chile Copec 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 agree to produce and market Mobil and Esso lubricants exclusively in Chile.

## 2004

The Valdivia wood pulp mill is commissioned.

## 2005

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

## 2006

The Nueva Aldea wood pulp mill is commissioned. Elemental is established to develop social interest urban projects.

## 2007

Arauco and Stora Enso acquire forestry lands, a sawmill and 20% of a paper mill in Brazil. Sociedad Minera Isla Riesco S.A. is established to produce coal in the Magallanes region.

## 2008

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

## 2009

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 is established to produce Omega 3 concentrates.

## 2010

Copec gains control of Proenergía Internacional, a leading fuel distributor in Colombia. Orizon is established after merging the fishing operations of SPK and San José in the center and south of Chile.

## 2011

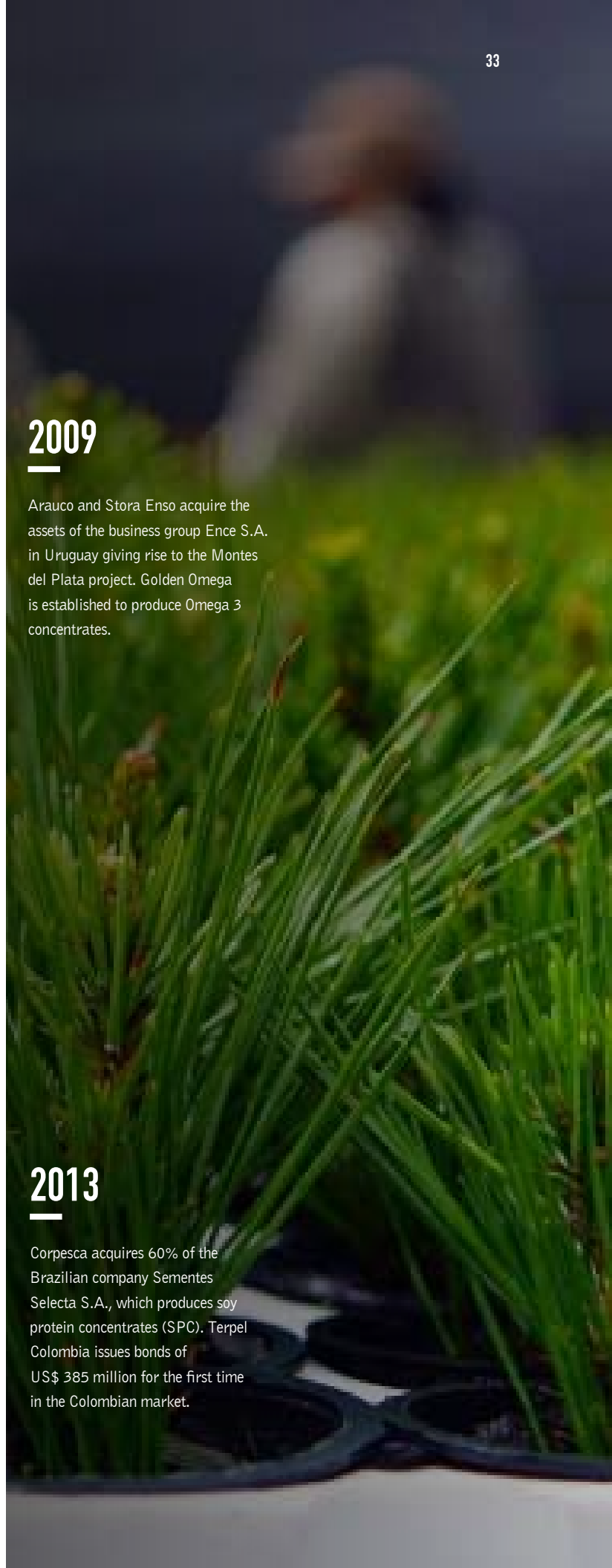
Abastible acquires 51% of the Colombian company Inversiones del Nordeste. Arauco expands into the United States with the acquisition of the Moncure panel mill.

## 2012

Arauco acquires the panel producer Flakeboard Company Limited, gaining seven panel mills in the United States and Canada. Copec gains a 58% stake of Terpel by means of a takeover bid for Proenergía Internacional.

## 2013

Corpesca acquires 60% of the Brazilian company Sementes Selecta S.A., which produces soy protein concentrates (SPC). Terpel Colombia issues bonds of US\$ 385 million for the first time in the Colombian market.



# 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 the 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

Empresas Copec's principles are based on the corporate governance 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; protects shareholder rights facilitating their exercise and assuring they receive fair treatment; the permanent promotion of strategic advice; and constantly strives to make sure management is effectively overseen by the Board, and that the latter represents all shareholders.

By means of these principles, the company assures that management, investment and action practices are undertaken considering economic, social, environmental and political aspects leading to a contribution that goes beyond the direct economic benefits and complying with the legal regulations.

Empresas Copec promotes that way of doing things in each of its companies, which is reflected in common ethical and professional values, creation of value sustainably, thoughtful and informed decision-making with a long-term vision, and engaging responsibly with the country's social, human and economic development.

## CORPORATE GOVERNANCE STRUCTURE

The Board and Directors' Committee play an essential role in drafting and implementing formal corporate governance structures, assuring that the strategic and financial decisions are made with transparency, participation and efficiency.

Each of these bodies timely receives the information needed to make decisions and have the resources to perform all their functions.

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## BOARD OF DIRECTORS

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

The Board of Directors is accountable for 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 the company's operations; analyzing large investment projects, transactions, and divestments of assets; assuring effective and efficient risk management; guaranteeing the representativeness of the financial statements; safeguarding compliance with the law and the self-regulation standards; monitoring relations with the authorities and key market agents; and keeping shareholders permanently informed. It also selects the chief executive 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.

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## DIRECTORS' COMMITTEE

The Directors' Committee comprises three members, elected from among the members of the Board, to make sure of providing greater representation of directors appointed by the minority shareholders who are unrelated to the controlling shareholder.

The functions of the Directors' Committee include: 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; proposing to the Board the names of the independent auditors and private risk rating agencies, which shall then be proposed to and approved by the respective shareholders' meeting; and periodically reviewing the reports submitted by the independent auditors, the company's financial statements, transactions with related companies, remuneration policies and the compensation plans for managers, senior officers and employees.

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## ETHICS COMMITTEE

The Ethics Committee comprises three members, who are elected by the Board, to provide advice on ethics and define, promote and regulate the correct conduct of employees, making sure this is in line with the principles established by the company.

The Ethics Committee is responsible for promoting the values and conduct laid down in the Code of Ethics; supporting the person in charge of prevention with the different controls he conducts, mainly in the process of identifying and analyzing reports that apply to the prevention model, determining investigations and possible sanctions regarding these; and proposing to the Board the updates and modifications to such Code.

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## STAKEHOLDERS

Empresas Copec's corporate governance is constantly concerned about suitably aligning management's interests with those of shareholders, employees and the environment.

For this, it has a series of procedures, instruments and channels to minimize information inconsistencies and facilitate the suitable operation of the financial market.

This is the case of the 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 company, making periodic presentations of results, issuing information releases, and participating in national and international conference calls.

Complementing this, the corporate website has important and updated information, like the company's by-laws, minutes of Shareholders' Meetings, financial statements, annual reports, earnings releases, news, list of analysts who cover the company, Manual on Handling Information of Market Interest, Corporate Governance Practice and Code of Ethics, among others.

In addition to this technological platform, there is a four-monthly corporate magazine, which for more than 20 years has published information on the initiatives developed by the company and its affiliates, investments, and articles of general interest.

Moreover, the company periodically provides transparent, true and representative information to all its stakeholders, and promotes all shareholders' informed participation in shareholders' meetings, and assuring their right to speak and vote. The company also takes special care that investment management and decisions consider the interests of minority shareholders.

Empresas Copec has a strict auditing policy, which lays down that the auditing manager, the partner responsible or the auditing company rotate with a minimum frequency of once every five years, whose objective is to make sure this process is undertaken with total independence and guarantee the transparency of financial reporting.

# EMPRESAS COPEC AND THE COMMUNITY

Empresas Copec's way of doing business is based on the firm conviction that the success of a company is attained by creating economic and social value for the community and company.

By means of various initiatives, Empresas Copec makes a contribution to local development, overcoming poverty, environmental conservation, and promotion of culture, education, sports, innovation and scientific research, and the health and safety of people.

This is undoubtedly a corporate philosophy that reflects Empresas Copec's strong commitment to the community and to good corporate practice, and which has characterized its human teams that are all greatly identified and committed to the company's mission and objectives.



## EDUCATION AND CULTURE

Empresas Copec is deeply convinced that the personal and social growth of people and the country's progress can be achieved with education and culture.

The company has therefore been present for 25 years in the Arauco Educational Foundation, an institution that aims 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 34 districts and benefitted more than 575 schools, and over 5,000 teachers who educate 95,000 pupils every year.

Arauco directly manages the Arauco, Constitución and Cholguán schools, which are renowned in Chile for their academic performance and excellence.

Right from the outset it has also supported Chile's Child and Youth Orchestra program, particularly the orchestras of Curanilahue.

Empresas Copec collaborates with Enseña Chile, an organization which selects and trains young professionals who wish to spend their first working years as teachers in poor schools to bring about changes to the educational system from the classroom. To date, this institution has supported 22,500 pupils and 73 schools in 38 districts in Chile.

The company also makes a contribution to the work of the Belén Educa Foundation, whose objective is to offer children and youngsters in vulnerable districts in the Metropolitan region a quality education. Moreover, executives of Empresas Copec and its affiliates actively participate in the tutorship of pupils in third and fourth grade of secondary education. The aim is to inform pupils of the importance of continuing their studies and becoming good professionals. In addition, every year Empresas Copec awards the most outstanding pupil of each school the "Anacleto Angelini Scholarship," which finances all the studies at a technical training center or professional institute.

At the same time, Copec continued to work on its *Viva Leer* (Long Live Reading) project, which is a program to encourage reading by forming 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 municipal schools applied to the Fourth National School Library Competition, *Viva Leer* Copec, and 15 new libraries were inaugurated, giving a total to date of 45 libraries in all Chile's regions and benefitting more than 26,000 people.

Corpesca participates in dual education programs with technical and professional educational establishments in the north of the country, allowing students to undertake part of their training inside the company.

At the same time, Can-Can supports the Comprehensive Care Center, which cares for poor disabled children, and the Petorca Youth Orchestra, comprising pupils from schools in that district.

Mina Invierno has training agreements with the University of Magallanes and the National Training Institute (INACAP) to enhance work competencies and therefore overcome the gaps that hinder competitiveness. It has also undertaken various cultural initiatives, like the recovery of archaeological sites and the implementation of "The Coal Room" in the Salesiano Maggiorino Borgatello Museum in Punta Arenas. It also published the book "El Carbón en Magallanes, Historia y Futuro" (Coal in Magallanes, History and Future), written by Mateo Martinic, and in 2014 "La historia olvidada: tras la ruta del carbón" (The forgotten history: in search of the coal route) by the journalist Cristián Morales, and "Isla Riesco: la naturaleza y el hombre" (Isla Riesco: nature and man) by the photographer and naturalist Claudio Almarza.

## SPORTS

To encourage children, youngsters and adults to play sports is an essential tool to promote values like teamwork, healthy competition, self-improvement, respect for others, and achieving objectives.

Empresas Copec and its affiliates support various sports disciplines like the Arauco Cup, which every year brings together primary and

secondary school pupils from the districts of Coelemu, Portezuelo, Quillón, Ránquil and Trehuaco, and the Invierno Cup in which 15 school teams from Punta Arenas participated.

Copec continued to sponsor the outstanding national motorcycle riders Francisco "Chaleco" López, and Ignacio Casales, and the Mobil Rally event.





## 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.

Arauco has up-to-date ISO and OHSAS certification at all its industrial facilities. The company also permanently implements training plans to enhance risk prevention management, compliance with safety standards, eventual contingency identification and the use of preventive tools, among others.

Copec applies strict safety standards for fuel transport and storage, which include contingency plans at plants, service stations and maritime terminals, and control and prevention systems for fires, spills and accidents, a truck satellite follow-up system, and training and assessment programs for drivers.

Sonacol permanently controls all the fuel transport processes and performs remote follow-up of its valves, pipelines and facilities to prevent faults and leakages. Due to the company's management of safety and risk prevention it attained PEC excellence program certification by the Workers' Safety Association, and was distinguished

by this same institution as one of the companies with the best safety and occupational health performance.

On the other hand, Sonamar applies the safety, quality and environment (SQE) system to its sea freight operations. This includes procedures and samples of the fuel loading and unloading operations and training plans for deck crew directly involved in fuel transfer. It should be mentioned that the company also has safety and occupational health certification of the PEC program of the Workers' Safety Association.

Abastible makes periodic checks of bulk trucks and drivers, applies a safety management system to all its subsidiaries, suppliers and contractors, which establishes the requirements for gas storage, transport and delivery. There is also the integrated transport emergency system (SIET), which aims to prevent accidents during gas shipment and prepare the organization for possible emergencies.

On the same lines, Metrogas has the Metroprev program aimed at driving risk prevention and occupational health management by detecting, identifying, assessing, controlling and monitoring risks. It has also added cutting-edge technology for reviewing and maintaining natural gas distribution networks.

## RESEARCH AND INNOVATION

Scientific and technological knowledge is an essential element to make an active contribution to the country's social and economic development.

For this reason, Empresas Copec inaugurated the Anacleto Angelini-Catholic University Center for Technology Innovation in 2014, which is open to all companies and enterprises aimed at encouraging meetings and interaction between the academic and business worlds to generate applied knowledge and innovation that meet the country's needs.

On the other hand, through the Copec-Catholic University Foundation the company drives applied scientific research, promotes strategic partnerships between public and private research and development bodies, and disseminates the scientific and technological advances attained in the natural resources area. Every year the Foundation holds the National Natural Resource Development Project Competition and the Project Competition for Young Researchers, and as of 2014 the Higher Education Student Competition: 'Apply your Idea,' all to provide technical, financial and commercial support to various initiatives.

There is also a Private Venture Capital Fund, which is managed by Administradora General de Fondos Security and has the support of the Chilean Economic Development Agency (CORFO), which provides capital for technology development projects with large future growth potential.

The subsidiary Arauco, together with CMPC, MASISA, the University of Concepción, the Catholic University of Valparaíso and Fundación Chile, is also part of the technology consortium Bioenercel S.A., whose aim is to develop technologies to inject second generation biofuels obtained from wood pulp into the country's power grid.

Moreover, as of 2012 Arauco has driven an innovation project called AcercaRedes, which entails establishing, in sectors away from the large urban hubs, centers that promote the meeting of entrepreneurs, companies and organizations to drive community development. To date, three centers have started up in the center and south of Chile at San José de la Mariquina, Constitución and Curanilahue.

Arauco's affiliate Bioforest conducts studies to seek procedures that raise the quality, performance and productivity of forest plantations and the wood pulp production process, and also apply state-of-the-art procedures in areas such as genetics, site productivity, phytosanitary protection, wood properties and the biodiversity of native vegetation. It therefore has biocell and biopanel areas focused on the research and development of wood pulp and panels, respectively.

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

Golden Omega has made progress with the pharmaceutical certification process of its Omega 3 concentrate plant, after which its products can be sold globally as active pharmaceutical ingredients. Bioambar SpA continued to carry out research with Harvard University to determine the benefits of Omega 3 concentrates in curing or preventing cancer.

Corpesca and Orizon have in-house oceanographic monitoring programs, sampling, biological analyses of catches, and satellite data to actively contribute to fisheries research undertaken in Chile on how to make marine resources efficient and sustainable.

## — OVERCOMING POVERTY

For Empresas Copec overcoming poverty and improving the living standards of the most vulnerable sectors of the population is a constant concern and priority.

It therefore participates in Elemental, 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.

Arauco continued to support the local enterprise of communities around the company's facilities through its supplier development program, by including them on the list of company service and product providers.

Moreover, Arauco has implemented various initiatives for the Master Plan for the Sustainable Reconstruction of Constitución (PRES), which was designed by the University of Talca, Elemental, the international urban development and sustainability department, ARUP, and Fundación Chile to deliver the bases for rebuilding this city, one of the worst hit by the earthquake and tsunami in February 2010. It should be mentioned that in 2014 the PRES program won the Zumtobel Award for innovation, sustainability and humanity in the built environment for its innovative contribution to improving people's quality of life.





## — ENVIRONMENT

Environmental care and sustainable management of resources is a permanent and long-term environmental policy for Empresas Copec, which goes beyond compliance with current regulations. This includes actively collaborating with national bodies and authorities in charge of the regulations on this issue, meeting market requirements, contributing to conserving ecosystems and making businesses sustainable.

The affiliate Arauco was therefore one of the first companies to embed the concept of sustainable development. Wood pulp mills particularly use elemental chlorine-free (ECF) technology in the bleaching process, and its planted forests have ISO 14001 certification, CERTFOR certification that is a Chilean standard on sustainable stewardship, and the international Forest Stewardship Council (FSC) standard, and all its industrial areas participate in clean production agreements and have cutting-edge technology and equipment to reduce the environmental footprint

The company also has a chain-of-custody system at its productive facilities, due to which it connects the final products to their origin, verifying that supply is not from protected or uncertified species. Furthermore, Arauco has ten biomass-fired power co-generating 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).

Arauco also manages a network of parks from the Maule to Los Ríos regions, along with 395,000 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.

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, it applies stringent controls of its production processes and carries out various initiatives

to reduce its CO<sub>2</sub> emissions. These include the *Vía Limpia* (Clean Way) project, aimed at resolving customer difficulty with managing used oil and removal of waste containing hydrocarbons; and the *Renova* Copec project, which adopts renewable energies at its service stations.

Abastible has strict standards on emissions and handling of hazardous industrial waste at all its productive plants and distribution centers, which assures compliance with current regulations. The company has also developed various applications to complement the use of liquefied gas with renewable energies, like solar energy.

Metrogas uses biogas from the La Farfana wastewater treatment plant to make city gas, thereby reducing greenhouse gas emissions and other contaminants. In 2014, the company started the construction of the methanization phase in this same plant, which aims to convert biogas into biomethane and then inject this into its supply network.

Corpesca has environmental monitoring programs of the marine ecosystem and systems to oversee and control emissions so processes generate the least environmental footprint possible. Orizon makes sure that all its operations comply with the requirements laid down in Supreme Decree N°90, which regulates liquid industrial waste emissions.

Can-Can has strict environmental contingency control systems to assure high safety levels with the handling and disposal of waste and to reduce process emissions.

Mina Invierno has cutting-edge technology to minimize particulate matter emissions at its facilities and productive mine sites. This is complemented with a coal mining technique known as mobile pit, in which the areas mined are filled in as the material is stripped. It also has a 683 hectare integrated compensation area for reforestation with lenga (*Nothofagus pumilio*) and relocation of affected species, a tree nursery with native species built as part of the reforestation plan, and 5,400 hectares where 1,600 sheep and 300 cattle graze, with the objective of showing that cattle breeding can be undertaken simultaneously with coal mining.

# CONSOLIDATED FINANCIAL RESULTS

Empresas Copec had consolidated net income, net of minority participation, of US\$ 856 million in 2014, which was an 8.8% year-on-year increase. This difference is largely explained by the company's higher non-operating income from the sale of a 25% stake in the associate Guacolda.

## GROSS MARGIN

The company's gross margin was 0.5% down year-on-year amounting to US\$ 3,188 million, due to lower revenue of US\$ 23,841 million, which was partially offset by lower sales costs of US\$ 20,653 million.

The company's lower income is mainly explained by a drop in the fuels business due to prices of oil by-products dipping in the second half of the year.

Gross margin in the year mainly came from the affiliates Arauco for US\$ 1,675 million; with Copec accounting for US\$ 1,156 million; Abastible for US\$ 244 million; Igemar for US\$ 67 million; and Sonacol for US\$ 52 million.

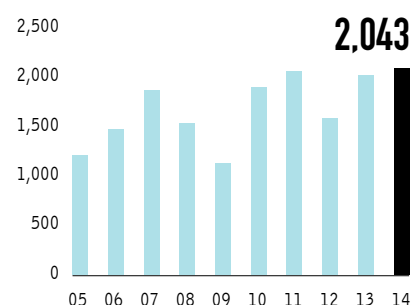
## OTHER INCOME

Non-operating income increased US\$ 132 million, mainly due to greater other revenue related to the sale of the associate Guacolda, and to other lower expenses by function, largely in the fisheries business.

That was partially offset by lower other revenue and decreased income from related companies and joint ventures.

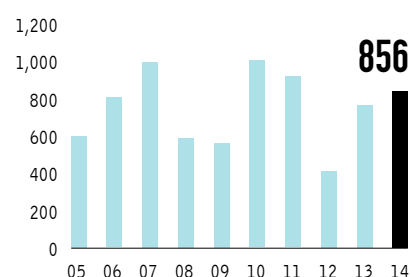
## CONSOLIDATED EBITDA

Million dollars



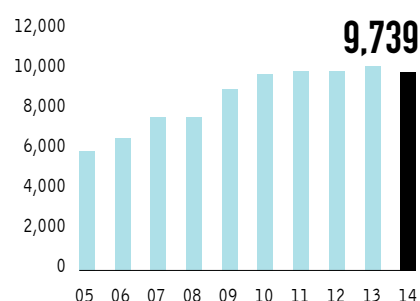
## NET INCOME

Million dollars



## SHAREHOLDERS' EQUITY

Million dollars



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# RESULTS OF THE MAIN AFFILIATES AND RELATED COMPANIES

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## FORESTRY BUSINESS

### CELULOSA Y ARAUCO CONSTITUCIÓN

Celulosa Arauco y Constitución had net income of US\$ 432 million in 2014, which was up on the US\$ 386 million the previous year. That difference is essentially explained by a US\$ 61 million increase in operating income, as a result of greater sales in the wood pulp and sawn lumber business.

Operating revenue increased 3.6% on the previous year. Wood pulp sales rose 7.0%, due to an increase in volume and sales prices of 6.5% and 1.2%, respectively.

Sawn lumber revenue climbed 15.9% on account of sales volumes and prices increasing 3.6% and 12.0%, respectively.

Panel revenues were 4.6% down, mainly explained by sales prices dropping 7.2%. That was partially offset by a higher sales volume of 2.3%.

Non-operating income dipped US\$ 17 million, mainly because of lower other operating revenue arising from greater sales of assets the previous year and higher financial expenses.

## FUELS BUSINESS

### COPEC

The affiliate Compañía de Petróleos de Chile Copec had net income of Ch\$ 116,129 million in 2014, which was down on the Ch\$ 127,896 million in 2013.

Operating income increased 2.4% because of higher sales volumes in Chile, Colombia, Ecuador, Panama and the Dominican Republic. That was offset by a negative effect of the revaluation of inventories and the first in first out (FIFO) costing system.

Physical sales in Chile amounted to 9.5 million m<sup>3</sup>, which was a 0.7% year-on-year increase. That was due to the 2.9% growth of the service station network, and a 1.1% decrease in the industrial channel. As a result, market share was 58.8%.

Terpel's physical fuel sales in Colombia, Panama, Ecuador and the Dominican Republic climbed 3.1%, 9.4%, 4.6% and 5.4%, respectively.

Non-operating income fell 81.2%, because of lower other income and revenue from discontinued operations related to the sale of Terpel Chile in 2013.

### ABASTIBLE

Abastible had net income of Ch\$ 25,032 million in 2014, which was a decrease of 33.6%. Operating income dropped 26.4%, mainly due to lower margins, especially in Colombia, and higher distribution costs.

Non-operating income decreased Ch\$ 5,614 million, on account of increased financial costs, more unfavorable monetary correction and lower income from related companies and joint ventures.

Abastible had physical sales in Chile of 427,000 tons of liquefied gas, which was a 2.1% year-on-year increase, and market share of 36.7%. Inversiones del Nordeste had physical sales in Colombia of 181,000 tons of liquefied gas, which was a 1.8% year-on-year decrease, and a market share of 33.1%.

### SONACOL

In accrued terms, Sonacol had net income of Ch\$ 20,067 million, which was a Ch\$ 935 million year-on-year increase. That increase is mainly explained by a 4.5% increase in the volume pipelined.

### METROGAS

Metrogas had net income of Ch\$ 82,685 million in 2014, which was down on the Ch\$ 108,162 million in 2013. That was due to lower margins as a result of an increase in the cost of gas.

Physical sales were 13.3% up, mainly related to a 41.9% increase in supply to power generating companies and 7.5% and 1.6% in residential and industrial sales, respectively.

## FISHERIES BUSINESS

### PESQUERA IQUIQUE-GUANAYE

Igemar had net income of US\$ 4.7 million in 2014 which was up on the net income loss of US\$ 41.6 million in 2013, due to a greater non-operating income that was hit the previous year by productive plant closure expenses.

In operating terms, income amounted to US\$ 24.2 million, which was a US\$ 32.8 million year-on-year increase.

Physical fishmeal sales were 53.4% up on the previous year amounting to 33,900 tons. Physical fish oil sales were 12,500 tons, a 164.9% year-on-year increase. 2.3 million boxes of canned seafood were sold, 7.8% down on the previous year. Frozen seafood sales amounted to 20,900 tons, 20.3% down on the previous year. The fish processed was an increase of 43.9% and amounted to 210,000 tons.

Frozen seafood and fishmeal prices were 2.4% and 2.0% up, respectively. Fish oil and canned seafood prices dropped 15.7% and 3.4%, respectively.

### CORPESCA

Net income accrued up to December was US\$ 16.6 million, which was up on the net income of US\$ 16.2 million the previous year.

Operating income increased US\$ 13.5 million because of fish oil and fishmeal sales volumes rising 13.5% and 13.1%, respectively. That was partly offset by lower sales prices of fish oil and fishmeal of 3.4% and 4.7%, respectively. 627,000 tons of fish were processed, which was a 3.5% year-on-year increase.

# BALANCE SHEET

## ASSETS

Consolidated current assets increased by 3.1% for the year ended December 31, 2014 on those for the year ended December 31, 2013. That change was mainly driven by an increase in cash and cash equivalents, due to the parent company selling its stake in Guacolda. That was partly offset by lower inventories of the affiliates Arauco and Copec, and a drop in trade receivables in the fuels sector.

Non-current assets for the year ended December 31, 2014 dropped 4.2% on those for the year ended December 31, 2013. This variation is explained by a decrease in investments accounted for using the equity method due to the sale of the associate Guacolda, and a drop in property, plant and equipment related to the affiliates Arauco, Copec, Abastible and Sonacol, due to the effect of the higher exchange rate.

# INVESTMENT PLAN

The basis investment plan for 2015 commits resources of approximately US\$ 980 million for growth and maintenance of the productive activities of the Company. About 58% is aimed at forestry business, 37% at fuels business, 1% at fisheries business and 4% at other investments.

## LIABILITIES

Current liabilities fell 15.2%, due to lower other current non-financial liabilities, principally in the affiliates Arauco, Abastible and Igemar, and a decrease in trade accounts payable and other accounts payable, essentially in the affiliates Copec and Arauco.

Non-current liabilities increased 6.0% on those at the 2013 year end. That was because of higher deferred tax liabilities related to the tax reform.

## SHAREHOLDERS' EQUITY

The company's shareholders' equity had a 3.7% year-on-year decrease, because of a drop in accrued income related to recognizing net deferred tax liabilities of US\$ 354 million because of the tax reform that came into force as of September 2014 in Chile. There was also a decrease in other reserves due to a higher exchange rate on affiliates with accounting in pesos.

In regard to dividends, the company paid out a dividend of US\$ 0.126130 per share in May 2014, charged to the income of the previous year. The company also distributed an interim dividend of US\$ 0.110882 per share in December, charged to the net income of 2014.

Lastly, the book value of the stock of Empresas Copec amounted to US\$ 7.493 for the year ended December 31, 2014 and earnings per share were US\$ 0.69.

**STATEMENT OF COMPREHENSIVE INCOME**

THUS\$	2014	2013
Revenues	23,840,718	24,339,279
Cost of sales	(20,652,548)	(21,134,855)
<b>Gross margin</b>	<b>3,188,170</b>	<b>3,204,424</b>
Administrative and sales expenses	(2,073,416)	(2,088,203)
Investments in related companies and joint ventures	77,237	122,195
Financial expenses	(350,036)	(363,229)
Exchange difference	(40,196)	(15,869)
Other	422,458	233,995
<b>Income before taxes</b>	<b>1,224,217</b>	<b>1,093,313</b>
Income tax expense	(323,209)	(258,734)
<b>Net income</b>	<b>901,008</b>	<b>834,579</b>
Income attributable to equity holders	855,555	786,013
Income attributable to minority interest	45,453	48,566
<b>Net income</b>	<b>901,008</b>	<b>834,579</b>

**STATEMENT OF FINANCIAL POSITION**

THUS\$	2014	2013
Total assets	21,891,143	22,407,591
Total liabilities	11,555,016	11,587,761
Minority interest	596,878	707,816
Equity	9,739,249	10,112,014

**NET INCOME PER BUSINESS AREA**

THUS\$	2014	2013
Forestry	431,958	385,657
Fuels	287,088	375,114
Fishing	4,651	(41,566)
Other investments	131,858	66,808
<b>Net income</b>	<b>855,555</b>	<b>786,013</b>

## INCOME MAIN AFFILIATES AND ASSOCIATES

	Direct shareholding	2014	2013
<b>FORESTRY (million dollars)</b>			
Celulosa Arauco	99.978%	432.0	385.7
Forestal Arauco	0.052%	91.4	66.2
Arauco Internacional	---	42.8	97.8
Aserraderos Arauco	---	119.8	101.4
Paneles Arauco	---	35.8	40.4
<b>FUELS (million dollars)</b>			
Copec	99.999%	116,129	127,896
Abastible	99.048%	25,032	37,712
Sonacol <sup>1</sup>	52.686%	20,067	19,132
Metrogas	39.830%	82,685	108,162
<b>FISHING (million dollars)</b>			
Igemar <sup>2</sup>	81.933%	4.7	(41.6)
Corpesca	---	16.6	16.2
Orizon	---	3.4	(77.3)
<b>OTHER INVESTMENTS (million dollars)</b>			
Camino Nevado	100.000%	(25.1)	(14.7)
Can-Can	---	(8.3)	(2.8)
Laguna Blanca	---	(33.5)	(23.0)
Inmobiliaria Las Salinas	100.000%	(0.4)	3.9

1 Represents ownership percentage hold through Copec and Abastible.

2 Includes ownership percentage hold through Sercom.



# — BUSINESS AREAS —

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# FORESTRY SECTOR

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## ARAUCO

Celulosa Arauco y Constitución S.A. was established in 1979 from the merger of Celulosa Arauco S.A. and Celulosa Constitución S.A. This has enabled the company to be one of the leading forestry companies in Latin America in terms of the surface area and performance of its plantations, manufacture of market kraft pulp and panel and sawn lumber output.

The leadership attained has been possible due to a business strategy that integrates the operations of its productive chain, maximizes the value of its plantations and attains large cost advantages. Besides this, the company undertakes a careful investment plan, use of state-of-the-art forest stewardship techniques and has large competitive advantages, like the fast growth and the short harvesting cycle of its forests, the use of cutting-edge forest stewardship techniques, unique soil and weather conditions for the cultivation of pine and eucalyptus trees, the scale economies of its facilities and closeness to shipping ports. Arauco's products are thereby exported to over 80 countries through the ports of San Vicente, Coronel and Lirquén. The company has a 50% and 20% stake in the latter two ports, respectively.

Likewise, Arauco has a commercial structure that can timely analyze demand and quickly detect customer needs, adapt the product mix to market conditions, make the best investment decisions and reduce the impact of raw material cost variations.

Arauco currently has 1.6 million hectares, distributed in Chile, Argentina, Uruguay and Brazil. In the former three countries, the company has seven wood pulp mills, with a production capacity of 3.9 million tons a year, and nine saw mills which produce 3 million m<sup>3</sup> of timber a year. In Chile, Argentina, Brazil, the United States and Canada it has 17 panel mills, with a total production capacity of 6.6 million m<sup>3</sup> a year.

Arauco has eight biomass-fired 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 209 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, and in Uruguay it has an electric power generating plant with an installed capacity of 60 MW.

On the other hand, Arauco maintains current clean production agreements in Chile, 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 the international Forest Stewardship Council (FSC) standard. In Argentina it has ISO 14001, OHSAS 18001 and ISO 9001 certification, 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.

In 2014, the company's total production was 3.3 million tons of wood pulp, 2.9 million m<sup>3</sup> of sawn lumber and 5.1 million m<sup>3</sup> of panels. Sales were US\$5.329 billion, of which wood pulp accounted for 43.8%, panels for 34.7%, sawn lumber for 18.1% and other products for 3.4%. 91.4% of the total sales were exported, with Asia and America being the main markets.

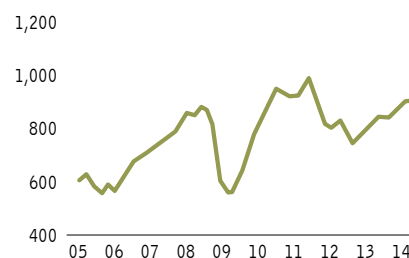
Regarding investments, Arauco and Stora Enso inaugurated the Montes del Plata wood pulp mill in Uruguay, which has a production capacity of 1.3 million tons of eucalyptus wood pulp a year, a port and a renewable resource-fired power generating plant with a 170 MW capacity.

Moreover, the company secured environmental approval for the Arauco mill modernization and expansion (MAPA) project, which will increase its production capacity to up to 2.1 million tons of wood pulp a year at such industrial complex.

At the same time, Arauco submitted an environmental impact statement (EIS) to produce textile pulp at the Valdivia mill. This considers an

### MARKET PULP PRICE

US\$ / Ton



Source: Bloomberg

investment of US\$ 180 million and will enable the company to offer a new product, which is used as a raw material to make textile fibers like rayon or viscose, cellophane, filters, and others.

In the financial area, Arauco issued bonds of US\$ 500 million in the United States, with 10-year maturity and an interest rate of 4.5% per annum, allocating the proceeds obtained to refinance liabilities. The company also placed two bond series (Q & R) of UF 7 million in the domestic market. The first placement was a series of UF 2 million with 7-year maturity and three years' grace, and it attained a record placement rate of 2.6%. The second series of UF 5 million has 21-year bullet maturity and was placed at its par value and an interest rate of 4.5%.

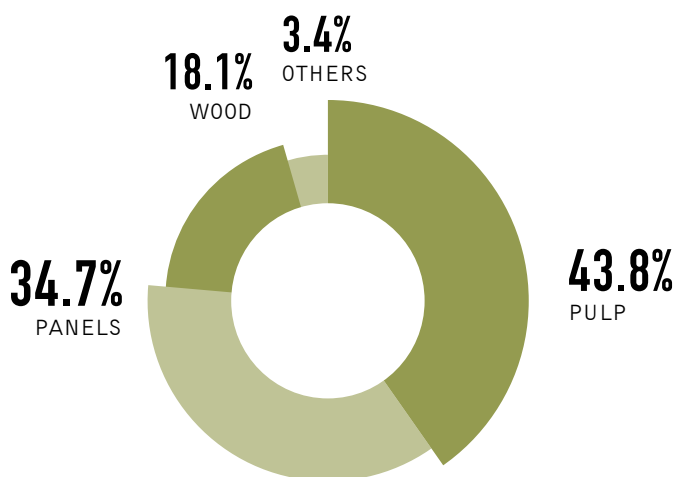
For the second year running, the company was elected to participate as Chile's official sponsor at Expo Milan 2015, providing all its experience of the construction industry and wood product innovation.

It should be mentioned that in the year Arauco was recognized for the various initiatives it is undertaking on innovation and community contribution. It therefore received the Good Corporate Citizenship Award for the AcercaRedes social innovation project, and was distinguished in the energy efficiency category of the sustainability hub ranking for its contribution to forest biomass-based energy generation and the diversification of the country's energy grid. The PRES Constitución plan also won the Zumbotel Award 2014 for sustainable urban development and the Avonni Award 2014. Its Vesto-branded melamine boards, produced at the Teno mill, also won this award.

In 2015, the company will continue to develop innovative initiatives to maintain excellence in all its business areas.

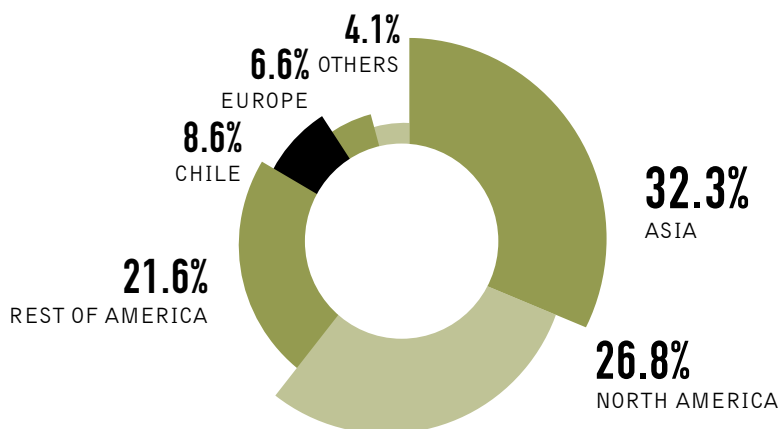
## SALES PER PRODUCT

Total: 5.3 billion dollars



## SALES PER MARKET

Total: 5.3 billion dollars



## FORESTRY

Forestal Arauco is the company in charge of coordinating the operations of Arauco's forestry subsidiaries and defining the development policies in this area.

Forestal Arauco is currently one of the main producers of logs for fiber, sawmilling and panels in the Southern Hemisphere. Moreover, the company currently has one of the most extensive forest landholdings in South America. It has 725,000 hectares of plantations in Chile, 131,000 hectares in Argentina, 74,000 hectares in Brazil and 72,000 hectares in Uruguay.

Its forest landholdings in Chile amount to 572,000 hectares of radiata pine plantations, 150,000 hectares of eucalyptus and 3,000 hectares planted with other species, 211,000 hectares of native forest and 175,000 hectares allocated for forestation and other uses. Arauco's plantations in Argentina, Brazil and Uruguay amount to 149,000 hectares of taeda and elliotti pine, 110,000 hectares of eucalyptus, 18,000 hectares of other species, 184,000 hectares of native forest and 61,000 hectares earmarked for forestation and other uses.

These assets are the basis of the competitiveness of all its business areas. The company therefore 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 the international Forest Stewardship Council (FSC) standard. At the same time, it has native

forest non-substitution agreements, and undertakes programs to protect and conserve the biodiversity. Complementing this, the company also manages and maintains a network of parks and protected areas from the Maule to Los Lagos regions.

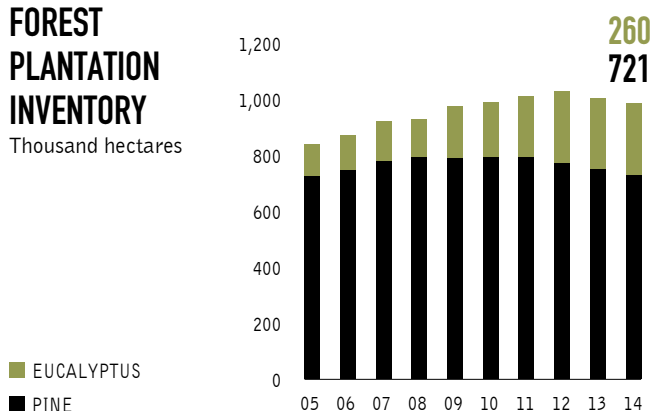
On the other hand, Bioforest is the subsidiary in charge of advanced research initiatives in the biotechnology, genetics, phytosanitary protection, agricultural and livestock areas and studies on the properties and characteristics of different types of wood, along with processes to optimize wood pulp and research on new uses of it and panels.

Moreover, Arauco deploys a log merchandising system to optimize the use of the forest resource, analyzing each log's characteristics in real time and defining the most efficient cuts required to maximize the economic value. There is also the new CT Log machine, which is an X-ray scanner for logs to rebuild 3D transversal images to detect and measure log lengths, diameters, volume and curves, along with wood damage, knots, splits, conicity, ovality, moisture content and density, among other aspects.

In 2014, Arauco planted 59,000 hectares and harvested 62,000 hectares. Total forestry production amounted to 22.3 million m<sup>3</sup> of logs and chips, and 7.9 million m<sup>3</sup> of logs and chips were purchased from third parties. 25.7 million m<sup>3</sup> of the total available were allocated to Arauco's wood pulp mills, panel mills and sawmills, and 2.9 million m<sup>3</sup> were sold to third parties.

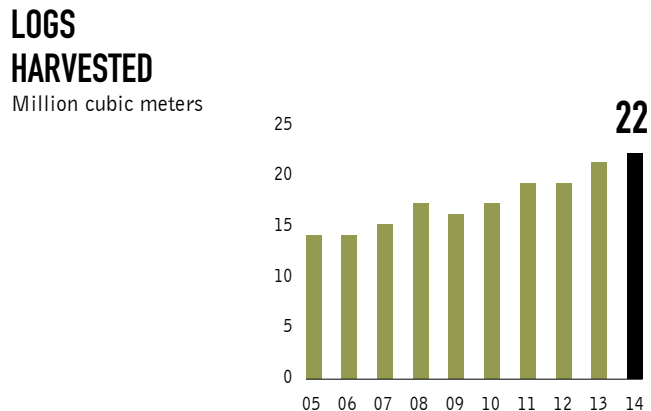
### FOREST PLANTATION INVENTORY

Thousand hectares



### LOGS HARVESTED

Million cubic meters



## PULP

Celulosa Arauco is Arauco's business unit that produces various types of wood pulp. On over three decades of operation, it has become one of the largest producers of market pulp in the world.

The company has five wood pulp mills in Chile (Arauco, Constitución, Licancel, Nueva Aldea and Valdivia,) one in Argentina (Alto Paraná), and one in Uruguay (Montes del Plata). These facilities have a production capacity of 3.9 million tons a year, and all of them use elemental chlorine-free (ECF) technology, the most modern in the industry, to produce bleached wood pulp, and have the highest national and international certification.

In Chile the wood pulp produced by Arauco is made with radiata pine (long fiber) and eucalyptus (short fiber), and taeda pine (long fiber) in Argentina, and eucalyptus (short fiber) in Uruguay. Depending on the raw material and process used, the company produces three types of wood pulp: bleached or kraft pulp, raw or unbleached pulp and fluff pulp.

It should be mentioned that Arauco's competitors are Eastern Europe, Canada, the United States, Sweden and Finland in the global long-fiber wood pulp market, and Brazil and Indonesia, among others, in the short-fiber wood pulp market. Arauco currently accounts for 7.1% of the global sales of bleached pine wood pulp, 3.6% of the bleached eucalyptus wood pulp sales and 25.2% of the raw wood pulp sales.

In 2014, the company's total production was 3.3 million tons, a 6.1% year-on-year increase, which was mainly sold in China, Europe and Latin America.

Arauco and Stora Enso inaugurated the Montes del Plata wood pulp in Uruguay, which has a production capacity of 1.3 million tons of

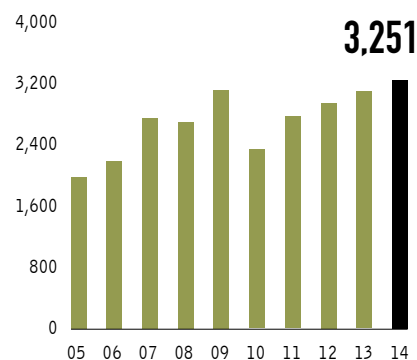
eucalyptus wood pulp, a port and a renewable resource-fired power generating plant with a 170 MW capacity.

Moreover, the company received environmental approval for the Arauco mill modernization and expansion (MAPA) project, which will increase the production capacity to up to 2.1 million tons of wood pulp a year at such industrial complex.

At the same time, Arauco submitted an environmental impact statement (EIS) to produce textile pulp at the Valdivia mill. This considers an investment of US\$ 180 million and will enable the company to offer a new product, which is used as a raw material to make textile fibers like rayon or viscose, cellophane, filters, and others.

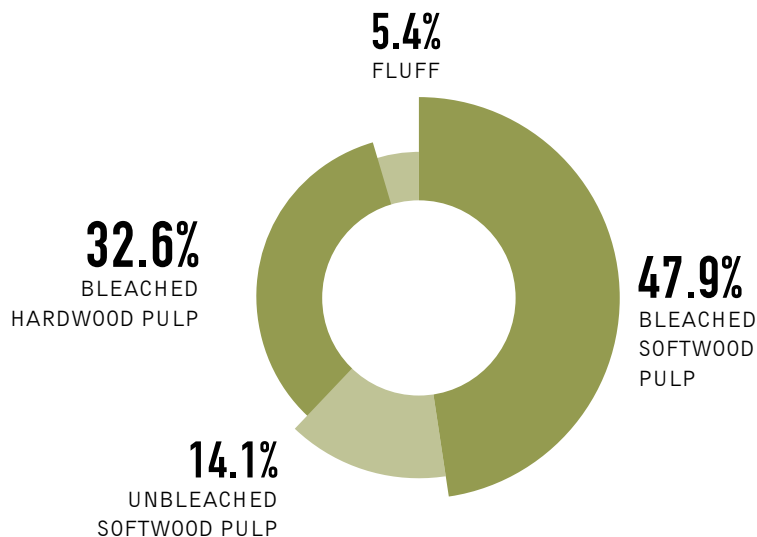
### PULP SALES

Thousand tons



### PULP PRODUCTION

Total: 3.3 Million tons



## SAWN TIMBER

Aserraderos Arauco S.A. is the subsidiary that manages Arauco's sawmills and remanufacturing facilities and markets its products. It is currently Chile's leading sawn lumber exporter, with a product offering of wood for packaging and pallets, solid wood; moldings, edge-glued panels, laminated products, and other intermediate supplies and products.

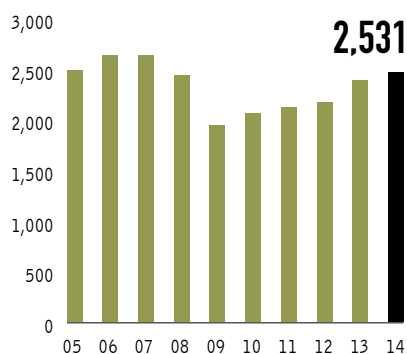
The company has a large infrastructure to timely and efficiently meet the needs of diverse markets. In Chile it has eight saw mills and four remanufacturing plants; in Argentina it has a saw mill and a remanufacturing plant.

These facilities have a total sawmilling output capacity of 3 million m<sup>3</sup> a year, 2.1 million m<sup>3</sup> of dried lumber and 459,000 m<sup>3</sup> of remanufactured products. All the facilities have national and international environmental, quality assurance, and workers' occupational health and safety certification.

In 2014, Arauco's total sawn lumber output was 2.5 million m<sup>3</sup>, a 4.1% year-on-year increase. This increase is mainly explained by higher demand in markets in Asia, North America and the Middle East.

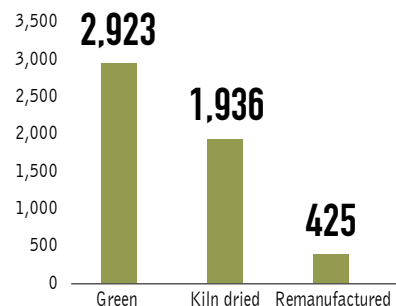
### SAWN TIMBER SALES

Thousand cubic meters



### SAWN TIMBER PRODUCTION

Thousand cubic meters



## PANELS

Paneles Arauco S.A. was established in 1986 to diversify the forest product offering by producing and marketing different kinds of wood boards.

It now has a leading position among panel producers in Latin America and worldwide, due to the quality and variety of its products, and an efficient marketing and distribution strategy.

The company has five panel mills in Chile, where plywood panels, MDF and HB are made, with a total production capacity of 1.6 million m<sup>3</sup> 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 1.6 million m<sup>3</sup> and 570,000 m<sup>3</sup>, respectively. It also has eight mills in the United States and Canada with a total production capacity of 1.5 million m<sup>3</sup> of MDF panels and 1.4 million m<sup>3</sup> of particleboards a year.

In 2014, the company's total board production was 5.2 million m<sup>3</sup>, 12.3% up on the previous year, which was mainly exported to the United States and Mexico. In this context, MDF production amounted to 2.9 million m<sup>3</sup>, plywood to 353,000 m<sup>3</sup>; particleboard output to 1.9 million m<sup>3</sup>, and HB panel production to 53,000 m<sup>3</sup>.

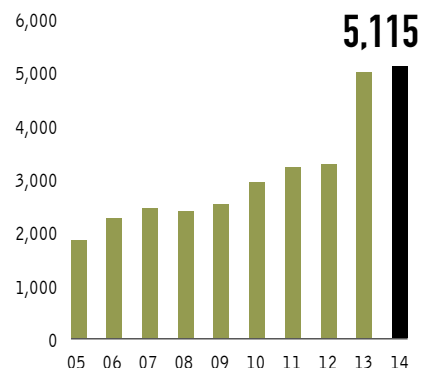
At the same time, the company implemented a new operating standard at all its mills to eliminate losses in the productive processes, raise productivity and attain operational excellence. Moreover, it has a greater focus on safety, standardization and continuous improvement of processes.

Arauco carried out a series of commercial efforts to attain better positioning of the Vesto-branded melamine boards, produced at the Teno mill, in markets in Chile, Peru, Colombia and Mexico.

The company was also distinguished in the ninth version of the Human Capital Development Award by the National Training Institute (INACAP) for its work on employee training and development, and its environmental and community commitment.

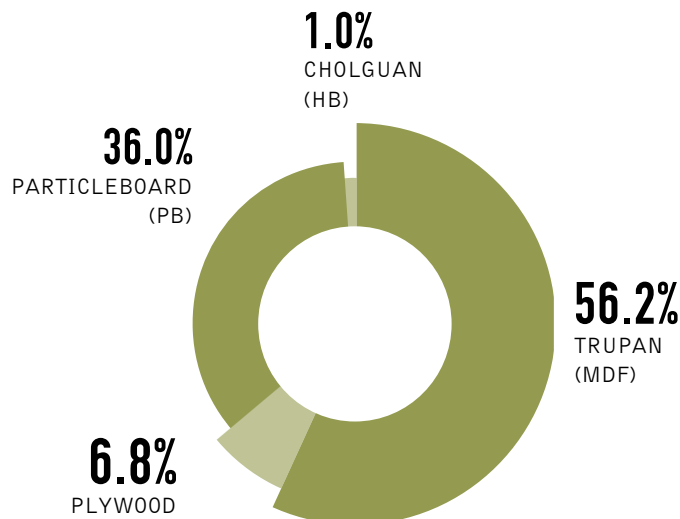
### PANEL SALES

Thousand cubic meters



### PANEL PRODUCTION

Total: 5.2 Million cubic meters





## — ARAUCO INTERNACIONAL

Arauco is one of the largest producers in the world of wood pulp, panels and boards. It has offices in Argentina, Australia, Brazil, Canada, Colombia, the United States, Holland, Japan, Mexico, Peru and China, and operation centers in Argentina, Brazil, Chile, Uruguay and North America.

Arauco launched its overseas expansion process in 1996 by acquiring the Argentine company Alto Paraná S.A. In 2005, it ventured into the Brazilian market by acquiring 100% of Placas do Paraná S.A. and 50% of Dynea Brasil S.A.

In 2007, Arauco signed an agreement with the Swedish-Finnish consortium Stora Enso, one of the foremost producers of paper, packaging and processed wood worldwide. 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. It then added all of Tafisa Brasil S.A. consolidating its presence in the market in Brazil.

In 2009, the company entered into a new partnership with Stora Enso, thereby venturing into the market in Uruguay. Both companies purchased an equal share of 100% of the assets of the business group Ence S.A., also providing the forest lands both companies had separately in that country.

Later in 2011, Arauco entered the US market by acquiring the industrial panel mill of Moncure. In 2012, the company bought 100% of the shares of the panel company Flakeboard Company Limited, gaining panel mills in the United States and Canada.

Arauco currently has 131,000 hectares of plantations in Argentina, 74,000 hectares in Brazil and 72,000 hectares in Uruguay. Moreover, in Argentina it has a sawmill with a production capacity of 344,000 m<sup>3</sup> of sawn lumber a year, a remanufacturing facility with a capacity of 67,000 m<sup>3</sup> a year, an MDF panel mill that can produce 300,000 m<sup>3</sup> a year, a particle board mill with a capacity of 260,000 m<sup>3</sup> a year, a resin plant, a bleached and fluff wood pulp mill with a total production capacity of 350,000 tons per annum.

In Uruguay, it has a wood pulp mill with a production capacity of 1.3 million tons of eucalyptus wood pulp, a port and a renewable resource-fired power generating plant with a capacity of 170 MW. These facilities were inaugurated in 2014.

In Brazil it has two MDF panel mills with a production capacity of 1.3 million m<sup>3</sup> a year, one particle board mill with a production capacity of 310,000 m<sup>3</sup> 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 m<sup>3</sup> a year of MDF panels and 1.4 million m<sup>3</sup> of particle board.

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# FUELS SECTOR

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Compañía de Petróleos de Chile S.A. (Copec) was established in 1934 to market and distribute fuels in Chile. It became a subsidiary of Empresas Copec in 2003, holding the assets of the liquefied fuels and lubricants business. Later on in 2010, it launched an internationalization process in Colombia, gaining an interest in the Colombian company Terpel.

Over the years, the company has attained a leading position in these markets in which it operates, due to customer loyalty and frequency and its sound brand. This has been the outcome of a commercial strategy based on efficient logistics, modern management, and rigorous selection of locations, ongoing product and service innovation, along with constantly striving to offer a quality and comprehensive service to all its customers.

In Chile, Copec currently has 620 service stations from Arica to Puerto Williams, 85 Pronto convenience stores, 234 Punto outlets and 19 fuel storage plants with a total capacity of 482,000 m<sup>3</sup>. In Colombia, Ecuador, Panama, Peru and Mexico, it has a network of 2,286 service stations, of which 290 are vehicle natural gas sales points under the Gazel brand.

In 2014, the company's physical sales amounted to 9.5 million m<sup>3</sup>, and it gained a market share of 58.8% in Chile. Most of the sales in the year were mainly due to a 2.9% increase in sales at service stations amounting to 4.4 million m<sup>3</sup>, and were offset by a 1.1% drop in the industrial channel sales, which amounted to 5.1 million m<sup>3</sup>.

At the same time, ten new urban service stations were inaugurated in Calama, Coquimbo, Futaleufú, Padre Hurtado, Peñalolén, Puerto Tranquilo, San Bernardo, San Francisco de Mostazal, Tucapel and Villa O'Higgins. Five new points of NeoGas GLP were inaugurated in Chillán, Concepción, La Serena, Santiago and Viña del Mar.

The company made progress at the Mejillones storage plant with the installation of a gasoline tank with a total capacity of 20,000 m<sup>3</sup>. The construction works of two new tanks of 20,000 m<sup>3</sup> each started at the Con-Con fuel plant which will be operative in 2016.

Furthermore, Copec added Aero'tank, a new fuel storage and supply line for the industrial sector, and implemented an improvement plan at 35 industrial supply points.

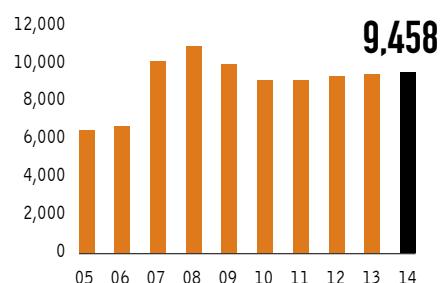
To complement this, the company launched a new service program to gauge the level of customer satisfaction. This program, called Servicio + CERCA, "the same service as always but better than ever," enables customers to evaluate the service experience and quality whenever they fill up with fuel at service stations.

Copec was elected as the third most known and top of mind brand by Chilean consumers and number one in the fuel market, according to the Top of Mind 2014 survey. It was also distinguished with the Consumer Loyalty award, based on the Net Promoter Score® index, which measures the willingness of customers to recommend a company brand.

In 2015, Copec will continue to work on developing initiatives to offer an efficient, timely and top quality service to all its customers. The company will also add six new service stations and two points of NeoGas LPG to its network.

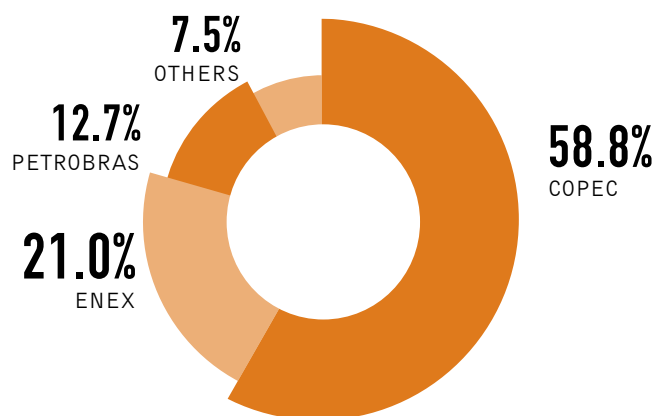
## SALES

Thousand cubic meters



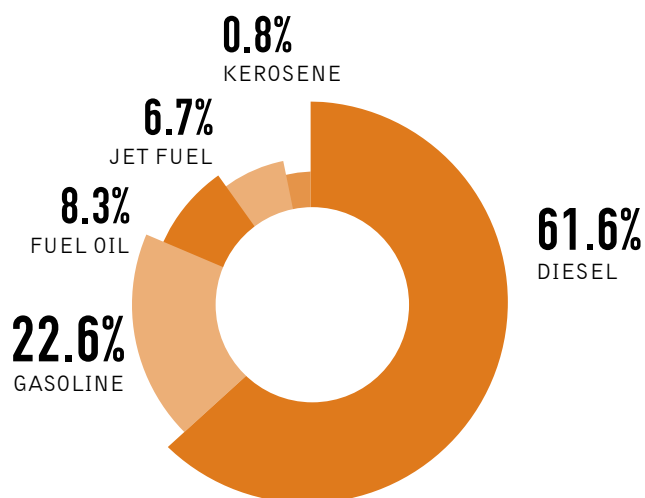
## LIQUID FUEL MARKET SHARE

Source: Own estimates



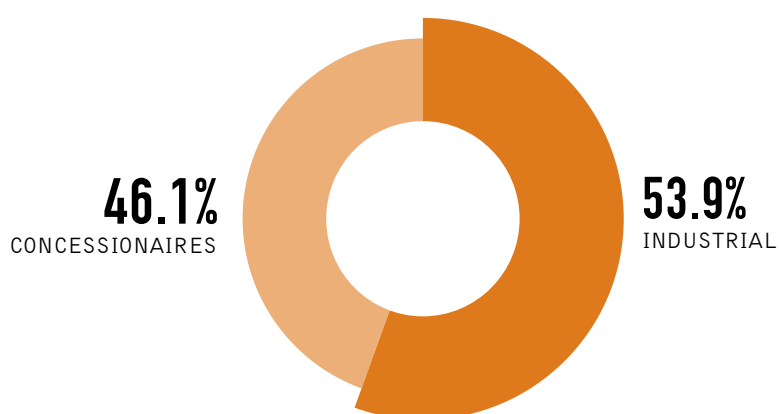
## SALES PER PRODUCT

Total: 9.5 million cubic meters



## SALES PER DISTRIBUTION CHANNEL

Total: 9.5 Million cubic meters





## TERPEL

Terpel was established in 1968 to provide a solution for fuel shortages affecting the Santander region in Colombia, subsequently expanding to all the regions in the country. Later on, in 2007 the company entered the Chilean market after acquiring the assets that YPF had in the country.

In 2010, 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 had a 47.2% stake in Proenergía Internacional S.A., which had a 52.7% shareholding of Sociedad de Inversiones en Energía S.A. (SIE), the owner of 88.9% of Terpel.

That same year, Copec added an additional 8.95% stake in Proenergía Internacional, and in 2011 acquired a 14.39% direct interest in SIE. Later in 2012, Copec gained a 98.24% direct stake in Proenergía Internacional and 58% total indirect interest in Terpel.

Terpel is currently the main fuel distributor in the Colombian market and it has a network of 2,286 service stations in Colombia, Ecuador, Panama, Peru and Mexico, of which 290 are vehicle natural gas sales points under the Gazel brand.

In 2014, Terpel sold 1.8 million gallons of fuel in Colombia, a 3% year-on-year increase, and market share was 45% in that country. In turn, the vehicle natural gas segment had sales of 381,000 m3, the same sales level as the previous year, and the aviation segment had an increase of around 12% for aviation fuel.

Moreover, Terpel simplified its company structure by merging Sociedad de Inversiones en Energía (SIE), Proenergía Internacional and Organización Terpel to centralize decision-making and streamline processes. As a result of this, the company entered on the Colombian stock market and its share value rose 15% on the listing debut.

The company inaugurated 23 service stations and 11 Al Toque convenience stores, all of them designed to offer customers high quality and innovation standards.

In 2015, Terpel will continue working to strengthen its service station network and confirm its commitment to management focused on service, competitiveness and quality.

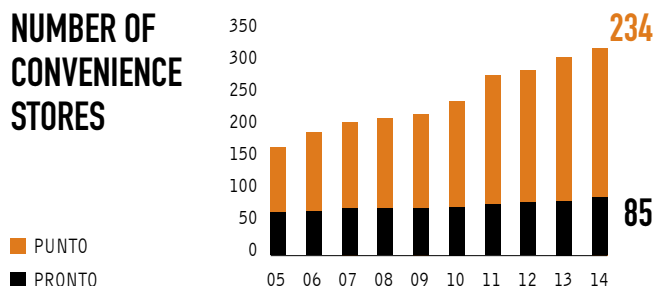
## CONVENIENCE STORES

ArcoPrime was established in 2004, after Copec partnered with Áreas S.A., a Spanish company renowned worldwide, to develop a convenience store network, restaurants and coffee shops at service stations to give customers products and services with a high quality standard and in addition to fuel sales. Later in 2014, Copec acquired the Spanish company's total shareholding in ArcoPrime, thereby becoming the only shareholder.

The company currently has one of the most important convenience store networks in the country with 41 Pronto Urbano outlets and 44 Pronto Carretera outlets. They offer customers various 24-hour products and services.

ArcoPrime also manages eight Fres&Co restaurants located in areas with a high concentration of office buildings in Santiago, which offer customers a wide variety of fast and healthy self-service food. These restaurants can also be found as standalone restaurants in some malls, and offer a waiter/waitress service and more gourmet food.

### NUMBER OF CONVENIENCE STORES



To complement this, the company, through its subsidiary Arco Alimentos, produces and sells fresh, refrigerated and frozen foods marketed under the Fres&Co, Piacceri, and Cresso brands in supermarkets, coffee shops, restaurants, convenience stores and catering companies.

There are 234 Punto outlets, which are managed by the own licensees of service stations according to Copec's same quality standards, and which offer a wide range of products and services 24 hours a day.

In 2014, ArcoPrime inaugurated two Pronto outlets located at Mall Plaza Calama and Mall Plaza El Trébol in Concepción. It also expanded its Fres&Co stores, opening a new outlet in the Anacleto Angelini Innovation Centre on the San Joaquín campus of the Catholic University of Chile.

In 2015, the company will continue strengthening its presence and positioning at commercial facilities other than service stations. It will soon inaugurate a Pronto outlet at the Arturo Merino Benítez International Airport in Santiago and a Fres&Co outlet at the Mall Plaza Egaña.

## LUBRICANTS

In 1959, Copec entered into a strategic partnership with US-based Mobil Oil to market its products in Chile. Forty years later, Mobil merged with Exxon forming ExxonMobil, which is one of the leading lubricant companies worldwide. In 2003, due to a new partnership, Copec started to produce and market ExxonMobil lubricants exclusively in Chile.

In Chile, the company has a lubricant plant in Quintero with a production capacity of 124 million liters a year. This is one of the most modern facilities in South America and operates according to the stringent quality and safety program of ExxonMobil.

In 2014, lubricant sales amounted to 103.6 m<sup>3</sup> in the Chilean market, a 4.2% year-on-year decrease, and a 54.2% market share.

Moreover, during the year the company signed important supply contracts with mining customers, and it renewed the brand recommendation contract with an important automotive group.

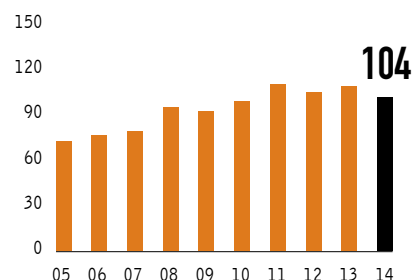
The company continued to develop initiatives to extend the service offered by the Via Limpia (Clean Way) program. In this context, the company submitted an Environmental Impact Study to build a used oil processing plant at Quintero to remove the solid and liquid waste in

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 2015.

In 2015, Copec Lubricantes will work on expanding the Mobil Tec chain to increase its service centers and give customers a quality, comprehensive and highly specialized service.

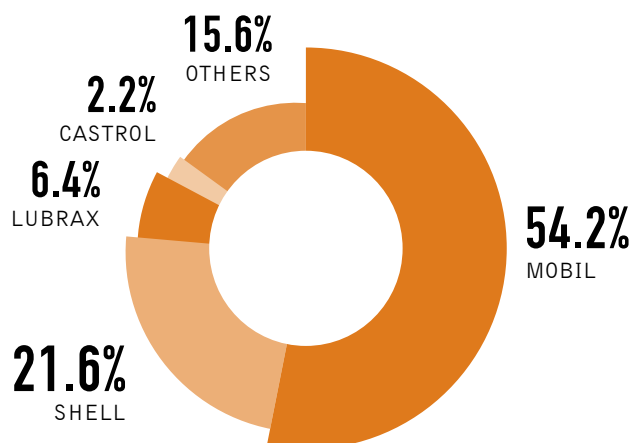
### SALES

Thousand cubic meters



### MARKET SHARE

Source: Own estimates



# SONACOL /SONAMAR

Sociedad Nacional de Oleoductos S.A. (Sonacol) was established in 1957 by Copec, ENAP and Esso Chile to transport fuels and other oil by-products through an oil pipeline network. In 1979, the company added a maritime division to service the remotest parts of the country, which later gave rise to Sociedad Nacional Marítima S.A. (Sonamar).

The company currently has a 466-kilometer oil pipeline network that runs from Quintero to San Fernando, 9 pumping stations, a product delivery terminal and a dispatch facility. Sonamar has a fleet of four oil tankers with a total capacity to ship 180,000 m<sup>3</sup> of oil and by-products.

In 2014, Sonacol transported 8.8 million m<sup>3</sup> of liquid fuels, which was a 4.5% year-on-year increase, and Sonamar transported 2.1 million m<sup>3</sup> of fuels, 22.5% lower than the 2013 volume.

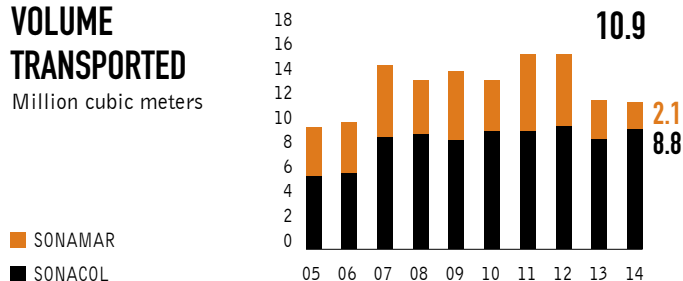
Concerning investments, Sonacol made progress with the development of a second oil pipeline at the Arturo Merino Benítez airport to supply its increasing demand up to 2050. The oil pipeline will be 27 kilometers long and will have an initial capacity of transporting 330 m<sup>3</sup> an hour. This initiative will entail an investment of approximately US\$ 55 million and will be submitted to the environmental impact assessment system in the first half of 2015.

Furthermore, Sonacol started up operations of the new pumping station at Curacaví, thereby increasing the transport capacity of liquefied fuels from 700 m<sup>3</sup> per hour to 1,200 m<sup>3</sup> per hour.

Sonamar sold the oil tanker Valdivia thereby reducing the company's fleet to four oil tankers, two of which are operating with contracts with the National Oil Company (ENAP) and the other two are leased to Copec.

## VOLUME TRANSPORTED

Million cubic meters



In the financial area, Sonacol issued bonds of UF 2 million in the domestic market, with maturity of 7 and 21 years. The proceeds obtained were allocated to refinancing liabilities.

Sonacol once again obtained certification in the Competitive Company Program (PEC) excellence of the Workers' Safety Association of the Chilean Chamber of Construction, and was distinguished by the same institution as one of the companies with the highest safety and occupational health performance.

Sonamar was distinguished by the Workers' Safety Association with safety and occupational health certification of the PEC.

In 2015, Sonacol and Sonamar will continue to develop initiatives to provide customers an efficient, safe and timely service, even beyond

## ABASTIBLE

Abastible S.A., was established in 1956 to market liquefied gas for residential, commercial and industrial use. It now operates in Chile and Colombia, providing all its customers with a safe and timely gas delivery. This is due to a strategy based on operating efficiency, service quality, the continuous improvement of its processes and ongoing search for innovative applications for its products.

In Chile the company has 18 sales and distribution offices, a network of approximately 1,500 distributors, 10 storage and bottling plants, 6.2 million gas bottles and 53,000 tanks at customers' homes. It also has a maritime terminal in the Biobío region that offers clean fuel wharfage services, and a 40,000 m<sup>3</sup> liquefied gas storage plant.

In Colombia, through Inversiones del Nordeste, Abastible is the owner of five companies that distribute and market liquefied gas, a factory that make gas bottles, and a transport company for bottled and bulk gas.

In 2014, Abastible's physical sales in Chile amounted to 427,000 tons, a 2.1% year-on-year increase, attaining a domestic market share of 36.7%. In Colombia physical sales amounted to 181,000 tons, a 1.8% year-on-year decrease and a market share of 33.1%.

Regarding investments, Abastible started up its operations in the new gas bottling and storage plant in Antofagasta and Iquique, as part of its

expansion program in the far north of Chile. It also inaugurated its first "Abastible Autogas" service stations in Valparaíso and Arica, which have Pausa convenience stores and a car washing service.

Abastible continued to provide thermal solar energy solutions entailing the installation of solar panels in homes, commerce and industry, which use both liquefied gas and solar energy to heat water. This system is now being used in over 3,500 homes.

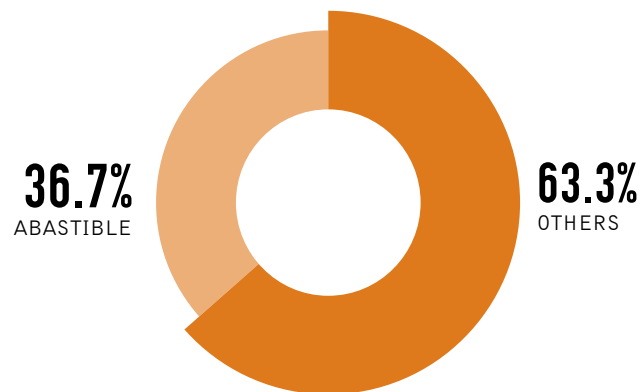
At the same time, the company launched its new corporate image "Abastible Energía Limpia" (Abastible Clean Energy), which embodies its commitment to the permanent development of environmentally and society friendly energy solutions.

As in previous years, the company was recognized by its customers, once again attaining first place in the gas bottle category of the ProCalidad 2014 ranking and first place of the Consumer Loyalty Award.

In 2015, Abastible will continue to strengthen its presence in Chile and Colombia by means of a quality, timely and efficient service. It will also continue to work on developing innovative energy solutions to complement the use of liquefied gas to meet the needs of all its customers.

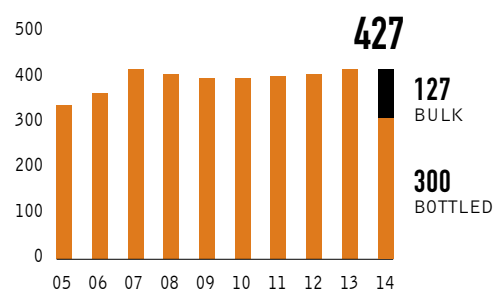
## MARKET SHARE

Source: Abastible



## SALES

Thousand tons



## INVERSIONES DEL NORDESTE

Inversiones del Nordeste was established in 2004 to integrate into one single entity the administration of a group of companies, which have been operating since the 1970s in Colombia, engaged in the marketing and transport of liquefied gas to homes and industries and the production and marketing of liquefied gas bottles. In 2011, Abastible became the main shareholder of the company by acquiring a 51% stake.

The company currently has five regional companies that distribute and market liquefied gas (Asogas, Gasan, Norgas, Colgas de Occidente and Gases de Antioquía); one company that makes bottles and storage tanks; one company that transports bottled and bulk gas by truck, and it also has a 33.33% and 28.22% interest in the gas distribution companies Montagas S.A. E.S.P. and Energas S.A. E.S.P., respectively.

In 2014, Inversiones del Nordeste had physical sales of 181,000 tons of liquefied gas, a 1.8% year-on-year decrease, attaining a market

share of 33.1%. It is a market driven by the high penetration of natural gas and the government implementing a pilot plan for liquefied gas consumption subsidies for users in the lowest socioeconomic segments of the departments of Caquetá, Nariño, Putumayo and the Archipelago of San Andrés and Providencia.

The company was awarded important supply contracts with industrial customers and continued to make improvements to its bottling processes and plants to enhance the service levels and increase its presence in the Colombian market.

In 2015, Inversiones del Nordeste will continue to undertake initiatives to reaffirm its customer and community commitment by providing a quality, efficient and competitive service.



# METROGAS

Metrogas was established in 1994 to distribute natural gas in Chile. The company currently supplies over 570,000 industrial, commercial and residential customers in the Metropolitan and O'Higgins regions by means of a more than 5,000-kilometer long distribution network.

Furthermore, Metrogas currently has a 20% stake in the Liquefied Natural Gas (LNG) Regassing Terminal at Quintero. This Terminal has a 1,878-meter long dock to unload vessels with up to 180,000 m<sup>3</sup> of LNG. There is also a storage area with a capacity of 310,000 m<sup>3</sup> of LNG; two vaporizers to regas 10 million m<sup>3</sup> a day, a back-up vaporizer to regas 5 million m<sup>3</sup> a day, and a truck loading yard which can handle up to 48 trucks a day.

In 2014, Metrogas' physical sales climbed 12.8% on the previous year to 1,141 million m<sup>3</sup>, mainly due to higher supply to power generating companies.

Regarding investment, Metrogas started to expand its distribution network by a total of 12 kilometers in the Libertador General Bernardo O'Higgins region. Its related company GNL Quintero S.A. also completed the construction of two new LNG loading bays, which will double the loading capacity of the LNG truck yard, and it made progress with expanding the regassing terminal to increase it from

10 million m<sup>3</sup> regassed a day to 15 million m<sup>3</sup> a day due to the installation of a third vaporizer.

In addition, the company started the construction of the methanization phase of the La Farfana biogas plant, which aims to convert biogas into biomethane to then inject it into the Metrogas supply network. This facility will have a production capacity of approximately 14 million m<sup>3</sup> of natural gas a year and will start up in the first half of 2015.

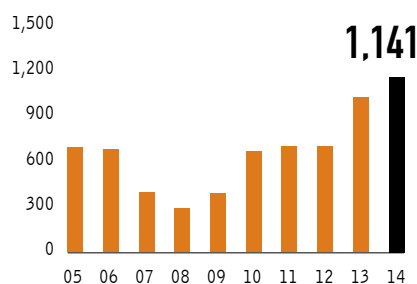
Metrogas developed a new program called "Environmental Brigade" to enhance the educational content for children and youngsters on environmental care and energy efficiency.

As in previous years, the company was recognized for giving its customers a quality and timely service. It attained first place in the household services category in the National Consumer Satisfaction Awards. It was also distinguished as one of the six safest companies to work for in Chile by the Chilean Safety Association. It was also distinguished as one of the leading companies working on innovation according to the Most Innovative Companies 2014 ranking of Universidad de Los Andes.

In 2015, Metrogas will continue to undertake various initiatives that will enable it to improve supply to its customers, with a clear focus on innovation, environmental care and service quality.

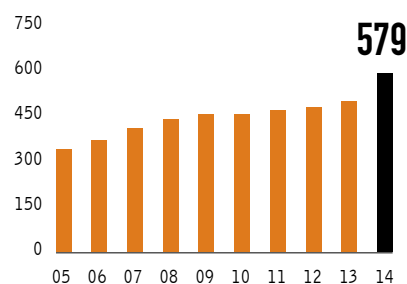
## SALES

Million cubic meters  
equivalent



## NUMBER OF CUSTOMERS

Thousands



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# FISHERIES SECTOR

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## IGEMAR

Empresas Copec acquired Pesquera Guanaye Ltda. in 1980, which later merged with Pesquera Iquique S.A. into Pesquera Iquique-Guanaye S.A. (Igemar).

The company currently operates in the north of the country through its related company Corpesca and in the center and south of Chile through its affiliate Orizon. Both companies operate with the highest standards of the fisheries industry and productive processes to meet market needs efficiently. Moreover, Corpesca and Orizon strictly comply with the Chilean regulations in force and adapt to the changing conditions of the fisheries business.

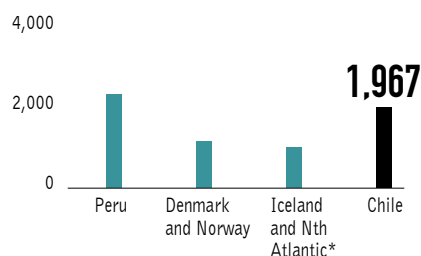
In 2014, catches in the north of Chile amounted to 0.8 million tons, a 0.3% year-on-year increase. Total catches in the center and south of the country amounted to 0.8 million tons, 60% up on 2013.

On the other hand, Golden Omega made progress with the pharmaceutical certification process which will enable it to sell Omega-3 concentrates produced at the Arica plant to the global pharmaceutical industry. Moreover, the company entered into a partnership with Japanese and German companies to supply super concentrates to make drugs related to glycerides control and prevention of cardiovascular infarctions.

In 2015, Corpesca and Orizon will continue to make investments and put initiatives in place to adapt to the market and expand their product offering with more innovative and value-added products.

### WORLD'S MAJOR FISHMEAL AND FISH OIL EXPORTERS

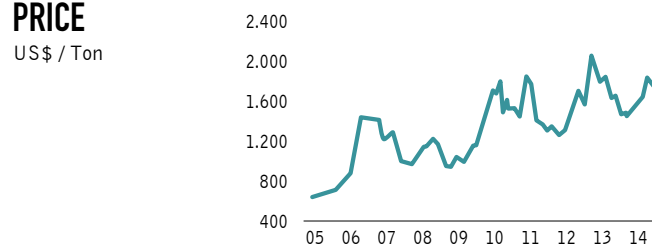
Thousand tons



\*Ireland, Faroe Islands and United Kingdom / Source: IFFO

### FISHMEAL PRICE

US\$ / Ton



Source: Bloomberg

## 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.

The company has fishmeal and fish oil processing plants at the ports of Arica, Iquique, Mejillones and Tocopilla, with a processing capacity of around 640 tons of raw material per hour. It also has an authorized fleet of 47 own vessels and one leased, giving it a total hold capacity of over 21,000 m<sup>3</sup>.

Though its affiliate Selecta in Brazil, it also has a soy protein concentrate (SPC) processing plant, which can produce 600,000 tons of these products a year, which are used to replace and complement fishmeal in aquaculture feed.

Corpesca undertakes its operations using the best technology available and rigorously complying with environmental regulations. It also keeps in force at all its plants the Hazard Analysis and Critical Control Points (HACCP) quality assurance program, certified by Chile's Directorate of Fisheries (SERNAPESCA); the GMP B2 international quality

certification of the Product Board of Animal Feed, Holland, at its Arica plant; the International Fishmeal and Fish Oil Organization Responsible Supply (IFFO RS) sustainability certification to fish anchovy; and all its plants are licensed to export fishmeal to China.

In 2014, the company processed 627,000 tons, a 3.5% year-on-year increase, mainly due to higher industrial and non-professional catches.

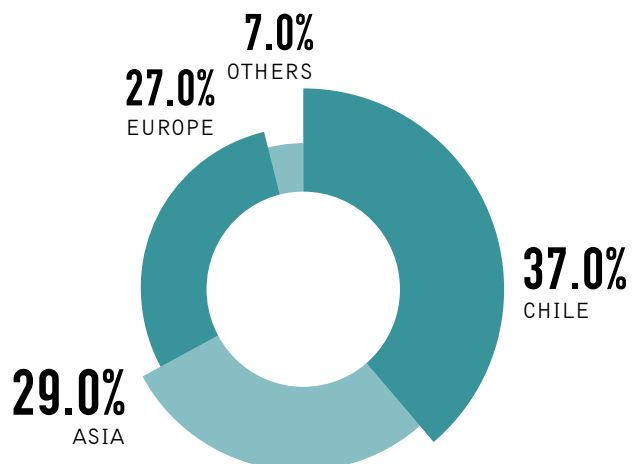
Fishmeal and fish oil output was 151,000 tons, which was a 7.1% year-on-year increase. Physical sales amounted to 158,000 tons, 13.7% higher than the volume of the previous year. 63% of the fishmeal was sold in export markets, mainly Asia and Europe, and 52% of the fish oil was sold in Europe.

Regarding investments, Corpesca continued its fleet renewal program, which entailed the modernization of the Eperva 49 vessel that was commissioned in June 2014.

In 2015, the company will carry out initiatives to optimize operating standards, consolidate and diversify its productive capacity, and assure the high quality of the fishmeal and fish oil produced.

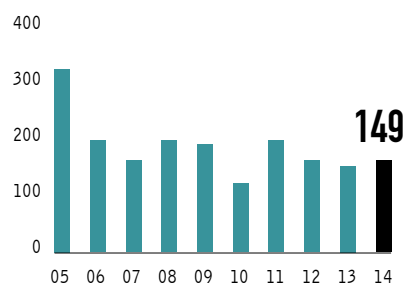
## FISHMEAL SALES PER MARKET

Total: 149 Thousand tons



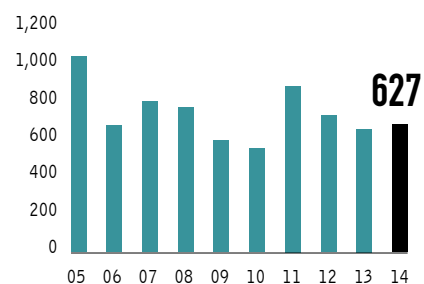
## FISHMEAL SALES

Thousand tons



## PROCESSED CATCH

Thousand tons



## ORIZON

Orizon S.A. was established in November 2010 after the merger of the operating assets of SPK, affiliate of Igemar, and Pesquera San José, belonging to Pesquera Coloso.

The company currently has three fishmeal and fish oil plants, two in the Biobío region and one in the Coquimbo region, which can jointly produce 290 tons of raw material per hour. The company also has one canned seafood plant in Coronel, with a total production capacity of 30,000 boxes a day each containing 24 cans of jack mackerel, one frozen seafood plant in Coronel with a processing capacity of 600 tons of product a day, an individually quick frozen (IQF) seafood plant in Puerto Montt, which can process 60 tons and 2,000 boxes a day containing 48 cans of mussels, and one frozen seafood plant in Coquimbo with a processing capacity of 60 tons of product a day. Orizon also has an operating fleet of 8 vessels with a total hold capacity of 11,000 m<sup>3</sup>.

In 2014, the company's catches amounted to 72,000 tons, 7.5% up on the previous year. The company's share of nonprofessional fishing catches amounted to 123,000 tons, an 82.1% year-on-year increase.

This increase was due to a larger availability of common sardine.

This meant that fishmeal production amounted to 32,000 tons, which was 62.3% up on 2013, and fish oil output was 12,000 tons, which was 164.2% greater than the previous year.

Physical sales amounted to 34,000 tons of fishmeal, 12,000 tons of fish oil, 2.1 million boxes of canned seafood and 21,000 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, Peru and Russia.

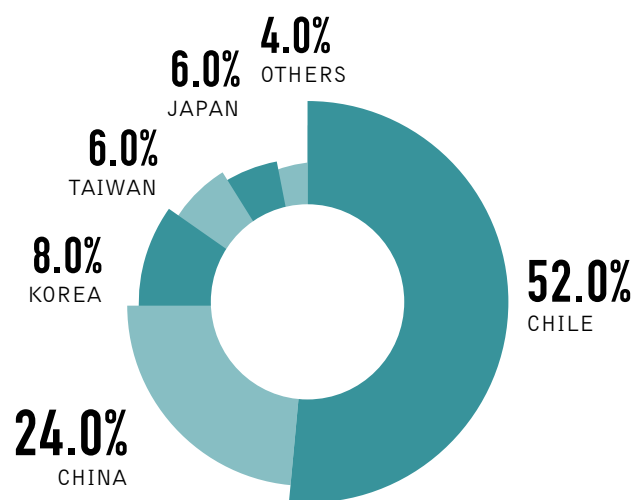
Physical sales of rice and vegetables had a 41.5% year-on-year increase, consolidating the presence of its San José brand in Chile's main supermarket chains and distributors in the country.

In 2015, the company will continue to boost the San José brand to increase its market share of various products. At the same time, it will continue to adjust its processes to optimize production and raise its offering of food solutions.



## FISHMEAL SALES PER MARKET

Total: 34 Thousand tons



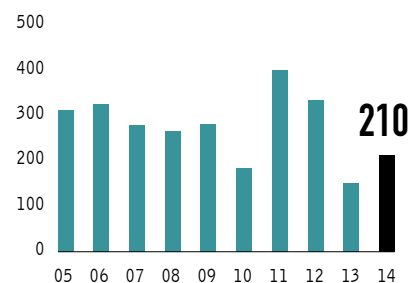
## FISHMEAL SALES

Thousand tons



## PROCESSED CATCH

Thousand tons



## GOLDEN OMEGA

Golden Omega was established in 2008 to produce Omega 3 concentrates from fish oil. Corpesca and Orizon have a 35% stake each in this company, and Logística Ados S.A. the remaining 30%.

Golden Omega is currently the only producer of Omega 3 concentrates in the world that is vertically integrated to fish catches, which allows it to select the best raw materials and offer full traceability in the production chain.

Golden Omega has a plant with a production capacity of 2,000 tons of finished product a year. At this facility the company processes products with concentrations of up to 60% of Omega 3 fatty acids in accordance with the pharmaceutical standards of the US Food and Drug Administration (FDA). The second phase, inaugurated in 2014, has a production capacity of up to 700 tons a year of Omega 3 concentrates with up to 85% Omega 3 fatty acid content using its own and proprietary process.

The by-products obtained from the productive process are used to produce biodiesel, which mainly goes to the mining industry due to its benefits as a renewable fuel and neutral carbon footprint.

In 2014, Golden Omega made progress with the pharmaceutical certification process. This will enable Golden Omega to sell its products to the pharmaceutical industry worldwide. Furthermore, the company entered into a partnership with Japanese and German companies to supply super concentrates to make drugs related to glycerides control and prevention of cardiovascular infarctions.

In the commercial area, the company focused on launching its products in the main global markets, like the United States, Europe and Asia.

In 2015, Golden Omega expects to consolidate productive operations of the second stage of the plant and undertake commercial activities to launch these new products in international markets.



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# OTHER INVESTMENTS

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## INMOBILIARIA LAS SALINAS

Inmobiliaria Las Salinas was established in 2012 to concentrate in one single company the lands of the former Las Salinas plant, which for decades played a key role in the country's energy supply.

These lands were acquired by Copec in different stages until completing a total of 16 hectares. It bought the first in 1952 and later those belonging to ExxonMobil and Shell, after in 2000 it agreed with the Municipality of Viña del Mar to end industrial activity in the area. In late 2011, it exercised the call option it had on a site owned by Petrobras, and lastly in 2013 acquired a site owned by Sonacol, completing the entire plot of land.

In October 2012, the company summoned an international tender to draw up a master plan to integrate the Las Salinas land to the city of Viña del Mar as the first sustainable neighborhood in Chile.

The tender was awarded to a consortium in which the international design and urban planning firm Sasaki, that created the master plan for the Olympic city of Beijing, participated.

The architecture will be in keeping with the city of Viña del Mar and will have suitable highways for road and pedestrian connectivity improving the quality of life of inhabitants.

In 2014, Inmobiliaria Las Salinas completed a new stage of the master plan, which will contain the guidelines, specifications and standards for the urban development of this plot of land. It specifically established the minimum factors necessary so the public areas, usage mix and construction guarantee the right project profitability, and the information to carry on driving the work with the authorities and other key counterparts in the city on environmental and transport issues.





## CAMINO NEVADO

Sociedad Minera Camino Nevado Ltda. was established in 2011 to have in a single entity the specialized management of Empresas Copec's companies in the mining sector.

The Company strengthens 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.

The company currently operates in the national copper, gold and silver mining industry through its affiliate Compañía Minera Can-Can, and in coal mining and sea freight through its related company Mina Invierno and Naviera Los Inmigrantes.

In the next years, the company will continue developing large mid-sized exploration and mining projects in the north and south of the country, taking advantage of a structure facilitating partnerships and securing the financing needed for these kinds of projects.

## MINA INVIERNO

Mina Invierno was established in 2007 to develop a coal mining project in the Magallanes region. Empresas Copec and Inversiones Ultraterra participate in this partnership with a 50% stake each.

The company has four sub-bituminous coal deposits on Riesco Island called Estancia Invierno, Río Eduardo, Elena and Adela, with resources of over 516 million tons and reserves of 390 million tons. In the case of "Estancia Invierno," the company currently has mining rights up to 2017 and it can exercise a call option late that year if it is beneficial.

On the other hand, Mina Invierno has a tree nursery called "Don Gonzalo" for native species in the area; a compensation zone with a surface area of 683 hectares for the reforestation of lenga (*Nothofagus pumilio*) trees and relocation of native species like coipos and puyes, and 5,400 hectares close to the mine where 1,600 sheep and 300 cattle

graze to show that livestock activity and coal mining can be undertaken simultaneously.

In 2014, Mina Invierno produced 3.94 million tons of coal, a 63% year-on-year increase. The domestic market accounted for 44% of the total, Asia 45% and Europe 11%.

It should be mentioned that 2014 was quite challenging for the company, as it continued to undertake works to maximize the productivity and efficiency of the mining operation and it had to make commercial efforts to operate in an international market characterized by oversupply and lower prices for exports and sales in the domestic market.

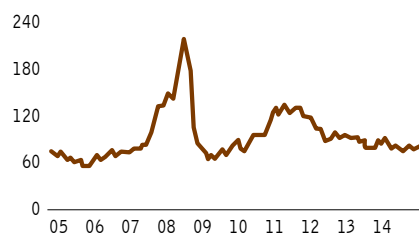
On the other hand, the company collaborated with the publication of the book "La Historia Olvidada: Tras la Ruta del Carbón" (The forgotten history: in search of the coal route) which portrays the voices of local miners through history; and the work "Isla Riesco: La Naturaleza y el Hombre" (Riesco Island: nature and man), which is a research work on the aborigines, colonization and the establishment of mining in Magallanes.

At the same time, Mina Invierno was distinguished with the Human Capital Development Award by the National Training Institute (INACAP) for its constant concern for employee safety and training, and it received SENDA certification for being a work environment that prevents the consumption of drugs and alcohol.

In 2015, the company will carry on working to consolidate its presence and develop long-term demand, mainly in the domestic market and occasionally in the international market, as a reliable and competitive coal producer. All this will be in a scenario of lower prices due to global oversupply.

### COAL PRICE

US\$ / Ton



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 underground gold, silver and copper deposits.

The company currently has mining properties in the Arica and Parinacota, Atacama and Valparaíso regions. These include the El Bronce and Botón de Oro mine sites in the Province of Petorca, the Choquelimpie projects in the Province of Arica and Parinacota, and Diego de Almagro in the Province of Chañaral. It also has a leaching plant in Copiapó to produce doré metal from the recovery of fine gold and silver contained in ores and tailings.

In 2014, Can-Can sold 11,000 ounces of gold equivalent, a 158% year-on-year increase. That was due to the greater production at the El Bronce mine site, where operations were stopped for most of 2013.

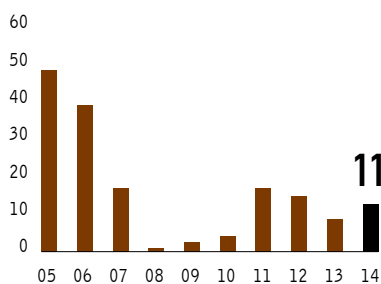
At the same time, Can-Can carried out works to improve the El Bronce mine site to raise the productive and safety standards. The company conducted preparation works at the Botón de Oro gold deposit to start production in 2015.

Moreover, Can-Can continued making progress with the development of the Diego de Almagro project, carrying out metallurgical tests to determine the quantity and quality of its reserves. This deposit will entail an approximate investment of US\$ 600 million and will produce over 4,000 tons of copper cathodes and 30,000 tons of copper concentrate a year. Its productive processes will use untreated seawater, which will be abstracted from the Punta Achurra sector north of the Chañaral Bay, and conveyed along a 60-kilometer underground pipeline. The second half of 2015 the Technical - Economic Feasibility Study will be held allowing to begin the construction of the project in mid 2016. For its part, the processing of the Environmental Impact Study should conclude the first half of 2015.

In 2015, the company will continue to seek new development lines to attain a better growth outlook.

### SALES

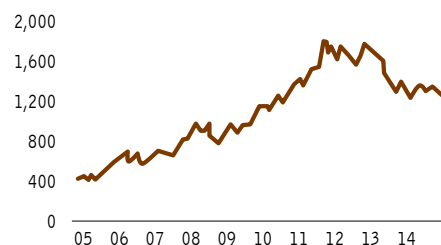
Thousand of ounces  
equivalent



### GOLD

#### PRICE

US\$ / Ounce



Source: Bloomberg



# — 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	97.004.000-5	45,482,841	3.50
Banco Itaú por Cuenta de Inversionistas	76.645.030-K	43,793,203	3.37
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
Banco Santander – JP Morgan	97.036.000-K	18,632,657	1.43
AFP Provida	98.000.400-7	16,518,424	1.27
AFP Capital	98.000.000-1	16,383,243	1.26
Servicios y Consultoría Ltda.	93.865.000-4	16,127,425	1.24
Larraín Vial S.A. Corredora de Bolsa	80.537.000-9	15,506,761	1.19
Subtotal		1,062,915,767	
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, 2014 there were 7,801 shareholders.

## COMPANY CONTROLLERS

For the year ended December 31, 2014, 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:

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	16,127,425	1.24
Forestal. Constructora y Comercial del Pacifico Sur S.A.	91.553.000-1	10,638,898	0.82
Coindustria 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
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
<b>Total</b>		<b>143,362,558</b>	<b>11.03</b>

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.

## TRANSFERS

The changes in the shareholdings of the major shareholders of Empresas Copec S.A. December 31, 2013 through December 31, 2014 are outlined below.

Banco de Chile por Cuenta de Terceros increased its shareholding from 40,443,841 shares to 45,482,841 shares. Banco Itaú por Cuenta de Inversionistas also increased its shareholding from 41,481,343 shares

to 43,793,203 shares. Banco Santander - JP Morgan increased its shareholding from 18,081,283 shares to 18,632,657 shares. AFP Provida reduced its shareholding from 16,777,532 to 16,518,424 shares. AFP Capital increased its shareholding from 15,608,606 shares to 16,383,243. Larraín Vial S.A. Corredora de Bolsa also increased its shareholding from 15,059,477 to 15,506,761 shares.

## SHAREHOLDING

For the year ended December 31, 2014, the direct and indirect shareholding of the directors and senior management of Empresas Copec S.A. was as follows:

### DIRECTORS

- a. Mr. Jorge Andueza Fouque has a direct 0.000% shareholding of Empresas Copec and participates in companies with a 0.006% shareholding of the same company.
- b. Mr. Roberto Angelini Rossi has a direct 0.002% shareholding of Empresas Copec and participates in companies with a shareholding of the same company as reported in "Company Controllers."
- c. Mr. Andrés Bianchi Larre has no direct shareholding of Empresas Copec nor does he participate in companies with a shareholding of the same company.
- d. Mr. Álvaro Fischer Abeliuk has no direct shareholding of Empresas Copec nor does he participate in companies that are shareholders of the same company.
- e. Mr. Juan Edgardo Goldenberg Peñafiel has a direct 0.001% shareholding of Empresas Copec.
- f. Mr. Arnaldo Gorziglia Balbi has a direct 0.001% shareholding of Empresas Copec.
- g. Mr. José Tomás Guzmán Dumas has a direct 0.077% shareholding of Empresas Copec and participates in companies with a 0.055% shareholding of the same company. Moreover, his wife in joint ownership of property, Mrs. Carmen Rencoret de la Fuente, has a 0.005% shareholding of Empresas Copec.
- h. Mr. Carlos Hurtado Ruiz-Tagle has a direct 0.001% shareholding of Empresas Copec.
- i. Mr. Bernardo Matte Larraín has a direct 0.021% shareholding of Empresas Copec and participates in companies that are shareholders of the same company as reported in the "Other Majority Shareholders."

## SENIOR MANAGEMENT

- a. Mr. Eduardo Navarro Beltrán has no direct shareholding of Empresas Copec nor does he participate in companies that are shareholders of the same company.
- b. Mr. José Tomás Guzmán Rencoret has a direct 0.000% shareholding of Empresas Copec and participates in companies that have a 0.055% shareholding of the same company.
- c. Mr. Rodrigo Huidobro Alvarado has a direct 0.000% shareholding of Empresas Copec.
- d. Mr. Jorge Ferrando Yáñez has no direct shareholding of Empresas Copec nor does he participate in companies that are shareholders of the same company. Moreover, his wife in joint ownership of property, Mrs. María Cristina Silva Méndez, has a 0.000% shareholding of Empresas Copec.
- e. Mr. Sergio Prieto Arrate has a direct 0.000% shareholding of Empresas Copec.
- f. Mr. Cristián Palacios González has no direct shareholding of Empresas Copec nor does he participate in companies that are shareholders of the same company.
- g. Mrs. Pamela Harris Honorato has no direct shareholding of Empresas Copec nor does she participate in companies that are shareholders of the same company.
- h. Mr. Ricardo Vargas Bernal has a direct 0.000% shareholding of Empresas Copec and participates in companies that have a 0.000% shareholding of the same company.

## STOCK MARKET INFORMATION

	Number of Shares Traded	Total Amount Traded (ThCh\$)	Average Price (Ch\$)
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
Q1 – 2013	33,286,640	236,520,772	7,105.58
Q2 – 2013	35,937,360	238,092,775	6,625.22
Q3 – 2013	33,696,318	231,282,929	6,863.74
Q4 – 2013	30,852,078	224,080,230	7,263.05
Q1 – 2014	30,783,549	216,196,207	7,023.11
Q2 – 2014	25,083,116	184,347,687	7,349.47
Q3 – 2014	35,134,928	254,937,164	7,255.95
Q4 – 2014	26,803,382	188,676,138	7,039.27

## CAPITAL STOCK

The Company's subscribed and paid-up capital amounted to US\$ 686,113,724.13 for the year ended December 31, 2014, distributed into 1,299,853,848 subscribed and paid-up shares.

The balance sheet showed net income of US\$ 855,554,638.77 for the year ended December 31, 2014, which is proposed to be distributed as follows:

<b>DISTRIBUTION OF NET INCOME</b>	<b>US\$</b>
To cover interim dividend N° 28 of US\$ 0.110882 per share paid in December 2014 and agreed on November 2014	144,130,394.37
To cover final dividend N° 29 of US\$ 0.142471 per share, to be distributed	185,191,477.58
To the accumulated profit surplus fund	526,232,766.82
<b>Total Net Income for the Period</b>	<b>855,554,638.77</b>

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

<b>FINAL BREAKDOWN OF THE CAPITAL ACCOUNTS</b>	<b>THOUSAND OF US\$</b>
Paid-up capital	686,114
Other reserves	(598,117)
Accumulated profits	9,651,252
<b>Total Shareholders' Equity</b>	<b>9,739,248</b>

The Board agreed to propose to the Ordinary General Shareholders' Meeting, which will analyze this Annual Report, a final dividend distribution of US\$ 0.142471 per share. This amount, plus interim dividend N° 28 paid in December 2014, gives a total dividend distribution of US\$ 329.32 million, which accounts for 40.00% of the net income of the 2014 period, according to the breakdown below:

<b>DIVIDEND DISTRIBUTION</b>	<b>THOUSAND OF US\$</b>
Net income for the period according to the balance sheet.	855,555
Adjustments to the distributable net income	(32,251)
<b>Net Income</b>	<b>823,304</b>
<b>30% minimum legal dividend</b>	<b>246,991</b>
<b>Actual Dividends:</b>	
Interim dividend distributed in December 2014 of US\$ 0.110882 per share for 1,299,853,848 shares	144,130
Plus: Final dividend proposed by the Board and to be distributed of US\$ 0.142471 per share for 1,299,853,848 shares	185,191
<b>Total dividends for the 2014 period income</b>	<b>329,322</b>
<b>Actual Percentage of Net Income</b>	<b>40.00%</b>

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.

<b>DIVIDENDS*</b>	<b>Date</b>	<b>US\$/share</b>
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
Final N° 25	May 2013	0.090779
Interim N° 26	December 2013	0.103864
Final N° 27	May 2014	0.126130
Interim N° 28	December 2014	0.110882

## DIRECTORS' COMMITTEE

Until Ordinary Shareholders' Meeting held on April 23, 2014, the Directors' Committee has the following members: Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel and Juan Obach González, who is an Independent Director. Pursuant to circular letter N° 1.956 of the Superintendency of Securities and Insurance (SVS), dated December 22, 2009, in an ordinary meeting held on May 29, 2014, the Board appointed the following members of the Directors' Committee: Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel and Álvaro Fischer Abeliuk. The latter is an Independent Director and was appointed President of the Committee in a meeting held on June 25, 2014.

In the 2014 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 2014 period are outlined below.

### MEETING N° 82, HELD ON MARCH 14, 2014

- Financial statements and report of the external auditors.  
It was agreed to approve the financial statements of 2013, and the external auditors' report.
- Contracts with Related Companies.  
Review of transactions with related companies in 2013, with no remarks.
- External Auditors.  
It was agreed to propose to the company Board, so it in turn proposes this in the Ordinary General Shareholders' Meeting, the appointment of Deloitte as the company's external auditor for 2014.
- Private risk rating agencies.  
It was agreed to propose to the company Board, so it in turn proposes this in the Ordinary General Shareholders' Meeting, the

appointment of Fitch Chile Clasificadora de Riesgo Limitada and Feller Rate Clasificadora de Riesgo Limitada as the private risk rating agencies for 2014.

### MEETING N° 83, HELD ON MAY 22, 2014

- Financial statements at March 31, 2014.  
It was agreed to approve the financial statements for the first quarter of 2014.
- Contracts with Related Companies.  
Review of transactions with related companies in the first quarter of 2014, with no remarks.
- Related Party Transactions.  
The company approved the legal service fees of Portaluppi, Guzmán y Bezanilla Asesorías Limitada.

### MEETING N° 84, HELD ON JUNE 25, 2014

- Appointing of the President of the Directors' Committee.  
Álvaro Fischer Abeliuk was appointed President of the Directors' Committee.
- Contracts with related companies.  
It was informed the shareholding of Director, member of the Committee, in company that offers services to related companies.
- Financial investments.  
It was presented a detail with the financial investments portfolio of the Company.
- Coverage Rate.  
It was presented a system of coverage rate to the dividends of the Company.

### MEETING N° 85, HELD ON AUGUST 21, 2014

- Related Companies.  
It was analyzed the shareholding of Director, member of the Committee, in company that offers services to related companies.

**MEETING N° 86, HELD ON AUGUST 27, 2014**

- Related Companies.

It was agreed to present to the Board a legal study related to the shareholding of Director, member of the Committee, in company that offers services to related companies.

- Financial statements for the first quarter and report of the external auditors.

It was agreed to approve the financial statements for the first quarter of 2014, and the external auditors' report.

- Contracts with related companies.

Review of transactions with related companies in the first semester of 2014, with no remarks.

**MEETING N° 87, HELD ON SEPTEMBER 12, 2014**

- Related Companies.

It was analyzed the shareholding of Director, member of the Committee, in company that offers services to related companies.

- Assessment to the Investment Policy of the Company.

It was agreed to contract an external assessment related to the investment policy.

**MEETING N° 88, HELD ON SEPTEMBER 24, 2014**

- Related Companies.

It was analyzed the shareholding of Director, member of the Committee, in company that offers services to related companies.

**MEETING N° 89, HELD ON NOVEMBER 21, 2014**

- Financial statements at September 30, 2014.

It was agreed to approve the financial statements at September 30, 2014.

- Contracts with related companies.

Review of transactions with related companies at September 30, 2014, with no remarks.

**MEETING N° 90, HELD ON DECEMBER 29, 2014**

- Remuneration systems for the Company's senior managers and officers.

I was presented a review of the remuneration of managers and senior officers.

- Internal Control and Progress Status of the External Audit.

The company took knowledge of the internal control report submitted by the external auditors Deloitte.

- Risk management and Internal Audit.

Servicios Corporativos Sercor S.A. presented corporate governance issues, risk management and internal audit issues at Empresas Copec S.A.

- Analysis to the Investment Policy of the Company.

It was presented the reports of the external assessment related to the investment policy.

The Committee did not incur any expenses for the exercise of its duties in 2014, 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 until April 2014.

General Shareholders' Meeting held on April 23, 2014, elected the Company's Board of Directors for three years, with the following

people elected: Jorge Andueza Fouque, Roberto Angelini Rossi, Andrés Bianchi Larre, Álvaro Fischer Abeliuk, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, José Tomás Guzmán Dumas, Carlos Hurtado Ruiz Tagle and Bernardo Matte Larraín.

In a Company Board Meeting held on April 24, 2014, Mr. Roberto Angelini Rossi was elected as Chairman and Mr. José Tomás Guzmán as Vice Chairman.



## BOARD REMUNERATION

Pursuant to what is laid down in Law N° 18.046, the Ordinary General Shareholders' Meeting held on April 23, 2014, agreed on the Board remuneration for this period.

The gross remunerations received by each director in the 2014 period amounted to: Mr. Roberto Angelini Rossi: US\$ 251,322 (US\$ 277,071 in 2013); Mr. José Tomás Guzmán Dumas: US\$ 100,529 (US\$ 110,828 in 2013); Messrs. Jorge Andueza Fouque, Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, Carlos Hurtado Ruiz-Tagle and Bernardo Matte Larraín: US\$ 50,264 (US\$ 55,414 in 2013); Mr. Álvaro Fischer Abeliuk: US\$ 33,337 (US\$ 0 in 2013).

Furthermore, the members of the Company's Directors' Committee received the following gross remunerations: Messrs. Andrés Bianchi Larre and Juan Edgardo Goldenberg Peñafiel: US\$ 25,138 (US\$ 27,707 in 2013); and Mr. Álvaro Fischer Abeliuk: US\$ 16,668 (US\$ 0 in 2013).

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\$ 76,212 (US\$ 83,927 in 2013); Mr. José Tomás

Guzmán Dumas US\$ 60,970 (US\$ 81,647 in 2013); and Mr. Jorge Andueza Fouque: US\$ 76,212 (US\$ 76,674 in 2013).

For their services at Forestal Arauco S.A.: Mr. Roberto Angelini Rossi: US\$ 60,669 (US\$ 69,149 in 2013); Mr. José Tomás Guzmán Dumas: US\$ 60,669 (US\$ 76,402 in 2013); Mr. Jorge Andueza Fouque: US\$ 60,669 (US\$ 61,896 in 2013).

For their services at Compañía de Petróleos de Chile Copec S.A.: Mr. Roberto Angelini Rossi: ThCh\$ 86,436 (ThCh\$ 82,802 in 2013); Mr. José Tomás Guzmán Dumas: ThCh\$ 34,575 (ThCh\$ 33,121 in 2013); Messrs. Jorge Andueza Fouque and Bernardo Matte Larraín: ThCh\$ 17,287 (ThCh\$ 16,560 in 2013); Mr. Arnaldo Gorziglia Balbi: ThCh\$ 11,426 (ThCh\$ 16,560 in 2013).

For their services at Organización Terpel S.A.: Mr. Jorge Andueza Fouque: US\$ 10,332 (US\$ 6,738 in 2013).

For his services at Pesquera Iquique-Guanaye S.A.: Messrs. Roberto Angelini Rossi and Jorge Andueza Fouque: US\$ 25,198 (US\$ 30,212 in 2013).

For his services at Orizon S.A.: Mr. Roberto Angelini Rossi: US\$ 25,140 (US\$ 26,313 in 2013); and Mr. Jorge Andueza Fouque: US\$ 35,196 (US\$ 36,838 in 2013).

For his services at Compañía Minera Can-Can S.A.: Mr. Roberto Angelini Rossi: US\$ 22,238 (US\$ 24,904 in 2013).

The next Ordinary General Shareholders' Meeting shall establish the directors' remuneration for the 2015 period.

## MANAGEMENT

The following people were the company managers in 2014: Eduardo Navarro Beltrán (General Manager since October 2003); José Tomás Guzmán Rencoret (Legal Advisor and Secretary to the Board since June 2008); Rodrigo Huidobro Alvarado (CFO since August 2004); Jorge Ferrando Yáñez (Studies Manager since August 2004); Sergio Prieto Arrate (Public Affairs Manager since December 2011); Cristián Palacios González (Investment and Investor Relations Assistant Manager since June 2012); Pamela Harris Honorato (Head of Corporate Affairs since August 2014); Ricardo Vargas Bernal (General Accountant since January 2005).

## MANAGEMENT REMUNERATION

The remunerations and bonuses received by the Company's senior officials in the 2014 period amounted to US\$ 2.544 million (US\$ 2.860 million in 2013), who on average received variable compensation of 39.8% of the remunerations. 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 2014 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 2014:

### I. OF EMPRESAS COPEC S.A.:

1. On March 27, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., both domiciled in Santiago at Avda. El Golf 150, piso 17, district of Las Condes, taxpayer code N°90.690.000-9, informs of the following essential event about the company, its business, its public offering of securities or the offering thereof, and this communication is made pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045:

A company board meeting held on March 27, 2014, unanimously agreed to propose to the General Shareholders' Meeting of our company, summoned for April 23, the payment of the following compulsory minimum final dividend, which shall be allocated to the profits of the year ended December 31, 2013, charged to income in such year:

Dividend N°27 of US\$0.126130 per share, single series.

The dividend shall be paid in Chilean pesos, according to the "observed US dollar" exchange rate published in the Official Gazette on May 2, 2014.

The mentioned dividend shall constitute income for shareholders. The company shall determine and timely inform of the credit that for the mentioned dividend corresponds to shareholders who pay the complementary global tax and additional tax.

If the mentioned dividend is approved by the Shareholders' Meeting, it shall be paid as of May 8, 2014, as of 09:00 hours at the company's share department, at Avda. El Golf N°140, district of Las Condes, with normal working hours of Monday through Friday, 09:00 to 17:00 hours. Those shareholders who have so asked the company shall have the mentioned dividend deposited in their checking account or be sent a check by mail, as the case may be.

Those shareholders registered in the company's Shareholders' Registry at midnight on May 2, 2014 shall be entitled to such dividend, if it is approved by the Shareholders' Meeting.

The notification informing shareholders of the agreement reached by the mentioned General Shareholders' Meeting about this dividend shall be published in the El Mercurio newspaper in Santiago, April 29, 2014 edition.

The distribution of the mentioned dividend shall have no effect on the company's financial standing. The information contained herein is given as

an essential event, pursuant to what is established by that Superintendency in circular letter N°660 of 1986.

Mr. Eduardo Navarro Beltrán, the company CEO, duly empowered by the company board of directors, signs this communication."

2. On March 28, 2014, the company reported the following: "The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., hereinafter also referred to as "Empresas Copec" or the "Company," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of that Superintendency:

We refer to the sale process, reported as an essential event on November 28, 2013, for all the shares (hereinafter referred to as the "Shares") that both Empresas Copec and Inversiones Ultraterra Limitada (hereinafter referred to as "Ultraterra") have in Eléctrica Guacolda S.A. (hereinafter referred to as "Guacolda"), accounting for 25% of the share capital of Guacolda that each of the mentioned companies have.

By means of a letter received today, AES Gener S.A. (hereinafter referred to as "AES") has fully accepted the sale offer made it by Empresas Copec and Ultraterra, and whose main terms are as follows:

- a. Payment price and form: the share sale price shall amount to US\$728 million, which is equivalent to the approximate amount of US\$6.6884 per share, and 50% of which shall go to Empresas Copec and the remaining 50% to Ultraterra. Such price shall be paid in cash when the shares are transferred.
- b. Number of shares subject matter of the offer: the shares amount to 108,845,612, equivalent to 50% of the total shares issued by Guacolda, and they are owned by Empresas Copec and Ultraterra as mentioned above.
- c. Simultaneous purchase and sale: AES shall buy all the shares simultaneously.
- d. Purchase and sale term: the share purchase and sale shall be undertaken no later than Monday, April 14, 2014.

When the mentioned operation has been carried out, this will give Empresas Copec a profit before tax of about US\$205 million."

3. On April 7, 2014, the company reported the following:

"I hereby inform you that our company will hold a General Shareholders'

Meeting on April 23 at 11:30 hours in the SOFOFA auditorium, at Avenida Andrés Bello N°2.777, piso 2, district of Las Condes, Santiago, in which the following matters shall be addressed:

a) Submit the company's financial statements for the year ended December 31, 2013, and the Board's Annual Report for the Shareholders' Meetings' decision and report on the performance of corporate business; b) Appointment of directors; c) Report on the operations undertaken by the company to which Title XVI of Law N°18.046 refers; d) Establish the Board remuneration for the next year; e) Establish the remuneration and expense budget of the Committee to which article 50 bis of Law N°18.046 refers, report on its activities and release its annual performance report; f) Appoint the independent auditors and risk rating agencies; and g) Address any other issue of corporate interest of the competence of the type of Shareholders' Meeting mentioned.

As of April 11, 2014, shareholders can find the company's financial statements closed for the year ended December 31, 2013, with their explanatory notes and the independent auditors' report on the company website at [http://www.ec.cl/\\_file/file\\_43\\_fecu\\_2013.pdf](http://www.ec.cl/_file/file_43_fecu_2013.pdf).

Complying with the second subparagraph of article 59 of Law N°18.046, the website [www.empresascopec.cl](http://www.empresascopec.cl) includes the rationale for the options of the appointment of the independent auditors to be submitted to the Shareholders' Meeting. Shareholders may obtain a copy of this on the same company website.

As agreed by the company Board in a meeting held on March 27, payment of compulsory minimum final dividend N°27 of US\$0.126130 per share shall be proposed to the General Shareholders' Meeting mentioned above. This dividend shall be paid in Chilean pesos according to the "observed US dollar" exchange rate published in the Official Gazette on May 2, 2014. The dividend shall be paid in cash and shall be allocated to the profits of the year ended December 31, 2013, charged to income in such year. This dividend constitutes income for shareholders. The company shall determine and timely inform of the credit that for the mentioned dividend corresponds to shareholders who pay the complementary global tax and additional tax.

The company shall propose to the Shareholders' Meeting that the mentioned dividend be paid as of May 8, 2014, at the company's share department, at Avda. El Golf N°140, district of Las Condes, with normal working hours of Monday through Friday, 09:00 to 17:00 hours. Those shareholders who have so asked the company shall have the mentioned dividend deposited in their checking account or be sent a check by mail, as the case may be.

If the payment of the mentioned dividend is approved by the Shareholders' Meeting in the terms stated above, those shareholders registered in the company's Shareholders' Registry at midnight on May 2, 2014 shall be entitled to such dividend.

For the effects and purposes of such dividend, I hereby inform you that all the shares entitled to a dividend are 1,299,853,848 shares of a single series.

Those shareholders registered in the company's Shareholders' Registry at midnight on April 15, 2014 shall be entitled to participate in the company's Shareholders' Meeting. The notifications summoning shareholders to this Shareholders' Meeting shall be published in the El Mercurio newspaper in Santiago, on April 7, 14 and 21, 2014.

The company shall send the Superintendency of Securities and Insurance (SVS) a digital copy of the 2013 Annual Report through the SEIL module of the SVS, complying with General Regulation N°30 of 1989."

4. On April 7, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., hereinafter also referred to as "Empresas Copec" or the "Company," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Regarding AES Gener S.A. (hereinafter referred to as "AES") accepting the sale offer of the shares of Empresas Copec and Inversiones Ultraterra Limitada (hereinafter referred to as "Ultraterra") in Empresa Eléctrica Guacolda S.A. (hereinafter referred to as "Guacolda"), reported to you in an essential event on March 28, we hereby inform you that on this date the mentioned purchase and sale operation has taken place in the conditions stated in the essential event, i.e.,:

- a. Payment price and form: the share sale price to AES amounted to US\$728 million, which is equivalent to the approximate amount of US\$6.6884 per share, and 50% of which shall go to Empresas Copec and the remaining 50% to Ultraterra, i.e., US\$364 million to each, and the vendors were paid in cash on this same date.
- b. Number of shares subject matter of the offer: based on the mentioned purchase and sale operation both Empresas Copec and Ultraterra transferred all their shares in Guacolda to AES, i.e., 54,422,806 shares each which as a whole are equivalent to 50% of the shares issued by Guacolda.

As stated in the essential event, the mentioned operation gives Empresas Copec a profit before tax of about US\$205 million."

5. On June 5, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., (hereinafter also referred to as "Empresas Copec" or the "Company)," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, and its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Celulosa y Energía Punta Pereira (hereinafter referred to as "CEPP"), a company of the Montes del Plata group, entails a joint venture between our subsidiary Celulosa Arauco y Constitución S.A. (hereinafter referred to as "Arauco") and the Swedish-Finnish company Stora Enso, has secured the authorization needed from the competent authorities in Uruguay to operate and start the commissioning process of its wood pulp mill located at Conchillas in Uruguay. The operating environmental authorization (hereinafter referred to as the "AAO") was today issued by the National Department of the Environment (hereinafter referred to as the "DINAMA"), after it had checked that the industrial complex had actually included the requirements of technical enhancements in all its processes and that the facilities were ready to start their productive phase.

Having met all the requirements, today Montes del Plata commissioned the mill. Empresas Copec forecasts that the start-up of the mentioned mill will have positive effects on Arauco's results, notwithstanding that they are not quantifiable for the time being."

6. On August 1, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., hereinafter referred to as the "Company," domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

In a Board meeting held yesterday, the Company Board unanimously agreed to request the registry in the Securities Registry of the SVS of two domestic bond lines, hereinafter referred to as the "Bond Lines," with both Bond Lines amounting to up to UF10 million. This is to refinance the short- and long-term liabilities of the Company and/or its subsidiaries, to finance the investment projects of the Company and/or its subsidiaries, and to have financing for other general corporate purposes of the Company and/or its subsidiaries.

The maximum maturity of the first of the Bond Lines shall be 10 years, and the maximum maturity of the second of the Bond Lines shall be 30 years, both maturities as of the date when the respective Bond Lines are registered in the Securities Registry of the SVS.

The Bond Lines shall have no special guarantees, and the bonds issued charged thereto may be placed in the market in general, they shall be coupon bonds, issued dematerialized, and shall not be convertible into Company shares and may be expressed in Chilean pesos, in Unidades de Fomento (UF) or US dollars.

When the SVS has approved the mentioned Bond Lines, and depending on the market conditions, the Company may place the mentioned bonds.

It is estimated that the above bond issues and placements shall have no significant effects on the Company's financial statements."

7. On October 3, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., hereinafter referred to as the "Company," domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

On September 29, 2014, Law N° 20.780 was published in the Official Gazette, which made various modifications to the current income tax and other tax system. The main changes include the steady increase in first bracket tax to 27% as of 2018, if the partially integrated system is applied. Should the Company opt for an attributed income system, the maximum rate would be 25% as of 2017.

Pursuant to the same law, and as Empresas Copec is a publicly traded corporation, the partially integrated system applies to it as a general rule unless a future Company Shareholders' Meeting agrees to opt for the attributed income system.

Regarding this, in accordance with the International Financial Reporting Standards (IFRS), the company must immediately recognize in income the impact that such first bracket income tax increase will have on the company's net deferred tax liabilities.

With the information gathered to date, and assuming the partially integrated system is applied, as there has been no Shareholders' Meeting opting for the attributed income system, it is informed that the increase in net deferred tax liabilities will give Empresas Copec a one-time charge to income of about US\$360 million, which will be included in the financial statements as of September 30, 2014.

In regard to dividends, the charge to income for the increase in net deferred tax liabilities will reduce the Company's distributable net income for the year ended 2014 by approximately US\$228 million to apply to the US\$360 million mentioned above the adjustments that must be made in accordance with the policy on determining the company's distributable net income approved by the Board, according to circular letter N°1.945 of 2009 of the SVS.

We reiterate that the mentioned calculations were made considering the application of the partially integrated system. If a future Shareholders' Meeting of our Company does decide to opt for the attributed income system, the corresponding adjustments will be made at that time."

8. On October 21, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation Empresas Copec S.A., hereinafter referred to as the "Company," domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs



you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

By means of an essential event sent on October 3, Empresas Copec informed of the impact on its income due to the effect the increase in first bracket tax laid down in Law N°20.780 will have on the company's net deferred tax liabilities, in accordance with what is established in the IFRS.

Nevertheless, in circular letter N°856, dated October 17, the SVS established that the net deferred tax liability differences arising from the increase in the mentioned tax rate should be accounted for against shareholders' equity.

Hence, we hereby inform you that in accordance with the mentioned circular letter, the effect on deferred tax from the increase in the mentioned first bracket tax rate will not affect income or the calculation of the company's distributable net income but will entail a direct charge to shareholders' equity of about US\$360 million, which will be included in the financial statements as of September 30, 2014.

As stated in our report of an essential event dated October 3, the mentioned impact on shareholders' equity was made considering the application of the partially integrated system. If a future Company Shareholders' Meeting decides to opt for the attributed income system, the corresponding adjustments will be made at that time."

9. On December 4, 2014, the company reported the following:

"The undersigned, as CEO of the publicly traded corporation EMPRESAS COPEC S.A., hereinafter referred to as "Empresas Copec" or the "Company," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 17, district of Las Condes, registered in the Securities Registry with N°028, taxpayer code N°90.690.000-9, duly empowered by the board of directors, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Today, Empresas Copec placed bonds in the domestic market, which are dematerialized and coupon bonds, whose most important conditions are as follows:

- a. The company placed "G" series bonds, issued charged to the bond line approved by the Board on July 31, 2014, and registered in the Securities Registry of the SVS under N°791, dated November 17, 2014. The features of the "G" series bonds are set forth in official letter N°30552 of the SVS, dated November 20, 2014.

This placement was made for a total of 2,500,000 Unidades de Fomento (hereinafter referred to as "UF") with 10-year maturity. Interest shall accrue as of October 15, 2014, and shall be paid half yearly on April 15 and October 15 of each year as of April 15, 2015. The capital shall be amortized in one single installment payable on October 15, 2024.

The issue attained a placement rate of 2.88%.

The "G" series bonds shall accrue coupon interest on the capital not fully paid expressed in UF of 2.70% per annum, compound and due, calculated based on equal half years of 180 days, equivalent to a rate of 1.3410% per half year.

- b. This bond series has a domestic risk rating of AA- with a "stable" trend. The underwriter was IM Trust S.A., Corredores de Bolsa, a company with which there is no ownership relation. The spread on the bond issued by the Chilean Central Bank in UF ("BCU") with 10-year maturity obtained for the "G" series was 136 base points.
- c. Other significant conditions of the mentioned bonds were as follows:
  - The "G" series bonds may be redeemed as of October 15, 2016.
  - The bonds shall have no guarantee whatsoever.
  - The proceeds from the mentioned issue shall be allocated to refinancing the short- and long-term liabilities of the Company and/or its subsidiaries, whether these are expressed in national or foreign currency.

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

## II. OF THE AFFILIATE CELULOSA ARAUCO Y CONSTITUCIÓN S.A.:

1. On January 14, 2014, the company reported the following: "The undersigned, on behalf of the corporation Celulosa Arauco y Constitución S.A., hereinafter referred to as the "Company," or "Arauco," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 14, district of Las Condes, registered in the Securities Registry with N°42, taxpayer code N°93.458.000-1, duly empowered, informs you of the following essential event about the Company, and its business, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Today, Arauco, through its subsidiary Flakeboard America Limited, agreed by means of an asset purchase and sale contract signed with the US company SierraPine to buy three mills in the United States. The operation envisages the purchase of the particleboard mills of Martell and Springfield, and the medium-density fiberboard (MDF) mill of Medford, which are in the states of California and Oregon.

The mentioned asset purchase and sale contract is subject to some prior conditions, which is customary for these kinds of transactions. The transaction price is US\$107 million, plus a variable amount of up to US\$13 million in inventories. Such price will be paid when the mentioned prior conditions have been met and the transaction agreed on is closed.

After this transaction has been completed, Arauco will produce 3.5 million m<sup>3</sup> of panels a year in the United States and Canada alone with the operation of ten mills (eight in the United States and two in Canada).

Arauco deems that when this transaction has been completed, it will have positive effects on the company's results, notwithstanding that these are not quantifiable for the time being."

2. On April 10, 2014, the company reported the following: "The undersigned, on behalf of the corporation Celulosa Arauco y Constitución S.A., hereinafter referred to as the "Company," or "Arauco," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 14, district of Las Condes, registered in the Securities Registry with N°42, taxpayer code N°93.458.000-1, duly empowered, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Today the company placed bonds in the domestic market, which are dematerialized and coupon bonds, whose most significant conditions are as follows:

1. a. The company placed "Q" series bonds, issued charged to the bond line approved by the Board on April 9, 2009, and registered in the Securities Registry of the SVS with N°588, dated June 4, 2009. The mentioned series was approved by the Board on March 14, 2014 and is set forth in official letter N°8261 of the SVS, dated March 27, 2014.

This placement was made for a total of 2,000,000 Unidades de Fomento (hereinafter referred to as "UF") with 7-year maturity. Interest shall accrue as of April 1, 2014 and shall be paid half yearly on April 1 and October 1 of each year as of October 1, 2014. The capital shall be amortized in 8 installments payable half yearly on April 1 and October 1 of each year as of October 1, 2017 and up to April 1, 2021.

The issue attained a placement rate of 2.65%.

The "Q" series bonds shall accrue coupon interest on the capital not fully paid expressed in UF of 3.0% per annum, compound and due, calculated based on equal half years of 180 days, equivalent to a rate of 1.4889% per half year.

- b. The company placed "R" series bonds, issued charged to the bond line approved by the Board on April 9, 2009, and registered in the Securities Registry of the SVS with N°588, dated June 4, 2009. The mentioned series was approved by the Board on March 14, 2014 and is set forth in official letter N°8261 of the SVS, dated March 27, 2014.

This placement was made for a total of 5,000,000 Unidades de Fomento ("UF") with 21-year maturity. Interest shall accrue as of April 1, 2014 and shall be paid half yearly on April 1 and October 1 of each year as of October 1, 2014. The capital shall be amortized in 1 installment payable on April 1, 2035.

The issue attained a placement rate of 3.60%.

The "R" series bonds shall accrue coupon interest on the capital not fully paid expressed in UF of 3.6% per annum, compound and due, calculated based on equal half years of 180 days, equivalent to a rate of 1.7841% per half year.

2. These bond series have a domestic risk rating of AA-.
3. The underwriter was IM Trust S.A., Corredores de Bolsa, a company with which there is no ownership relation.
4. The spread on the bond issued by the Chilean Central Bank in UF ("BCU") with 5-year maturity obtained for the "Q" series was 94 base points. The spread on the bond issued by the Chilean Central Bank in UF ("BCU") with 20-year maturity obtained for the "R" series was 133 base points.
5. Other significant conditions of the mentioned bonds were as follows:
  - The "Q" series and "R" series bonds may be redeemed as of April 1, 2017.
  - The bonds shall have no guarantee whatsoever.
  - The proceeds from the mentioned issue shall be allocated to paying or prepaying short- or long-term liabilities of the Company and/or its subsidiaries, whether these are expressed in national or foreign currency.

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

3. On June 5, 2014, the company reported the following: "The undersigned, on behalf of the corporation Celulosa Arauco y Constitución S.A., hereinafter referred to as the "Company," or "Arauco," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 14, district of Las Condes, registered in the Securities Registry with N°42, taxpayer code N°93.458.000-1, duly empowered, informs you of the following essential event about the Company and its business, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Celulosa y Energía Punta Pereira (CEPP), a company of the Montes del Plata group, entailing a joint venture between Arauco and the Swedish-Finnish company Stora Enso, has secured the authorization needed from the competent authorities in Uruguay to operate and start the commissioning process of its wood pulp mill located at Conchillas in Uruguay.

The operating environmental authorization (AAO) was today issued by the National Department of the Environment (DINAMA), after it had checked that the industrial complex had actually included the requirements of technical enhancements in all its processes and that the facilities were ready to start their productive phase.

Having met all the requirements, today Montes del Plata commissioned the mill.

Arauco forecasts that the start-up of the mentioned mill will have positive effects on the Company's results, notwithstanding that these are not quantifiable for the time being."

4. On July 15, 2014, the company reported the following: "The undersigned, on behalf of the corporation Celulosa Arauco y Constitución S.A., hereinafter referred to as the "Company," or "Arauco," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 14, district of Las Condes, registered in the Securities Registry with N°42, taxpayer code N°93.458.000-1, duly empowered, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

Today, Celulosa Arauco y Constitución S.A. established the price and conditions of the bonds to be issued in the United States of America on July 22, 2014 amounting to US\$500 million. The bonds will have 10-year maturity and an interest rate of 4.5% per annum. The capital will be paid on the bond maturity date, established as August 1, 2024, and interest will be paid half yearly.

The proceeds from the bond issue will be allocated to refinancing the Company's liabilities and other corporate purposes.

In compliance with what is set forth in circular letter 1072, dated May 14, 1992, of the SVS, we enclose the "Placement of Bonds Abroad Essential Event Form."

We will send you a copy of the contracts that will govern the placement and the US laws and regulations that regulate this issue as soon as they are available.

We deem that the information contained herein should have no effects on the Company's results."

5. On October 1, 2014, the Company reported the following: "On January 14, 2014, the Company reported an Essential Fact for the agreement asset purchase that Flakeboard America Limited, an affiliate of Arauco, had signed with the US company SierraPine in order to acquire three boards industrial plants located in the United States of America (California and Oregon) at a price of US\$ 107 million, plus an amount of up to US \$ 13 million in inventories.

The above mentioned Essential Fact also indicated that the improvement of the asset purchase agreement was subject to certain conditions precedent. Such conditions should be granted the authorization to the United States Department of Justice (DOJ) to this transaction is included.

On October 1, 2014, the Company, together with Sierra Pine society, have taken the decision to withdraw the request to the DOJ, because that authority has objected to the transaction. Under this, the parties have voluntarily agreed to rescind the contract indicated above.

Arauco believes that this situation will have no significant effect on either the financial condition or results of operations of the Company."

6. On October 3, 2014, the Company reported the following: "On September 29, 2014, Law No. 20,780, which introduced several modifications to the current system of income tax and other taxes was published in the Official Journal. Among the main changes, is the progressive increase in the first category tax for the years 2014, 2015, 2016, 2017 and 2018 onwards, increasing to 21%, 22.5%, 24%, 25.5% and 27%, respectively, in the event that partially apply the integrated system. Or, for the years 2014, 2015, 2016 and 2017 onwards, increasing to 21%, 22.5%, 24% and 25%, respectively, if you opt for the implementation of a system imputed rent.

According to the Law, in the case of Arauco, as a general rule applies partially integrated system, unless a future meeting of shareholders of the Company agreed to opt for the system of imputed rent.

On the other hand, as a result of the progressive increase in the first category tax for the years 2014 to 2018, in accordance with International Financial Reporting Standards (IFRS) should recognize the impact on results immediately, so Arauco must register at September 30, 2014 the effect of the increase in the tax rate notch occurs in deferred taxes of the Company.

Regarding what is stated in the preceding paragraphs, and must then be applied partially integrated system because has not held any meeting of shareholders to opt for the system of imputed rent is reported that the estimated effect on Arauco and its Chilean affiliates to date deferred tax is charged to results of approximately US\$ 292 million.

Moreover, considering the application of the partially integrated system, the charge to income for the increase in net deferred tax liabilities decrease distributable earnings of the Company for the year 2014 by approximately US\$ 160 million, due to apply to above US\$ 292 million on adjustments to be made pursuant to the policy on determining the distributable net profit of the Company has approved its Board of Directors, pursuant to Circular No. 1,945 of 2009, the Superintendency of Securities and Insurance.

The above calculations have been made considering the application of the partially integrated system. If, in short, a future Shareholders Meeting decided to opt for the system of imputed rent, will be made in due course adjust accordingly".

7. On October 21, 2014, the company reported the following: "The undersigned, on behalf of the corporation Celulosa Arauco y Constitución S.A., hereinafter referred to as the "Company," or "Arauco," both domiciled in the Metropolitan region of Santiago, Avenida El Golf N°150, piso 14, district of Las Condes, registered in the Securities Registry with N°42, taxpayer code N°93.458.000-1, duly empowered, informs you of the following essential event about the Company, its business, its public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045, and General Regulation N°30 of the SVS:

In reporting an essential event sent on October 3, Arauco informed of the estimated impacts on its income that the increase in first bracket tax established in Law N°20.780 would have on the company's net deferred tax assets, in accordance with applying the IFRS.

Nevertheless, by means of circular letter N°856 of October 17, the SVS established that the net deferred tax liability differences from the mentioned tax increase should be accounted for against shareholders' equity.

We thereby inform you that according to the mentioned circular letter, the effect on deferred taxes from the mentioned first bracket tax increase will not impact income or the calculation of the company's distributable net income but will entail a direct charge to shareholders' equity of about US\$292 million, which will be included in the financial statements as of September 30, 2014.

As we reported in our essential event dated October 3, the impact on shareholders' equity was calculated considering the application of the partially integrated system. Should a future Shareholders' Meeting of Arauco decide to opt for the attributed income system, the corresponding adjustments will be made at that time.

Lastly, it should be noted that the mentioned indication established in the circular letter is only applicable to the financial statements to be submitted to the SVS in Chile. For those financial statements to be presented to the US Securities and Exchange Commission (SEC), the indication established in circular letter N°856 shall not be applicable."

### III. OF THE AFFILIATE FORESTAL CHOLGUÁN S.A.:

1. On March 21, 2014, the company reported the following:

"The undersigned, as Chairman of the publicly traded corporation Forestal Cholguán S.A., both domiciled in Santiago, at Avda. El Golf N°150, piso 14, district of Las Condes, taxpayer code N°93.838.000-7, hereby reports the following essential event of the company and its shares, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045:

A company board meeting held on this date agreed to propose to the General Shareholders' Meeting of our company, summoned for April 22, the payment of the following compulsory minimum final dividend, which shall be allocated to the profits of the year ended December 31, 2013, charged to income in such year:

Dividend N°37 of US\$0.019662731 per share.

The dividend shall be paid in Chilean pesos, according to the "observed US dollar" exchange rate published in the Official Gazette on April 29, 2014.

The mentioned dividend shall constitute income for shareholders. The company shall determine and timely inform of the credit that for the mentioned dividend corresponds to shareholders who pay the complementary global tax and additional tax.

If the mentioned dividend is approved by the Shareholders' Meeting, it shall be paid as of May 6, 2014, as of 09:00 hours at the company's share department, at Avda. El Golf N°140, district of Las Condes, with normal working hours of Monday through Friday, 09:00 to 17:00 hours. Those shareholders who have so asked the company shall have the mentioned dividend deposited in their checking account or be sent a check by mail, as the case may be.

Those shareholders registered in the company's Shareholders' Registry at midnight on April 29, 2014 shall be entitled to such dividend, if it is approved by the Shareholders' Meeting.

The distribution of the mentioned dividend shall have no effect on the company's financial standing.

The information contained in this letter is delivered as an essential event pursuant to what is set forth by the SVS in circular letter N°660 of 1986."

2. On October 3, 2014, the company reported the following:

"The undersigned, on behalf of the publicly traded corporation Forestal Cholguán S.A. (hereinafter referred to as "FCHO"), both domiciled in Santiago, at Avda. El Golf N°150, piso 14, district of Las Condes, taxpayer code N°93.838.000-7, hereby reports the following essential event of the company and its shares, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045 on the securities market and General Regulation N°30 of the SVS.

- a. On September 29, 2014, Law N°20.780 was published in the Official Gazette, which made various modifications to the current income tax and other tax system. The main changes include the steady increase in first bracket tax for the commercial years of 2014, 2015, 2016, 2017 and 2018 onwards, increasing to 21%, 22.5%, 24%, 25.5% and 27%, respectively, if the partially integrated system is applied. For the commercial years of 2014, 2015, 2016, and 2017 onwards, it will increase to 21%, 22.5%, 24% and 25%, respectively, if the attributed income system is applied.
- b. Pursuant to the same law, in the case of FCHO the partially integrated system applies to it as a general rule unless a future company Shareholders' Meeting agrees to opt for the attributed income system.
- c. On the other hand, and due to the steady increase in first bracket tax for the commercial years of 2014 to 2018, in accordance with the IFRS, the company must immediately recognize the impact on income, so FCHO shall record as of September 30, 2014 the effect that such first bracket income tax increase will have on FCHO's deferred tax.
- d. Regarding what is stated in the previous paragraphs and the partially integrated system being applicable, as there has been no Shareholders' Meeting opting for the attributed income system, it is informed that the estimated effect on FCHO to date for deferred tax is a charge to income of about US\$13,982,000.
- e. Moreover, considering the application of the partially integrated system, the charge to income for the increase in net deferred tax liabilities will reduce FCHO's distributable net income for the year ended 2014 by approximately US\$952,000 to apply to the above-mentioned US\$360 million the adjustments that must be made in accordance with the policy on determining FCHO's distributable net income approved by the Board, according to circular letter N°1.945 of 2009 of the SVS.
- f. We reiterate that the mentioned calculations were made considering the application of the partially integrated system. If a future Shareholders' Meeting of our company does decide to opt for the attributed income system, the corresponding adjustments will be made at that time."

3. On October 21, 2014, the company reported the following:

"The undersigned, on behalf of the publicly traded corporation Forestal Cholguán S.A. (hereinafter referred to as "FCHO"), duly empowered for this, both domiciled in Santiago, at Avda. El Golf N°150, piso 14, district of Las Condes, taxpayer code N°93.838.000-7, hereby reports the following essential event of the company and its shares, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045 on the securities market and General Regulation N°30 of the SVS:

In reporting an essential event sent on October 3, FCHO informed of the estimated impacts on its income that the increase in first bracket tax

established in Law N°20.780 would have on FCHO's net deferred tax assets, in accordance with applying the IFRS.

Nevertheless, by means of circular letter N°856 of October 17, the SVS established that the net deferred tax liability differences from the mentioned tax increase should be accounted for against shareholders' equity.

We thereby inform you that according to the mentioned circular letter, the effect on deferred taxes from the mentioned first bracket tax increase will not impact income or the calculation of FCHO's distributable net income but will entail a direct charge to shareholders' equity of about US\$13,982,000, which will be included in the financial statements as of September 30, 2014.

As we reported in our essential event dated October 3, the impact on shareholders' equity was calculated considering the application of the partially integrated system. Should a future Shareholders' Meeting of FCHO decide to opt for the attributed income system, the corresponding adjustments will be made at that time."

#### IV. OF THE AFFILIATE PESQUERA IQUIQUE - GUANAYE S.A.:

1. On April 4, 2014, the company reported the following:

"I hereby inform you that our company will hold a General Shareholders' Meeting on April 22, at 16:30 hours at Avenida El Golf N°150, piso 17, district of Las Condes, Santiago, in which the following matters shall be addressed:

- a. Submit the company's financial statements for the year ended December 31, 2013, and the Board's Annual Report for the Shareholders' Meeting decision and report on the performance of the corporate business.
- b. Election of company directors.
- c. Report on the operations undertaken by the company to which Title XVI of Law N°18.046 refers.
- d. Establish the board remuneration for next year.
- e. Appoint the independent auditors.
- f. Address any other issue of corporate interest of the competence of the type of Shareholders' Meeting mentioned.

As of April 10, 2014, shareholders can find the company's financial statements closed for the year ended December 31, 2013, with their explanatory notes and the independent auditors' report on the company website at <http://www.igemar.cl/igemar/files/attachment/attachment/226/fecu2013.pdf>.

Complying with the second subparagraph of article 59 of Law N°18.046, the website [www.igemar.cl](http://www.igemar.cl) includes the rationale for the options of the appointment of the independent auditors to be submitted to the Shareholders' Meeting. Shareholders may obtain a copy of this on the same company website.

Those shareholders registered in the company's Shareholders' Registry at midnight on April 14, 2014 shall be entitled to participate in the company's Shareholders' Meeting. The notifications summoning shareholders to this Shareholders' Meeting shall be published in the El Mercurio newspaper in Santiago, on April 4, 11 and 17, 2014.

The company shall send the SVS a digital copy of the 2013 Annual Report through the SEIL module of the SVS, complying with General Regulation N°30 of 1989."

2. On April 4, 2014, the company reported the following:

"Pursuant to what is laid down in and complying with letter "j" of number "2.3" of title 2 of Section II of General Regulation N°30 of 1989 of the SVS, I hereby inform you of the following:

I enclose a copy of the El Mercurio newspaper of Santiago, April 4, 2014 edition, in which the summons notification to the mentioned Shareholders' Meeting is published.

I also inform you that the second and third summons notifications to the Shareholders' Meeting were published on April 11 and 17, 2014, respectively, both in the El Mercurio newspaper of Santiago."

3. On October 3, 2014, the company reported the following:

"The undersigned, on behalf of the corporation Pesquera Iquique – Guanaye S.A., hereinafter referred to as the "Company," both domiciled in the Metropolitan region, at Avda. El Golf N°150, piso 17, district of Las Condes, a company registered in the Securities Registry with N°0044, taxpayer code N°91.123.000-3, and duly empowered, hereby reports the following essential event of the company, its business, public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045 on the securities market and General Regulation N°30 of the SVS.

On September 29, 2014, Law N° 20.780 was published in the Official Gazette, which made various modifications to the current income tax and other tax system. The main changes include the steady increase in first bracket tax to 27% as of 2018, if the partially integrated system is applied. Should the company opt for an attributed income system, the maximum rate would be 25% as of 2017.

Pursuant to the same law, and as Pesquera Iquique – Guanaye is a publicly traded corporation, the partially integrated system applies to it as a general rule unless a future Company Shareholders' Meeting agrees to opt for the attributed income system.

Regarding this, in accordance with the IFRS, the company must immediately recognize in income the impact that such first bracket income tax increase will have on the Company's net deferred tax liabilities.

With the information gathered to date, and assuming the partially integrated system is applied, as there has been no Shareholders' Meeting opting for the attributed income system, it is informed that the increase in net deferred tax liabilities will give Pesquera Iquique – Guanaye a one-time charge to income of about US\$9 million, which will be included in the financial statements as of September 30, 2014.

We reiterate that the mentioned calculations were made considering the application of the partially integrated system. If a future Shareholders' Meeting of our Company

4. On October 21, 2014, the company reported the following:

"The undersigned, on behalf of the corporation Pesquera Iquique – Guanaye S.A., hereinafter referred to as the "Company," both domiciled in the Metropolitan region, at Avda. El Golf N°150, piso 17, district of Las Condes, a company registered in the Securities Registry with N°0044, taxpayer code N°91.123.000-3, and duly empowered, hereby reports the following essential event of the Company, its business, public offering of securities or the offering thereof, pursuant to what is laid down in article 9 and subparagraph 2 of article 10, both of Law N°18.045 on the securities market and General Regulation N°30 of the SVS.

In reporting an essential event sent on October 3, Pesquera Iquique – Guanaye informed of the impact on its income that the increase in first bracket tax established in Law N°20.780 would have on the Company's net deferred tax assets, in accordance with applying the IFRS.

Nevertheless, by means of circular letter N°856 of October 17, the SVS established that the net deferred tax liability differences from the mentioned tax increase should be accounted for against shareholders' equity.

We thereby inform you that according to the mentioned circular letter, the effect on deferred taxes from the mentioned first bracket tax increase will not impact income or the calculation of the company's distributable net income but will entail a direct charge to shareholders' equity of about US\$8 million, which includes the latest figures of assets and liabilities and the indirect effects of subsidiaries and related companies, which will be included in the financial statements as of September 30, 2014.

As we reported in our essential event dated October 3, the impact on shareholders' equity was calculated considering the application of the partially integrated system. Should a future Company Shareholders' Meeting decide to opt for the attributed income system, the corresponding adjustments will be made at that time."

## SUPPLIERS AND CUSTOMERS

For each of the company's business segments, the suppliers that individually account for at least 10% of the total spend made in the year for the supply of goods and services are as follows:

- Arauco: Copec S.A. (12.2%).
- Copec: Enap Refinerías S.A. (61.4%).
- Abastible: Gasmar S.A. (50.0%); Enap Refinerías S.A. (15.0%).
- Sonacol: no supplier has such concentration.
- Igemar: Copec S.A. (11.4%).

For each of the company's business segments, customers who individually account for at least 10% of the revenue are as follows:

- Arauco: no customer has such concentration.
- Copec: no customer has such concentration.
- Abastible: no customer has such concentration.
- Sonacol: Enap Refinerías S.A. (51.7%); Compañía de Petróleos de Chile Copec S.A. (35.6%); Gasmar S.A. (10.8%).
- Igemar: Walmart Chile Comercial Ltda. (10.4%)

## FINANCING, RISK FACTORS AND INSURANCE

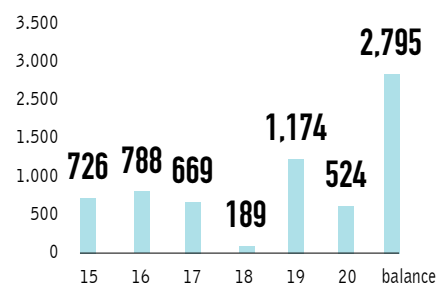
### FINANCING

At December 31, 2014, the consolidated financial debt amounted to US\$ 7,140 million, corresponding US\$ 355 to current financial liabilities and US\$ 6,785 to non-current financial liabilities plus non-current financial liabilities of current portion. The affiliate Celulosa Arauco y Constitución S.A. accounted for 72.8% 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 15.5% of this amount, and its debt mainly with banks. 6.1% 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 0.69 and a hedging ratio (EBITDA to financial expenses) of 5.7 times. Debt maturing in 2015 amounts to US\$ 726 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.

### LONG TERM FINANCIAL DEBT MATURITY

Million dollars



## RISK RATING

In 2014, the risk rating agency Feller Rate reaffirmed the rating and outlook given to the shares of Empresas Copec, rating them as 1<sup>st</sup> 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 strategically 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 historical 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 86% of the Group's consolidated assets, 90% of EBITDA and 75% of net income. Additionally, they represent around 95% of receivables. Together with the Parent Company, they represent 96% of consolidated placements and 88% 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 + / - 28.0% in net income for the period after taxes, + / - 1.2% in equity and + / - 14.2% in EBITDA.

In regard to the economic risks from interest rate variations, the affiliate had a fixed-rate debt to total consolidated debt ratio of approximately 84% for the year ended December 31, 2014, 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 + / - 2.98% (ThUS\$ 15,123) in net income for the period after taxes and + / - 0.13% in equity (ThUS\$ 9,074).

Similarly, considering all other variables remain constant, a variation of + / - 10% in the brasilian real exchange rate of the Chilean peso result in a variation of + / - 0.19% (ThUS\$ 827) in net income for the period after taxes and + / - 0.01% in equity (ThUS\$ 827).

### 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 23% 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, 2014 amount to US\$ 786 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.

Similarly, on December 4, 2014, the Parent Company placed a UF-denominated bond in the Chilean market (BECOP-G) for a total amount of UF 2,500,000. The placement rate was 2.88%, for a nominal rate of 2.70%. Interest is paid semiannually, and the principal is amortized in a single payment on October 15, 2024.

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, 2014, 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.

### PROPERTIES AND FACILITIES

For the year ended December 31, 2014, the parent company was the owner of its corporate offices at Av. El Golf 150.

### HEADCOUNT

For the year ended December 31, 2014, the headcount of the parent company Empresas Copec S.A. amounted to 22 people, including 7 officers and 7 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 23,962 employees, including 656 officers and 6,841 professionals and technicians. 6,363 employees of that total are located overseas.



# SUMMARY OF FINANCIAL STATEMENTS

**ASSETS**

At december 31

2014

THUS\$

2013

THUS\$

<b>Current assets</b>	<b>6,105,504</b>	<b>5,922,813</b>
Cash and cash equivalents	2,013,287	1,508,139
Other current financial assets	162,999	160,404
Other current non financial assets	220,365	224,343
Trade and other receivables	1,670,686	1,842,747
Accounts receivable with related parties	205,345	184,725
Inventories	1,445,545	1,592,645
Biological assets	311,523	263,056
Current tax assets	63,721	131,266
Non current assets held for sale	12,033	15,488
<b>Non current assets</b>	<b>15,785,639</b>	<b>16,484,778</b>
Other non current financial assets	73,281	59,052
Other non current non financial assets	135,240	153,097
Non current fees receivable	55,401	58,905
Non current accounts receivable with related parties	157,831	6,174
Investment in associates through equity method	680,226	970,893
Intangible assets other than goodwill	807,285	982,915
Goodwill	201,535	228,735
Property, plant and equipment	9,819,286	10,082,124
Biological assets	3,538,802	3,635,246
Investment property	51,490	59,026
Deferred tax assets	265,262	248,611
<b>Total assets</b>	<b>21,891,143</b>	<b>22,407,591</b>

**LIABILITIES AND EQUITY**

At december 31

2014  
THUS\$2013  
THUS\$

<b>Current liabilities</b>	<b>2,913,576</b>	<b>3,437,050</b>
Other current financial liabilities	1,082,593	1,249,933
Commercial creditors and other accounts payable	1,439,754	1,788,930
Accounts payable to related parties	15,267	22,270
Other provisions	16,187	13,315
Current tax liabilities	135,481	139,012
Current provisions for employee benefits	6,126	6,098
Other current non financial liabilities	218,168	217,492
<b>Non current liabilities</b>	<b>8,641,440</b>	<b>8,150,711</b>
Other non current financial liabilities	6,059,802	5,862,497
Non current liabilities	880	1,304
Accounts payable to related parties	0	5,311
Other provisions	74,299	35,207
Deferred tax liabilities	2,265,341	1,987,683
Non current provisions for employee benefits	85,158	82,295
Other non current non financial liabilities	155,960	176,414
<b>Net equity</b>	<b>10,336,127</b>	<b>10,819,830</b>
Share capital	686,114	686,114
Accumulated earnings (losses)	9,651,252	9,475,164
Other reserves	(598,117)	(49,264)
Equity attributable to equity holders of the company	9,739,249	10,112,014
Minority interest	596,878	707,816
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>21,891,143</b>	<b>22,407,591</b>

**INCOME STATEMENT**

For the years ended december 31

2014  
THUS\$2013  
THUS\$

Revenue	23,840,718	24,339,279
Cost of sales	(20,652,548)	(21,134,855)
<b>Gross income</b>	<b>3,188,170</b>	<b>3,204,424</b>
Other operating income	387,475	435,625
Distribution costs	(1,016,842)	(995,610)
Administrative expenses	(1,056,574)	(1,092,593)
Other operating expenses	(193,330)	(266,357)
Other income (loss)	191,379	(3,126)
Financial income	57,473	47,894
Financial costs	(350,036)	(363,229)
Income on investments in related companies and joint ventures	77,237	122,195
Exchange rate differences	(40,196)	(15,869)
Gains (losses) on net monetary position	(20,539)	(5,973)
<b>Income before taxes</b>	<b>1,224,217</b>	<b>1,067,381</b>
Income taxes	(323,209)	(258,734)
<b>Income from continuing operations after taxes</b>	<b>901,008</b>	<b>808,647</b>
Income from discontinued operations	0	25,932
<b>Net income</b>	<b>901,008</b>	<b>834,579</b>

**Income attributable**

Income attributable to equity holders of the company	855,555	786,013
Income attributable to minority interests	45,453	48,566
<b>Net income</b>	<b>901,008</b>	<b>834,579</b>

**Earnings per share****Common shares**

Basic earnings per share	0.6581932	0.6046934
Basic earnings per share from discontinued operations	0.6581932	0.5847434
Basic earnings per share from continuing operations	0.0000000	0.0199499

**Diluted common shares**

Earnings per diluted share	0.6581932	0.6046934
Earnings per diluted share from discontinued operations	0.6581932	0.5847434
Earnings per diluted share from continuing operations	0.0000000	0.0199499

**COMPREHENSIVE  
INCOME STATEMENT**

For the years ended December 31

2014  
THUS\$2013  
THUS\$

<b>Net Income</b>	<b>901,008</b>	<b>834,579</b>
<b>Other comprehensive income, net of tax</b>		
Other comprehensive income does not reclassify to the income of the period	(14,881)	(3,925)
Gain (loss) for actuarial plans of defined benefits	(14,881)	(3,925)
Exchange difference on conversion	(507,663)	(365,798)
Gain (loss) for exchange differences, before tax	(507,663)	(365,798)
Financial assets held for sale	(890)	(1,812)
Gain (loss) on fair value changes of financial assets held for sale	(890)	(1,812)
Cash flow hedges	(21,366)	50,697
Gain (loss) for cash flow hedges, before tax	(21,366)	50,697
Other comprehensive income, net of tax	(529,922)	(316,913)
<b>Income tax related to other comprehensive income</b>		
Income tax related to cash flow hedges	(9)	(259)
Income tax related to changes in the revaluation surplus	112	(7,730)
Reclassification adjustments on income tax	3,839	0
Total income tax related to other comprehensive income	3,942	(7,989)
Other comprehensive income	(540,861)	(328,827)
Total comprehensive income	360,147	505,752
<b>Comprehensive income attributable</b>		
Comprehensive income attributable to parent company	316,010	458,917
Comprehensive income attributable to non controlling interests	44,137	46,835
Total comprehensive income	360,147	505,752

**STATEMENT  
OF CHANGES  
IN EQUITY**

	Ordinary shares Share capital	Reserves available for sale	Conversion Reserves	Benefits Reserves	Hedge Reserves	Other Reserves	Other Reserves Total	Changes in retained Earnings (Accumula- ted Losses)	Changes in Equity Attribu- table to Parent Company Shareholders, Total	Changes in Minority Interests	Changes in Net Equity, Total
Opening balance at January 1, 2014	686,114	642	(470,258)	(8,657)	(17,951)	446,960	(49,264)	9,475,164	10,112,014	707,816	10,819,830
Restated opening balance	686,114	642	(470,258)	(8,657)	(17,951)	446,960	(49,264)	9,475,164	10,112,014	707,816	10,819,830
Changes in equity											
Comprehensive income statement											
Net income	0	0	0	0	0	0	0	855,555	855,555	45,453	901,008
Other comprehensive income	0	(968)	(504,732)	(11,001)	(23,671)	827	(539,545)	0	(539,545)	(1,316)	(540,861)
Dividends	0	0	0	0	0	0	0	(329,321)	(329,321)	0	(329,321)
Other increases (decreases) through transfers and other changes	0	0	0	0	0	(16,746)	(16,746)	(350,146)	(366,892)	(155,075)	(521,967)
Increases (decreases) to changes in subsidiaries that do not involve loss of control	0	0	0	0	0	7,438	7,438	0	7,438	0	7,438
Changes in equity	0	(968)	(504,732)	(11,001)	(23,671)	(8,481)	(548,853)	176,088	(372,765)	(110,938)	(483,703)
Closing balance at December 31, 2014	686,114	(326)	(974,990)	(19,658)	(41,622)	438,479	(598,117)	9,651,252	9,739,249	596,878	10,336,127
Opening balance at January 1, 2013	686,114	2,687	(110,812)	0	(60,970)	377,795	208,700	9,021,679	9,916,493	845,899	10,762,392
Restated opening balance	686,114	2,687	(110,812)	(4,743)	(60,970)	377,795	203,957	9,026,422	9,916,493	845,899	10,762,392
Changes in equity											
Comprehensive income statement											
Net income	0	0	0	0	0	0	0	786,013	786,013	48,566	834,579
Other comprehensive income	0	(2,045)	(359,446)	(3,914)	43,019	37,122	(285,264)	(41,832)	(327,096)	(1,731)	(328,827)
Dividends	0	0	0	0	0	0	0	(298,958)	(298,958)	0	(298,958)
Increases (decreases) of other distributions to owners	0	0	0	0	0	20	20	1,435	1,455	0	1,455
Other increases (decreases) through transfers and other changes	0	0	0	0	0	6,473	6,473	2,084	8,557	(184,918)	(176,361)
Increases (decreases) to changes in subsidiaries that do not involve loss of control	0	0	0	0	0	25,550	25,550	0	25,550	0	25,550
Changes in equity	0	(2,045)	(359,446)	(3,914)	43,019	69,165	(253,221)	448,742	195,521	(138,083)	57,438
Closing balance at December 31, 2013	686,114	642	(470,258)	(8,657)	(17,951)	446,960	(49,264)	9,475,164	10,112,014	707,816	10,819,830

**STATEMENT OF  
CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
<b>Cash Flows from (used in) Operating Activities</b>	<b>1,425,325</b>	<b>1,612,741</b>
Classes of cash receipts from operating activities		
Receipts from sales of goods and rendering of services	23,637,179	26,247,043
Receipts from premiums and claims, annuities and other policy benefits	5,352	30,620
Other cash receipts from operating activities	363,345	411,129
Classes of cash payments		
Payments to suppliers for goods and services	(21,296,535)	(23,604,730)
Payments to and behalf of employees	(752,589)	(705,697)
Payments from premiums and claims, annuities and other policy benefits	(5,899)	(8,670)
Other payments from operating activities	(228,189)	(334,484)
Dividends received	19,925	13,909
Interest paid	(220,314)	(263,722)
Interest received	70,473	38,509
Income taxes refund (paid)	(176,338)	(225,491)
Other inflows (outflows) of cash	8,915	14,325
<b>Cash Flows from (used in) Investing Activities</b>	<b>(599,144)</b>	<b>(799,145)</b>
Cash flows from loss of control of subsidiaries or other businesses	0	16,031
Other charges for the sale of equity or debt instruments of other entities	369,759	257,133
Other cash payments to acquire equity or debt instruments of other entities	(68)	(32,672)
Other cash payments to acquire joint ventures	(1,882)	(5,529)
Loans to related companies	(202,813)	(105,734)
Proceeds from sale of property, plant and equipment	72,467	129,784
Purchase of property, plant and equipment	(731,503)	(956,277)
Proceeds from sale of intangible assets	0	(135)
Purchase of intangible assets	(60,723)	(74,021)
Proceeds from other non current assets	40,288	28,992
Purchase of other non current assets	(142,138)	(213,244)
Cash advances and loans to third parties	(5,123)	(5,251)
Cash receipts from the repayment of advances and loans granted to third parties	0	5,000
Cash receipts from related parties	(16,089)	38,697
Dividends received	89,019	121,703
Interests received	173	334
Other inflows (outflows) of cash	(10,511)	(3,956)
<b>Cash Flows from (used in) Financing Activities</b>	<b>(210,487)</b>	<b>(475,126)</b>
Proceeds from long term borrowings	1,609,360	1,076,506
Proceeds from short term borrowings	328,839	992,411
Proceeds from borrowings	1,938,199	2,068,917
<b>Borrowings to related parties</b>	<b>0</b>	<b>(37,812)</b>
Payments of borrowings	(1,774,883)	(2,175,790)
Payments of borrowings to related parties	(5,250)	37,778
Dividends paid	(351,155)	(314,169)
Interest paid	(41,432)	(63,567)
Other inflows (outflows) of cash	24,034	9,517
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>615,694</b>	<b>338,470</b>
Effect of exchange rate changes on cash and cash equivalents	(110,034)	(77,011)
Effect of changes in consolidation on cash and cash equivalents	505,660	261,459
Cash and cash equivalents at beginning of period	1,507,591	1,246,132
Cash and cash equivalents at end of period	2,013,251	1,507,591

**CELULOSA ARAUCO Y  
CONSTITUCIÓN S.A. AND AFFILIATES**  
**BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	3,140,715	2,808,321
Non current assets	11,606,739	11,685,074
<b>Total assets</b>	<b>14,747,454</b>	<b>14,493,395</b>
<b>Liabilities</b>		
Current liabilities	1,547,086	1,682,016
Non current liabilities	6,385,632	5,766,839
<b>Total liabilities</b>	<b>7,932,718</b>	<b>7,448,855</b>
<b>Equity</b>		
Issued capital	353,618	353,618
Other reserves	(571,052)	(365,960)
Accumulated earnings (losses)	6,984,564	7,004,640
Equity attributable to equity holders of the company	6,767,130	6,992,298
Minority interest	47,606	52,242
<b>Net equity</b>	<b>6,814,736</b>	<b>7,044,540</b>
<b>Total liabilities and net equity</b>	<b>14,747,454</b>	<b>14,493,395</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	1,674,519	1,588,290
<b>Profit (loss) before taxes</b>	<b>592,825</b>	<b>548,934</b>
Income taxes	(155,935)	(130,357)
<b>Profit (loss) after taxes</b>	<b>436,890</b>	<b>418,577</b>
<b>Profit (loss)</b>	<b>436,890</b>	<b>418,577</b>
Profit (loss) attributable to equity holders of the company	431,958	385,657
Profit (loss) attributable to minority interests	4,932	32,920
<b>Profit (loss)</b>	<b>436,890</b>	<b>418,577</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Net cash flow from (used in) operating activities	985,175	897,720
Net cash flow from (used in) investing activities	(655,158)	(687,620)
Net cash flow from (used in) financing activities	(7,885)	(7,776)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>322,132</b>	<b>202,324</b>
Effect of exchange rate changes on cash and cash equivalents	(18,192)	(23,610)
Cash and cash equivalents at beginning of period	667,212	488,498
Cash and cash equivalents at end of period	971,152	667,212

## COMPAÑÍA DE PETRÓLEOS DE CHILE COPEC S.A. AND AFFILIATES

### BALANCE SHEET

At december 31	2014 THCH\$	2013 THUS\$
<b>Assets</b>		
Current assets	1,057,394,241	1,177,131,331
Non current assets	1,356,533,835	1,303,179,258
<b>Total assets</b>	<b>2,413,928,076</b>	<b>2,480,310,589</b>
<b>Liabilities</b>		
Current liabilities	669,363,545	742,812,876
Non current liabilities	923,632,443	913,112,585
<b>Total liabilities</b>	<b>1,592,995,988</b>	<b>1,655,925,461</b>
<b>Equity</b>		
Issued capital	410,502,349	410,502,349
Other reserves	(175,033,371)	(150,849,452)
Accumulated earnings (losses)	428,661,879	396,581,648
Equity attributable to equity holders of the company	664,130,857	656,234,545
Minority interest	156,801,231	168,150,583
<b>Net equity</b>	<b>820,932,088</b>	<b>824,385,128</b>
<b>Total liabilities and net equity</b>	<b>2,413,928,076</b>	<b>2,480,310,589</b>

### INCOME STATEMENT

For the years ended December 31	2014 THCH\$	2013 THCH\$
Gross profit	662,024,295	618,648,573
<b>Profit (loss) before taxes</b>	<b>184,721,288</b>	<b>187,817,466</b>
Income taxes	(55,307,816)	(56,021,503)
<b>Profit (loss) after taxes</b>	<b>129,413,472</b>	<b>131,795,963</b>
<b>Profit (loss)</b>	<b>129,413,472</b>	<b>144,472,755</b>
Profit (loss) attributable to equity holders of the company	116,128,529	127,895,755
Profit (loss) attributable to minority interests	13,284,944	16,577,000
<b>Profit (loss)</b>	<b>129,413,473</b>	<b>144,472,755</b>

### STATEMENT OF CASH FLOWS

For the years ended December 31	2014 THCH\$	2013 THCH\$
Net cash flow from (used in) operating activities	160,844,087	266,665,927
Net cash flow from (used in) investing activities	(148,932,546)	4,090,497
Net cash flow from (used in) financing activities	(48,476,749)	(243,474,240)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(36,565,207)</b>	<b>27,282,184</b>
Effect of exchange rate changes on cash and cash equivalents	(1,264,986)	2,259,040
<b>Cash and cash equivalents at beginning of period</b>	<b>230,628,913</b>	<b>201,087,689</b>
<b>Cash and cash equivalents at end of period</b>	<b>192,798,720</b>	<b>230,628,913</b>

**ABASTIBLE S.A. AND AFFILIATES****BALANCE SHEET**

At december 31

	2014 THCH\$	2013 THCH\$
<b>Assets</b>		
Current assets	62,279,795	58,714,237
Non current assets	404,127,171	397,338,610
<b>Total assets</b>	<b>466,406,966</b>	<b>456,052,847</b>
<b>Liabilities</b>		
Current liabilities	30,896,388	49,233,650
Non current liabilities	224,733,617	184,903,629
<b>Total liabilities</b>	<b>255,630,005</b>	<b>234,137,279</b>
<b>Equity</b>		
Issued capital	4,947,076	4,947,076
Other reserves	383,377	691,808
Accumulated earnings (losses)	168,982,507	174,297,170
Equity attributable to equity holders of the company	174,312,960	179,936,054
Minority interest	36,464,001	41,979,514
<b>Net equity</b>	<b>210,776,961</b>	<b>221,915,568</b>
<b>Total liabilities and net equity</b>	<b>466,406,966</b>	<b>456,052,847</b>

**INCOME STATEMENT**

For the years ended December 31

	2014 THCH\$	2013 THCH\$
Gross profit	138,914,751	137,969,719
<b>Profit (loss) before taxes</b>	<b>35,031,132</b>	<b>53,536,963</b>
Income taxes	(8,979,575)	(11,748,117)
<b>Profit (loss) after taxes</b>	<b>26,051,557</b>	<b>41,788,846</b>
<b>Profit (loss)</b>	<b>26,051,557</b>	<b>41,788,846</b>
Profit (loss) attributable to equity holders of the company	25,031,591	37,712,369
Profit (loss) attributable to minority interests	1,019,966	4,076,477
<b>Profit (loss)</b>	<b>26,051,557</b>	<b>41,788,846</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31

	2014 THCH\$	2013 THCH\$
Net cash flow from (used in) operating activities	53,913,766	65,674,321
Net cash flow from (used in) investing activities	(27,215,262)	(40,040,543)
Net cash flow from (used in) financing activities	(16,151,050)	(27,414,884)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>10,547,454</b>	<b>(1,781,106)</b>
Effect of exchange rate changes on cash and cash equivalents	(4,934,062)	222,543
<b>Cash and cash equivalents at beginning of period</b>	<b>14,631,498</b>	<b>16,190,061</b>
<b>Cash and cash equivalents at end of period</b>	<b>20,244,890</b>	<b>14,631,498</b>

**SOCIEDAD NACIONAL  
DE OLEODUCTOS S.A.  
BALANCE SHEET**

At december 31	2014 THCH\$	2013 THCH\$
<b>Assets</b>		
Current assets	15,764,309	5,512,166
Non current assets	181,098,212	180,739,579
<b>Total assets</b>	<b>196,862,521</b>	<b>186,251,745</b>
<b>Liabilities</b>		
Current liabilities	30,646,625	41,664,667
Non current liabilities	94,479,696	65,100,728
<b>Total liabilities</b>	<b>125,126,321</b>	<b>106,765,395</b>
<b>Equity</b>		
Issued capital	59,575,440	59,575,440
Other reserves	0	0
Accumulated earnings (losses)	12,160,760	19,910,910
<b>Net equity</b>	<b>71,736,200</b>	<b>79,486,350</b>
<b>Total liabilities and net equity</b>	<b>196,862,521</b>	<b>186,251,745</b>

**INCOME STATEMENT**

For the years ended December 31,	2014 THCH\$	2013 THCH\$
Gross profit	29,421,805	27,497,364
<b>Profit (loss) before taxes</b>	<b>25,377,017</b>	<b>23,838,546</b>
Income taxes	(5,309,831)	(4,706,631)
<b>Profit (loss) after taxes</b>	<b>20,067,186</b>	<b>19,131,915</b>
<b>Profit (loss)</b>	<b>20,067,186</b>	<b>19,131,915</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31,	2014 THCH\$	2013 THCH\$
Net cash flow from (used in) operating activities	28,333,550	26,425,684
Net cash flow from (used in) investing activities	(4,382,788)	(2,846,831)
Net cash flow from (used in) financing activities	(14,252,692)	(22,832,132)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,698,070</b>	<b>746,721</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>839,031</b>	<b>92,310</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,537,101</b>	<b>839,031</b>

**PESQUERA IQUIQUE-GUANAYE S.A.  
AND AFFILIATES  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	158,494	159,269
Non current assets	608,596	608,966
<b>Total assets</b>	<b>767,090</b>	<b>768,235</b>
<b>Liabilities</b>		
Current liabilities	110,656	125,887
Non current liabilities	257,349	221,097
<b>Total liabilities</b>	<b>368,005</b>	<b>346,984</b>
<b>Equity</b>		
Issued capital	347,457	347,457
Other reserves	2,080	14,769
Accumulated earnings (losses)	(72,861)	(68,233)
Equity attributable to equity holders of the company	276,676	293,993
Minority interest	122,409	127,258
<b>Net equity</b>	<b>399,085</b>	<b>421,251</b>
<b>Total liabilities and net equity</b>	<b>767,090</b>	<b>768,235</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	67,270	35,711
<b>Profit (loss) before taxes</b>	<b>(5,206)</b>	<b>(92,799)</b>
Income taxes	6,767	13,466
<b>Profit (loss) after taxes</b>	<b>1,561</b>	<b>(79,333)</b>
<b>Profit (loss)</b>	<b>1,561</b>	<b>(79,333)</b>
Profit (loss) attributable to equity holders of the company	4,651	(41,566)
Profit (loss) attributable to minority interests	(3,090)	(37,767)
<b>Profit (loss)</b>	<b>1,561</b>	<b>(79,333)</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Net cash flow from (used in) operating activities	34,855	19,253
Net cash flow from (used in) investing activities	(12,926)	(60,637)
Net cash flow from (used in) financing activities	(14,352)	54,744
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>7,577</b>	<b>13,360</b>
Effect of exchange rate changes on cash and cash equivalents	343	(1,273)
Cash and cash equivalents at beginning of period	24,663	12,576
Cash and cash equivalents at end of period	32,583	24,663

**SOCIEDAD MINERA  
CAMINO NEVADO LTDA.  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	168,870	124,726
Non current assets	145,832	144,403
<b>Total assets</b>	<b>314,702</b>	<b>269,129</b>
<b>Liabilities</b>		
Current liabilities	290,406	228,486
Non current liabilities	6,869	3,027
<b>Total liabilities</b>	<b>297,275</b>	<b>231,513</b>
<b>Equity</b>		
Issued capital	69,105	69,105
Other reserves	(993)	(11,087)
Accumulated earnings (losses)	(50,753)	(20,474)
Equity attributable to equity holders of the company	17,359	37,544
Minority interest	68	72
<b>Net equity</b>	<b>17,359</b>	<b>37,616</b>
<b>Total liabilities and net equity</b>	<b>314,702</b>	<b>269,129</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	(1,475)	(1,315)
<b>Profit (loss) before taxes</b>	<b>(27,477)</b>	<b>(15,432)</b>
Income taxes	2,338	741
<b>Profit (loss) after taxes</b>	<b>(25,139)</b>	<b>(14,691)</b>
<b>Profit (loss)</b>	<b>(24,844)</b>	<b>(14,691)</b>
Profit (loss) attributable to equity holders of the company	(25,135)	(14,690)
Profit (loss) attributable to minority interests	(4)	(1)
<b>Profit (loss)</b>	<b>(25,139)</b>	<b>(14,691)</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Net cash flow from (used in) operating activities	(2,257)	(3,930)
Net cash flow from (used in) investing activities	(74,674)	(76,072)
Net cash flow from (used in) financing activities	74,875	80,582
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,056)</b>	<b>580</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>3,009</b>	<b>2,429</b>
<b>Cash and cash equivalents at end of period</b>	<b>953</b>	<b>3,009</b>

**INVERSIONES  
NUEVA SERCOM LTDA.  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	827	949
Non current assets	87,806	93,279
<b>Total assets</b>	<b>88,633</b>	<b>94,228</b>
<b>Liabilities</b>		
Current liabilities	14	0
Non current liabilities	0	25
<b>Total liabilities</b>	<b>14</b>	<b>25</b>
<b>Equity</b>		
Issued capital	88,951	88,951
Other reserves	14,501	18,527
Accumulated earnings (losses)	(14,833)	(13,275)
<b>Net equity</b>	<b>88,619</b>	<b>94,203</b>
<b>Total liabilities and net equity</b>	<b>88,633</b>	<b>94,228</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	0	0
<b>Profit (loss) before taxes</b>	<b>1,336</b>	<b>(13,280)</b>
Income taxes	42	6
<b>Profit (loss) after taxes</b>	<b>1,378</b>	<b>(13,274)</b>
<b>Profit (loss)</b>	<b>1,378</b>	<b>(13,274)</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 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
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at end of period</b>	<b>0</b>	<b>0</b>

**INMOBILIARIA  
LAS SALINAS LTDA.  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	976	1,491
Non current assets	117,642	127,418
<b>Total assets</b>	<b>118,618</b>	<b>128,909</b>
<b>Liabilities</b>		
Current liabilities	44,265	47,763
Non current liabilities	5,686	6,577
<b>Total liabilities</b>	<b>49,951</b>	<b>54,340</b>
<b>Equity</b>		
Issued capital	98,055	98,055
Other reserves	(95)	9,911
Accumulated earnings (losses)	(29,293)	(33,397)
<b>Net equity</b>	<b>68,667</b>	<b>74,569</b>
<b>Total liabilities and net equity</b>	<b>118,618</b>	<b>128,909</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	29	0
<b>Profit (loss) before taxes</b>	<b>(2,000)</b>	<b>(164)</b>
Income taxes	1,624	4,055
<b>Profit (loss) after taxes</b>	<b>(376)</b>	<b>3,891</b>
<b>Profit (loss)</b>	<b>(376)</b>	<b>3,891</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Net cash flow from (used in) operating activities	(2,651)	(1,474)
Net cash flow from (used in) investing activities	423	879
Net cash flow from (used in) financing activities	2,544	0
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>316</b>	<b>(595)</b>
Effect of exchange rate changes on cash and cash equivalents	(23)	(75)
<b>Cash and cash equivalents at beginning of period</b>	<b>175</b>	<b>845</b>
<b>Cash and cash equivalents at end of period</b>	<b>468</b>	<b>175</b>

**COPEC  
INTERNATIONAL INC.  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	238	238
Non current assets	0	0
<b>Total assets</b>	<b>238</b>	<b>238</b>
<b>Liabilities</b>		
Current liabilities	17	12
Non current liabilities	0	0
<b>Total liabilities</b>	<b>17</b>	<b>12</b>
<b>Equity</b>		
Issued capital	100	100
Other reserves	0	0
Accumulated earnings (losses)	121	126
<b>Net equity</b>	<b>221</b>	<b>226</b>
<b>Total liabilities and net equity</b>	<b>238</b>	<b>238</b>

**INCOME STATEMENT**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	0	0
<b>Profit (loss) before taxes</b>	<b>(4)</b>	<b>(1)</b>
Income taxes	0	0
<b>Profit (loss) after taxes</b>	<b>(4)</b>	<b>(1)</b>
<b>Profit (loss)</b>	<b>(4)</b>	<b>(1)</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 THUS\$
Net cash flow from (used in) operating activities	(3)	0
Net cash flow from (used in) investing activities	0	0
Net cash flow from (used in) financing activities	3	0
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at end of period</b>	<b>0</b>	<b>0</b>

**EC  
INVESTRATE INC.  
BALANCE SHEET**

At december 31	2014 THUS\$	2013 THUS\$
<b>Assets</b>		
Current assets	11	12
Non current assets	40	44
<b>Total assets</b>	<b>51</b>	<b>56</b>
<b>Liabilities</b>		
Current liabilities	30	24
Non current liabilities	0	0
<b>Total liabilities</b>	<b>30</b>	<b>24</b>
<b>Equity</b>		
Issued capital	20	20
Other reserves	18	12
Accumulated earnings (losses)	(17)	-
<b>Net equity</b>	<b>21</b>	<b>32</b>
<b>Total liabilities and net equity</b>	<b>51</b>	<b>56</b>

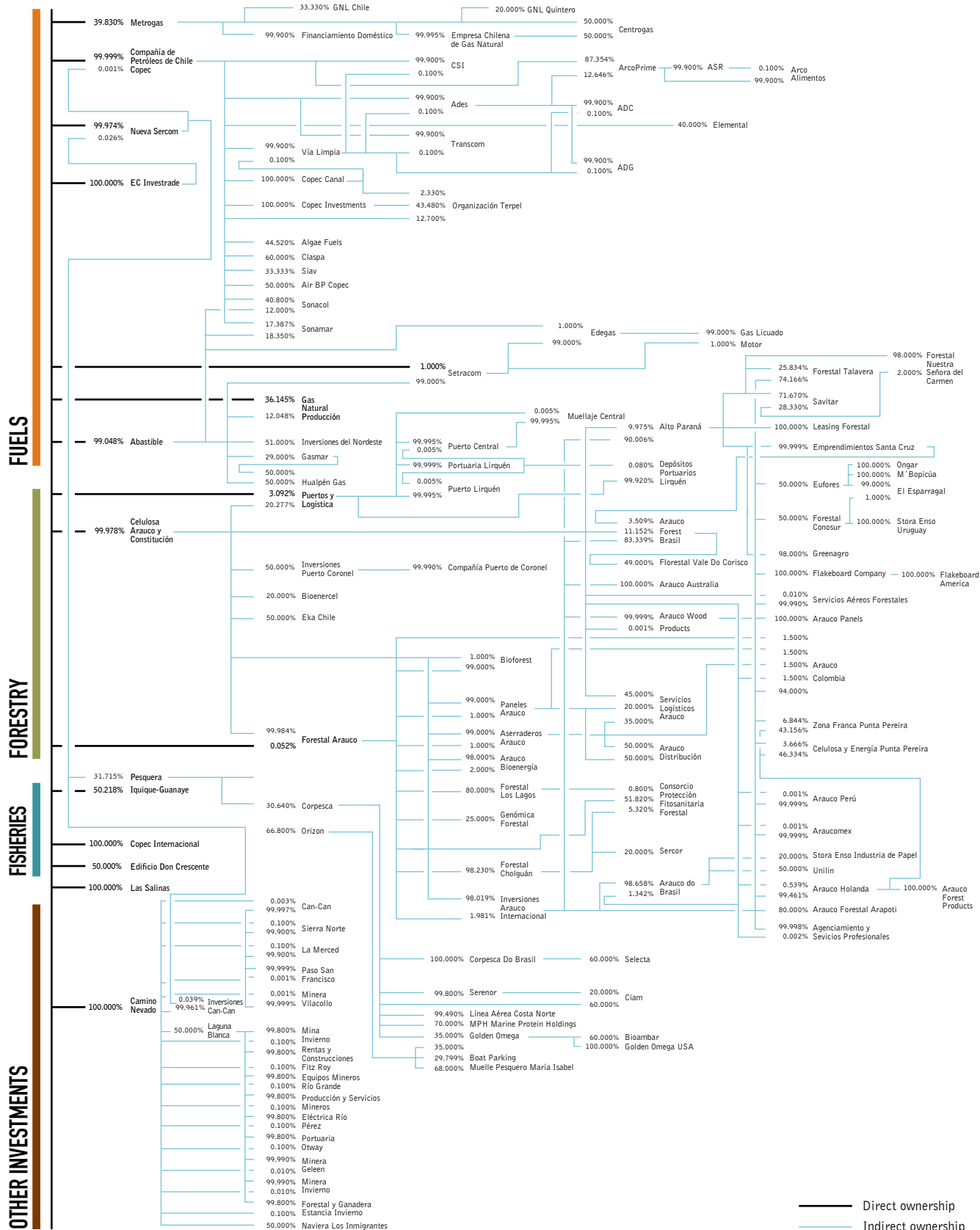
**INCOME STATEMENT**


For the years ended December 31	2014 THUS\$	2013 THUS\$
Gross profit	0	0
<b>Profit (loss) before taxes</b>	<b>(7)</b>	<b>(6)</b>
Income taxes	0	0
<b>Profit (loss) after taxes</b>	<b>(7)</b>	<b>(6)</b>
<b>Profit (loss)</b>	<b>(7)</b>	<b>(6)</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31	2014 THUS\$	2013 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
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1)</b>	<b>(1)</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>Cash and cash equivalents at beginning of period</b>	<b>12</b>	<b>13</b>
<b>Cash and cash equivalents at end of period</b>	<b>11</b>	<b>12</b>

## OWNERSHIP STRUCTURE





# CORPORATE NAME

## EMPRESAS COPEC S.A.

80<sup>th</sup> 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

**Telephone:** (562) 2461 7000

**Type of Entity:** Chilean publicly held stock company

**Securities Registry Number:** 0028

**External Auditors:** Deloitte

**Investor Relations Contact:**

Cristián Palacios, cristian.palacios@empresascopec.cl, (562) 2461 7042

Rodrigo Perera, rodrigo.perera@empresascopec.cl, (562) 2461 7065

**Web Page:** [www.empresascopec.cl](http://www.empresascopec.cl)

## 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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