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**ANNUAL  
REPORT**  
**2015**



**EMPRESAS COPEC**

# VALUE FOR *THE FUTURE*



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**EMPRESAS COPEC  
CONTINUES  
GROWING THROUGH  
INITIATIVES THAT  
GENERATE ECONOMIC,  
ENVIRONMENTAL AND  
SOCIAL VALUE.**





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# **CORPORATE INFORMATION**



# BOARD OF DIRECTORS



**1. ROBERTO  
ANGELINI ROSSI**

~

**Chairman**  
Industrial Engineer  
5.625.652-0

**2. JORGE  
ANDUEZA FOUQUE**

~

Civil Engineer  
5.038.906-5

**3. CARLOS  
HURTADO RUIZ-TAGLE**

~

Commercial Engineer  
2.300.859-9

**4. ANDRÉS  
BIANCHI LARRE \***

~

Economist  
3.367.092-3

**5. JUAN EDGARDO  
GOLDENBERG PEÑAFIEL \***

~

Lawyer  
6.926.134-5

**6. MATEO  
BUDINICH DIEZ <sup>\*(1)</sup>**

~

Civil Engineer  
6.522.204-3

**7. ARNALDO  
GORZIGLIA BALBI**

~

Lawyer  
3.647.846-2

**8. BERNARDO  
MATTE LARRAÍN**

~

Commercial Engineer  
6.598.728-7

\* Member of the Steering Committee

(1) Assumed as Director of the Company on September 27, 2015, replacing Mr. Álvaro Fischer Abeliuk. Mr. José Tomás Guzmán Dumas was Director of the Company until December 30, 2015.

# SENIOR MANAGEMENT



**1. JOSÉ TOMÁS  
GUZMÁN RENCORET**

~

**Corporate Counsel  
and Secretary of the  
Board of Directors**

Lawyer  
6.228.614-8

**2. EDUARDO  
NAVARRO BELTRÁN**

~

**Chief Executive Officer**  
Commercial Engineer  
10.365.719-9

**3. RODRIGO  
HUIDOBRO ALVARADO**

~

**Chief Financial Officer**  
Industrial Engineer  
10.181.179-4

**4. JORGE  
FERRANDO YÁÑEZ**

~

**Corporate Research  
Manager**  
Industrial Engineer  
12.059.564-4

**5. PAMELA  
HARRIS HONORATO**

~

**Head of Corporate Affairs**  
Industrial Engineer  
14.119.104-7

**6. CRISTIÁN  
PALACIOS GONZÁLEZ**

~

**Director of Investor  
Relations and Investments**  
Commercial Engineer  
13.234.980-0

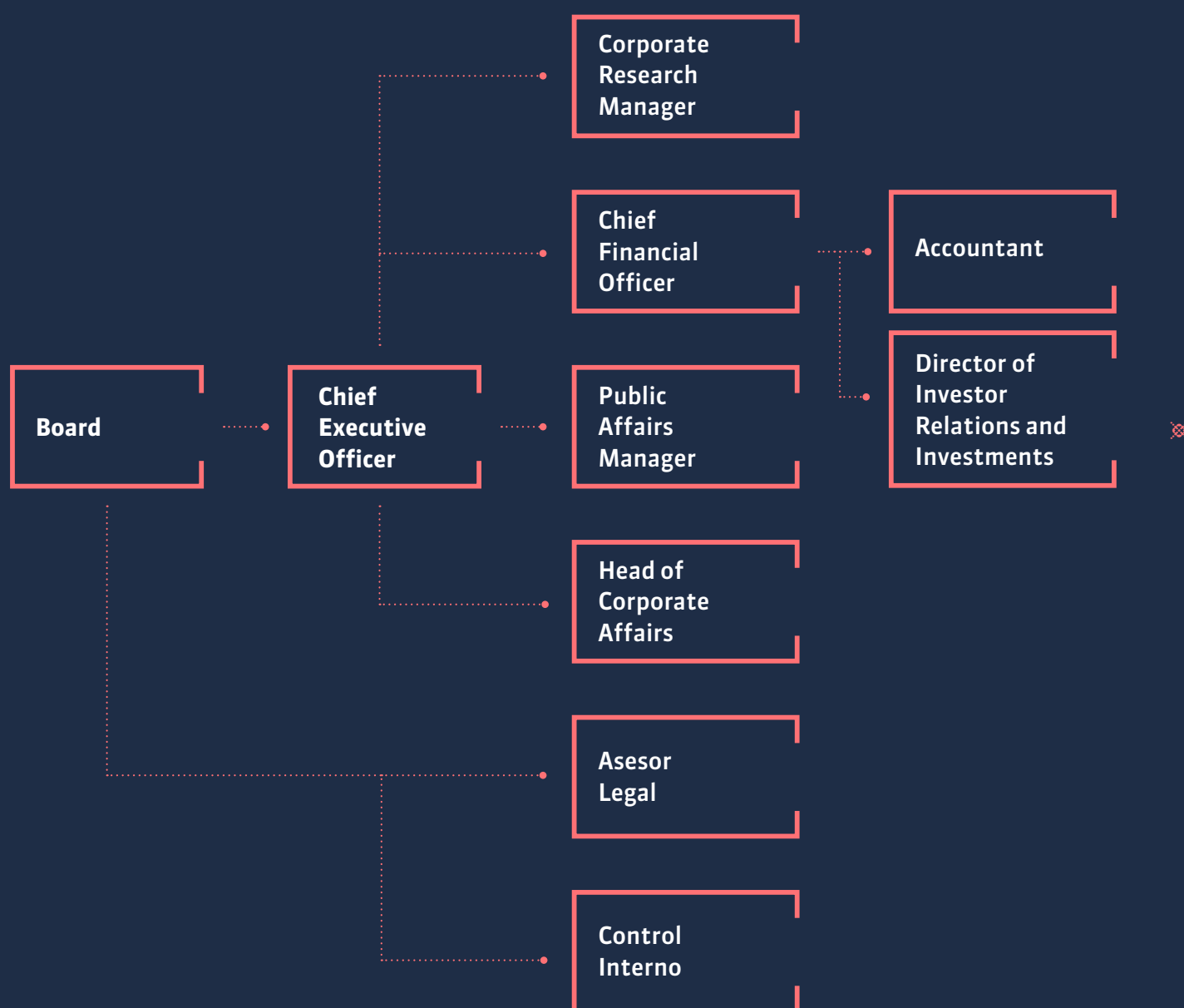
**7. SERGIO  
PRIETO ARRATE**

~

**Public Affairs Manager**  
Journalist  
3.938.158-3



# ORGANIZATION CHART







# SENIOR MANAGEMENT OF MAIN AFFILIATES AND ASSOCIATES

## FORESTRY BUSINESS

~  
**Matías Domeyko Cassel**  
Executive Vicepresident  
Celulosa Arauco y Constitución S.A.



## FUELS BUSINESS

~  
**Lorenzo Gazmuri Schleyer**  
Chief Executive Officer  
Copec S.A.

~  
**Joaquín Cruz Sanfiel**  
Chief Executive Officer  
Abastible S.A.

~  
**Víctor Turpaud Fernández**  
Chief Executive Officer  
Metrogas S.A.

~  
**Roberto Hetz Vorpahl**  
Chief Executive Officer  
Sonacol S.A.

## FISHERIES BUSINESS

~  
**Arturo Natho Gamboa**  
Chief Executive Officer  
Corpesca S.A.

~  
**Rigoberto Rojo Rojas**  
Chief Executive Officer  
Orizon S.A.

## OTHER INVESTMENTS

~  
**Erwin Kaufmann Salinas**  
Chief Executive Officer  
Alxar Minería S.A.

~  
**Sebastián Gil Clasen**  
Chief Executive Officer  
Mina Invierno S.A.



# CHAIRMAN'S STATEMENT



In 2015, Empresas Copec and its subsidiaries had sales of US\$ 18,160 million and net income of US\$ 539 million, the latter a 37% year-on-year decrease. Investment amounted to US\$ 800 million, clear evidence of the unwavering will to carry on growing as a company.



**DEAR SHAREHOLDERS:**

This Annual Report is an overview of the main initiatives focused on by the entire human team of Empresas Copec and its related companies in 2015, the challenging environment in which they were developed, and the financial results attained.

Viewing the context reveals that the global economic scenario continued to be marked by volatility and uncertainty. The whole world continues to watch China, the main export market of Chile and our companies, where the economic slowdown has exacerbated despite efforts by the authorities to halt it. Japan started the year with greater dynamism, but it then fell back into usual low levels of activity. In Europe, although the risks of peripheral countries have declined, recovery has been sluggish, requiring more intense monetary stimulus. In the United States, although the withdrawal of instruments has started, it is slower than initially forecasted, despite the apparent improvement in the economic activity indexes. All this has led to a large and lingering drop in the prices of raw materials, affecting our export businesses.

In Chile, economic activity continued to slow down in 2015 to around 2%. Particularly concerning is the evolution of investments, an important indicator of what the economic future will be, and which is reflecting a riskier environment for projects and business activity in general. We are in a complex internal scenario, in which current institutionalism is permanently questioned, which leads to uncertainty about the clarity and stability of the rules, thereby raising the bar for

investment, and worsening Chile's position as a competitor in demanding international markets. In an increasingly more integrated world, in which capital is moved instantly, it is essential to have the stability required by the long-term vision in which business projects are assessed. A more favorable environment, with a greater focus on productivity, would give Chile the drive it needs to resume the path of growth, which is essential to meet society's demands of progressive wellbeing.

In 2015, Empresas Copec and its subsidiaries had sales of US\$ 18,160 million and net income of US\$ 539 million, the latter a 37% year-on-year decrease. This difference is largely explained by the greater comparative base due to the sale of the related company Guacolda in 2014, and to major non-operating accounting effects, particularly asset impairment at the associate Mina Invierno, which entailed a non-recurring loss of US\$ 145 million. Nevertheless, despite the challenging context in which we developed our activities, the operating flow or EBITDA, which reflects the more direct reality of our businesses, dropped by less than 3% to US\$ 1,989 million. This decrease was driven by lower prices of all our forest products and the evolution of the exchange rate, which affected the recognition of the income our fuel subsidiaries, all of which was partly offset by higher volumes across all our operations. Investment amounted to US\$ 800 million, clear evidence of the unwavering will to carry on growing as a company, due to the work of our great human team, and underpinned by the same long-term vision.

Empresas Copec is undoubtedly an increasingly more global company. This is very evident when looking at the financial figures at the close of 2015, with over a third of our non-current assets abroad, and foreign subsidiaries accounting for virtually 40% of the sales. Although our forest and fishery products have reached more than 80 countries for decades through commercial offices, we are now structuring an important industrial and operative base in various countries in the region, and now beyond the American continent too.

We have certainly shifted from a more export vision from Chile to the world, to one aimed at making Empresas Copec a multinational company with a presence in countries that enhance and also complement its competitive advantages.

Regarding this, in 2015 our subsidiary Arauco continued to really step up its productive internationalization process. The highlight was the agreement to acquire 50% of the Spanish company Tafisa for US\$ 150 million, a subsidiary of the Portuguese Sonae Group, which produces and markets OSB, MDF and PB panels, and sawn timber. Tafisa operates two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa; all of which will enable Arauco to penetrate new markets with its products.

Arauco also invested US\$ 30 million to expand the Bennettsville panel mill in South Carolina, and started to implement a new US\$ 325 million particle board project in Grayling, Michigan. With a

# GLOBAL COMPANY

**Empresas Copec is undoubtedly an increasingly more global company. Over a third of its non-current assets abroad, and foreign subsidiaries accounting for virtually 40% of the sales.**

capacity of 750,000 m<sup>3</sup> a year, this new facility will add scale, efficiency and large logistical synergies to our presence in the US market.

Arauco has thereby become a leading world-class company in its sector with a global presence, the number two panel producer in the world, and the top sawn timber producer in Latin America. Its 27 panel mills in Chile, Argentina, Brazil, Canada, the United States, Spain, Portugal and South Africa are a privileged platform to position itself as one of the leading wood board producers and vendors in these and other important markets.

Arauco is also the number three wood pulp producer in the world with its seven mills in Chile, Argentina and Uruguay. In the latter country, the Montes del Plata industrial complex completed its commissioning stage in 2015 and attained full capacity, thereby raising Arauco's wood pulp output by 20%. In Chile, the company started works on the new waste treatment system at the Arauco mill, which forms part of the modernization and expansion (MAPA) project at such mill, and which will increase its production capacity to 2.1 million tons a year.

At the same time, Arauco unanimously secured environmental approval for its textile pulp project at the Valdivia mill, which will entail an investment of US\$ 185 million and will enable the company to be the first in Chile to produce this kind of pulp, used as a raw material to make textile fibers and for medical uses, generating an innovative and value-added product and diversifying market supply.

In the organizational area, in 2015 the wood and panel operations, which were previously separated into Paneles Arauco, Aserraderos Arauco and Arauco Distribución, were merged into one single unit called Arauco Maderas to raise the productivity and performance of the processes and focus commercial management on providing greater customer value with a broad mix of products it sells worldwide.

The operative internationalization of our activities is not just limited to the forestry business.

Corpesca increased its stake in its subsidiary Selecta to 70%, which makes soy concentrates in Brazil, after acquiring a further 10% interest in this company for around US\$ 25 million.

Selecta increased its soy concentrate production capacity by 25% and commissioned a non-GMO soy lecithin plant, a by-product of soy oil for human consumption, which has a high value as an antioxidant and emulsion.

Continuing in Brazil, Corpesca made a binding offer of US\$ 43 million to acquire 30% of FASA, a company that produces high quality protein concentrates for animal feed. In Chile, the company acquired 99.9% of Astilleros Arica S.A., a company that, among other activities, performed the maintenance of its fleet. This transaction involved US\$ 12 million.

Still in Arica, Golden Omega managed to attain the operation rate of the second stage of its plant, which will provide higher Omega-3 concentrations from fish oil, due to own processes that are already patented. Golden Omega is thereby no longer a project and has become an autonomous company, based on the learning and application of sophisticated and unprecedented technologies in Chile.

This broader conception of the protein market is the core of the deep transformation the traditional fisheries industry is undergoing.

Considering production from raw materials to products of direct human consumption, functional foods, nutraceuticals and even pharmaceuticals, and leveraging the commercial power of brands in new segments of the food market, reduces the dependence of our companies on weather factors that can affect catches, as is happening with El Niño. More than fishery subsidiaries, our companies are focused on being major players in the nutrition industry .

This same philosophy of being leaders of the markets in which they operate, is what drives and motivates our fuel companies. Whether this is liquefied fuels, lubricants, liquefied or natural gas, Copec, Terpel, Abastible, IN and Metrogas strive daily to better meet the energy needs of their customers.

Copec has continued to innovate service, always with the aim of providing the best experience for its industrial and vehicle customers. In the year, it launched its new image, which is simpler, more modern, innovative and closer to customers. This renewal has already been incorporated at 51 service stations and will be gradually extended to the whole of Chile. The Copec network continues to grow. In the year, the company inaugurated 11 urban service stations and two on the highway. There are also six NeoGas GLP sales points, true evidence of Copec's deep commitment to add different fuels to its offering. This is something that is the essence of its commercial philosophy, in which the vision is essentially focused on customers, whatever product they need.

The highlight in the industrial market was being awarded the largest fuel supply contract in Chile in a tender undertaken by Codelco, the leading copper company in Chile and one of the largest in the world. This will once again enable all Copec's logistical and service capacity to daily support a transcendental economic activity in Chile. This contract entails supplying 40 million liters of diesel and gasoline to six of Codelco's divisions

every month and will lead to a large increase in the market share of our subsidiary.

Ever since Copec ventured into Colombia it has implemented the same leadership philosophy at Terpel. This is a strategy focused more on the customer, services and competitiveness, which will enable us to take advantage of the attractive outlook of the Colombian market and other countries in which this subsidiary operates. Terpel's service stations now have a renewed image and are applying Copec's valuable and broad customer service and loyalty experience. In Colombia, for example, such service vocation and innovation has led us to inaugurate the first specialized motorbike service bays, and this type of transport has been gaining importance in Colombia and other countries in the region.

The highlight in the industrial area and abroad in 2015 was being awarded two contracts of special importance. The first is to supply lubricants to the Carbones del Cerrejón Central mine in Colombia, the largest in the country and one of the biggest in the world, which is a real milestone for Terpel's objective of also being a major player in the industrial oil sector, which requires technological and logistical excellence. The second is to supply fuel to the electrical generators of the Panama Canal, a critical supply for this strategic area of world trade.

Abastible continued its expansion plan in Chile, starting up the operations of its new distribution and sales offices in Villarrica and Calama. It also continued to develop commercial applications for the new liquefied gas-fired cogenerating system, dual thermosolar systems, and other uses for LPG, like liquefied gas for automobiles and ships. Lastly, and with the aim of enhancing its logistical position, in the year Abastible increased its interest in Gasmar to 36.25%, and by means of this its presence in the LPG import terminal at Quintero and San Vicente, two key elements in the LPG value chain.

Metrogas, in line with its two decades of history, continued to face challenges, assuring the supply of natural gas in international markets, extending its networks, and timely and efficiently supplying its residential and industrial customers with natural gas, who have freely opted to prefer this energy rather than other alternatives available, thereby gaining large savings.

Such are the strengths of enterprise and competition, which drive our companies to win over their customers every day with attractive offers. In 2015, Metrogas announced an ambitious gas plan for the next ten years to supply seven new regions in Chile with natural gas and thereby benefit 800,000 new families. This is an important task, as it will enable more Chileans to add a new fuel as an energy alternative for their homes.

Besides the challenge of giving our customers the energy they need, there are also various consortiums constituted to innovate in this area, with the development of biofuels from microalgae, wood pulp and oils, and Arauco's constant leadership of biomass-fired power generation, an important renewable pillar in the central power grid.

The associate Mina Invierno also helps to reduce Chile's dependence on imports, leveraging national resources to address our own energy challenges. Mina Invierno is a modern mine site, with the highest operating and environmental standards, of which we are really proud. Unfortunately, in 2015 it continued to face a very tough commercial scenario, hit by plummeting commodity prices, and which led it to adjust its annual output down to just 3 million tons of coal. Complementing this, the company is developing a series of rationalization measures to reduce costs and be able to try and address this adverse outlook.

In this case, it is important to highlight the huge efforts made by the company shareholders to sustain this initiative, which is in turn a source of energy for Chile and growth and employment for the Magallanes region.

The subsidiary Alxar Minería launched its new image, which reflects the change in its current stage, which entails seeking attractive scale operations that give us value to carry on progressing with the objective of being a benchmark for mid-sized mining by means of responsible management and with the hallmark and culture of Empresas Copec. Alxar has a portfolio of mining assets in the north of Chile, highlighting its Diego de Almagro project, for which environmental approval was secured in 2015, and it is in the technical and economic assessment stage to define its feasibility.

Beyond our own productive activities, at Empresas Copec we also have a firm community commitment. We participate in many initiatives that are part of the same long-term vision, helping to address the large challenges we have as a society with financing, human capital and management. The company has made permanent contributions for various decades, outside fads and with our characteristic profile.

Our commitment for so many years to education and culture was reflected in 2015 when we continued to participate in the training and further development of teachers through the Arauco Educational Foundation; attracting, with Enseña Chile, young professionals to the classroom; and working with the Belén Educa Foundation in vulnerable sectors of Santiago. Another highlight in the year was the construction of the Arauco Campus, the first large project in Chile that integrates technical and professional education to private companies. This is a high standard work, located less than two kilometers from the downtown of the city of Arauco and which will provide education of excellence to youngsters in such province and train employees of our company in partnership with Duoc UC.



Convinced that the innovative capacity is also a key factor for the economic and social development of Chile, early last decade we undertook a commitment to promote it by creating the Copec-Catholic University Foundation, then the Private Venture Capital Fund, and more recently the inauguration of the Anacleto Angelini-Catholic University Innovation Center, where ideas can be exchanged that is open to all companies and enterprises, conceived jointly with the Catholic University. In this latter case, beyond the architectural accolades that make us very proud, we have been able to see how various national and foreign companies have already set up in the Center, which has become a real hub of innovation. These efforts should undoubtedly make a contribution to the large task of raising the country's productivity and competitiveness, directly connecting university research to business challenges.

In the year we also once again brought together thousands of youngsters in competitions promoting sport 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 lauded master plan sponsored by Arauco, or the valuation of neighborhoods due to the award-winning Elemental project, among many other activities.

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

Dear shareholders, this is an overview of 2015. A year of large challenges but at the same time of reaffirming certain essential principles. A period of growth in how to be a company and do business. A year of new, and at times complex, learning

processes, with the result that we have not only been able to continue doing things according to our culture but we have also discovered better ways of doing them. We want to carry on making progress along the path of the growth we have mapped out, guided by a long-term vision, with the same principles as always, thinking in decades. We are committed to sustainability and innovation, the continuous endeavor to add value to activities and consolidate a productive and commercial presence on all the continents, with a firm focus on natural resources and energy, driving enhancements of our corporate governance practices, taking on the challenges of our host communities.

I end by reflecting that companies are above all a sum of wills, united by a common vision and vocation of meeting society's multiple and increasingly more demanding needs. We are change agents with a major role as an economic and social actor. In Chile, few organizations have evolved so fast as private companies, which have quickly adopted all the commercial, productive, social, labor, environmental, financial and transparency areas of the best global practice, and generating value and social wellbeing. Mistakes are sometimes made. The important thing is to rectify them in time and learn from them.

To such effect, I acknowledge the permanent support 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 that do not hesitate to endorse their trust, giving our companies financing to implement our development strategy.

Doing business often entails venturing along uncertain routes, but each obstacle is an opportunity and with each opportunity we can create a better future.



**ROBERTO ANGELINI R.**  
Chairman

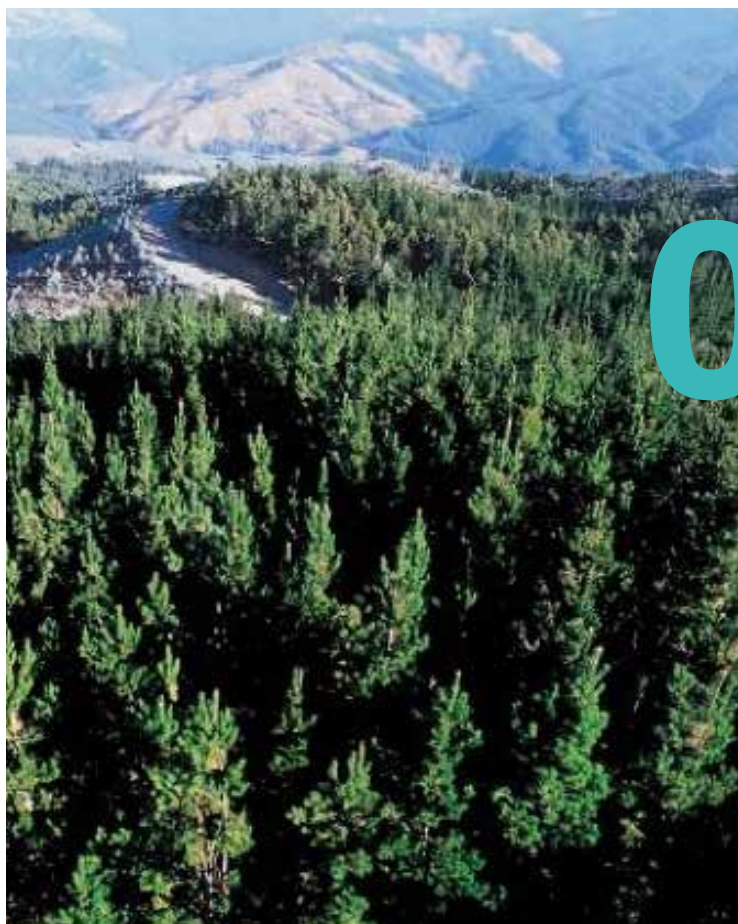


# EMPRESAS COPEC AT A GLANCE

**EMPRESAS COPEC** operates in two large areas: natural resources where it has clear competitive advantages, and energy that is closely related to growth and productive development.

The company is 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 its activities.

Empresas Copec has productive platforms in Chile, Argentina, Brazil, Canada, Colombia, Ecuador, the United States, Mexico, Panama, Peru, the Dominican Republic and Uruguay, and it sells its products in over 80 countries on the five continents.



# 01

## FORESTRY BUSINESS

Empresas Copec operates in the forestry business through its subsidiary Arauco, one of the leading market wood pulp, panel and sawn timber producers 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, ongoing optimization of its operations, and a prominent presence throughout the value chain.





## FUELS BUSINESS

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



## 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 fish, and it is a pioneer in the production of Omega-3 concentrates in Chile, and a major player in the animal and vegetable protein industry.



## 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 Alxar, in the coal mining industry through Mina Invierno, and in the real estate business through Inmobiliaria Las Salinas.

## EMPRESAS COPEC

### FORESTRY BUSINESS

99.978%	CELULOSA ARAUCO Y CONSTITUCIÓN	99.984%	FORESTAL ARAUCO
		98.019%	ARAUCO INTERNACIONAL
		98.000%	ARAUCO BIOENERGÍA
		99.000%	PANELES ARAUCO

### FUELS BUSINESS

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

### FISHERIES BUSINESS

81.933%	IGEMAR	66.800%	ORIZON
		30.640%	CORPESCA

### OTHER INVESTMENTS

100.000%	CAMINO NEVADO	99.961%	ALXAR MINERÍA
100.000%	LAS SALINAS	50.000%	MINA INVIERNO

**STATEMENT OF FINANCIAL POSITION**

Thousand dollars	2015	2014
Total assets	19,936,636	21,890,968
Total liabilities	10,080,763	11,554,841
Minority interest	496,238	596,878
Equity attributable to equity holders	9,359,635	9,739,249

**INCOME PER BUSINESS AREA**

Thousand dollars	2015	2014
Forestry	362,689	431,958
Fuels	386,988	287,088
Fisheries	(17,611)	4,651
Other Investments	(192,759)	131,858
<b>Income</b>	<b>539,307</b>	<b>855,555</b>

**INTERNACIONAL RISK RATING**

Standard & Poor's	BBB
Fitch Ratings	BBB

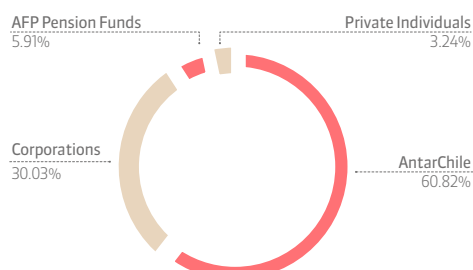
**NACIONAL RISK RATING**

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

<b>Indebtedness (Net Financial Debt / Equity)</b>	<b>0.45</b>
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**OWNERSHIP STRUCTURE**

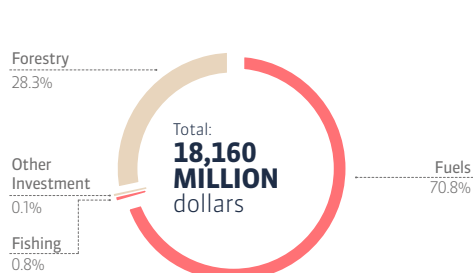
2015

**NET INCOME**

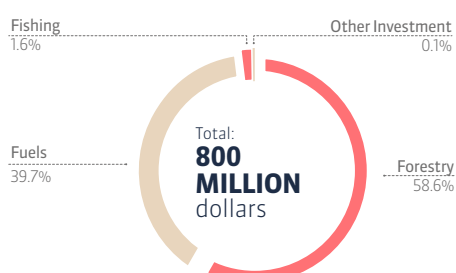
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**CONSOLIDATED SALES**

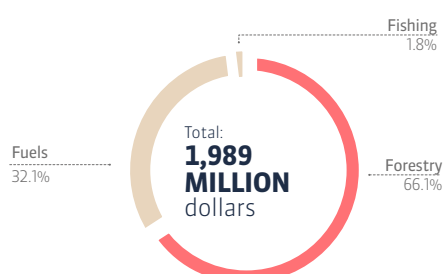
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**CONSOLIDATED INVESTMENT**

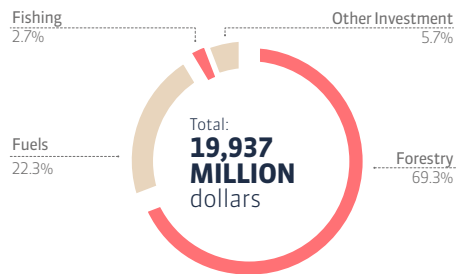
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**CONSOLIDATED EBITDA**

2015

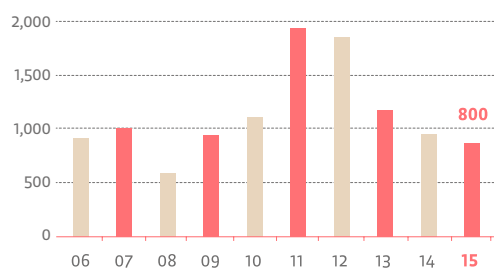
**CONSOLIDATED ASSETS**

2015

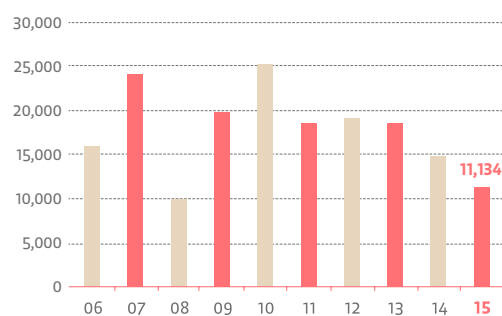


**CONSOLIDATED INVESTMENT**

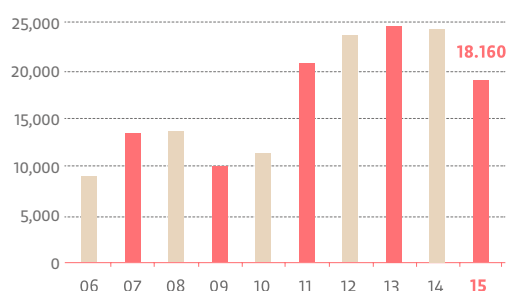
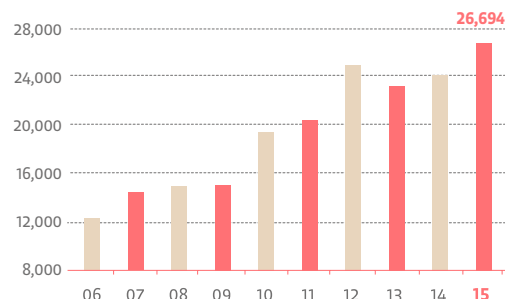
Million dollars

**MARKET CAPITALIZATION**

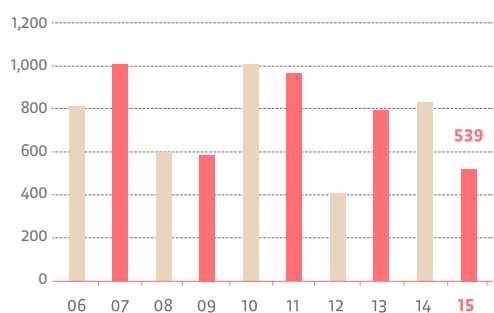
Million dollars

**CONSOLIDATED SALES**

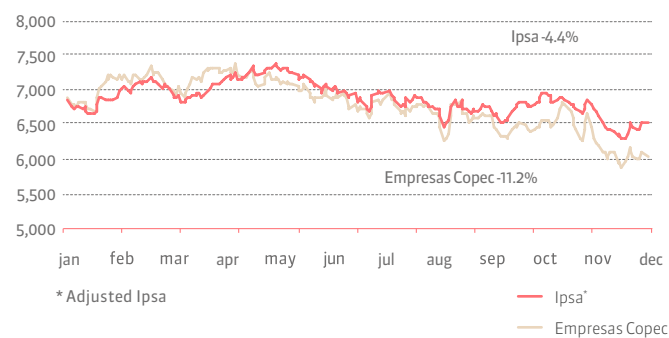
Million dollars

**CONSOLIDATED PERSONNEL****NET INCOME**

Million dollars

**STOCK PRICE  
EMPRESAS COPEC**

Chilean pesos



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**COMMITTED TO  
SUSTAINABILITY AND  
INNOVATION,  
SO AS TO ADD VALUE  
TO THE ACTIVITIES  
AND CONSOLIDATE A  
SOLID PRODUCTIVE  
AND COMMERCIAL  
PRESENCE.**

# 2015 HIGHLIGHTS ARE THE CLEAR EVIDENCE OF THE GROWING IN THE WAY OF BEING AND DOING BUSINESS.

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## 2015 HIGHLIGHTS

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*2015 was a period of great challenges and, at the same time, reaffirmation of core principles.*

# FORESTRY BUSINESS

01

Arauco signs an agreement to subscribe shares for the 50% of the equity on the Spanish company Tafisa, subsidiary of portuguese group Sonae, which produces and sells OSB, MDF and PB panels, and sawn timber, by means of two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa. These facilities have a total production capacity of 4.2 million m<sup>3</sup> of panels and this purchase will require an investment of US\$ 150 million.

02

Arauco invests US\$ 30 million in the Bennettsville mill in South Carolina to raise the production capacity of particle board and melamine panels by 100,000 m<sup>3</sup> a year.

03

Arauco starts the implementation of a new project in the city of Grayling, Michigan, with the aim of building a plant with an annual production capacity of 750,000 m<sup>3</sup> of PB panels. The investment will reach to US\$ 325 million and it will be operative in 2018.

04

Arauco secures environmental approval to produce textile pulp at the Valdivia mill. This initiative considers an investment of US\$ 185 million and will enable Arauco to offer a new product, which is used as a raw material to make textile fibers like rayon or viscose, cellophane, filters, and others.

05

Arauco starts to build the Arauco Campus. This technical training center will entail an investment of US\$ 8.5 million and will provide education of excellence to youngsters in the Province of Arauco due to a partnership with Duoc UC.

06

Arauco is the official sponsor of the Chilean pavilion at Expo Milan 2015. The work was designed by the architect Cristián Undurraga and required more than 1,200 m<sup>3</sup> of pine wood.

07

Arauco starts the building of the new waste treatment system at the Arauco mill. The works will demand an investment of US\$ 120 million and it will be finished in may 2017.





# FUELS BUSINESS



## 01 ~

Coppec inaugurates 11 urban service stations at Coya, Maipú, Puente Alto, Puerto Montt, Rancagua, San Esteban, San Felipe, San José Mariquina, Tucapel, La Dehesa and Los Trapenses, and two highway service stations at Cabrero and Copiapó.

## 02 ~

Abastible starts up operations in Villarrica with a distribution office and a sales office in Calama.

## 03 ~

Metrogas presents its growth plan, which entails expanding its supply coverage in the Tarapacá, Antofagasta, Atacama, Maule, Araucanía, Los Ríos and Los Lagos regions. In the first stage, this will require an investment of around US\$ 700 million and will add 500,000 homes in the next five years. The second stage will benefit 800,000 new homes, so the total project investment will be US\$ 1,100 million in a 10-year term.

## 04 ~

Terpel presents its new exclusive service bays for motorbikes, which have a cutting-edge pump and can simultaneously serve four motorbikes.

## 05 ~

Coppec renews its corporate image after 17 years, adding greater simplicity, modernism, innovation and customer closeness.

## 06 ~

Abastible inaugurates a second power co-generation project using microturbines in Antofagasta.

## 07 ~

Terpel makes a successful bond placement of COPS 400,000 million.

## 08 ~

Abastible increases its interest in Gasmar to 36,25%, with the aim of enhancing its logistical position.



# FISHERIES BUSINESS



## 01

Corpesca makes a binding offer to acquire 30% of FASA, a company that produces high quality protein concentrates for animal feed. This transaction entailed an investment of US\$ 43 million.

## 03

Golden Omega attains output of 80% of the design capacity in the second stage of its Omega-3 concentrate plant, which produces products with a fatty acid content of up to 85% from fish oil.

## 02

Corpesca increases its stake in Selecta after acquiring a further 10% interest for US\$ 25 million. This will enable the company to consolidate as a major player in the supply of marine, vegetable and animal protein for aquaculture and animal feed.

## 04

Selecta increases its soy super concentrate output capacity by 25%.



# OTHER INVESTMENTS



01



Compañía Minera Can-Can changes its name to Alxar Minería, due to entering a new stage marked by large growth challenges.

02



Mina Invierno makes coal shipments of 3 million tons, mainly to domestic and Asian markets.



# COMMUNITY RELATIONS



## 01

Empresas Copec, jointly with the Municipality of Peñalolén, Universidad Adolfo Ibáñez, Metrogas and Aguas Andinas, inaugurates Ecoparque, a project with a surface area of 20,000 m<sup>2</sup> to promote the development of environmental education.

## 02

To complete the cycle of celebrating 25 years, the Arauco Educational Foundation publishes the Spanish version of the book "Putting faces on the data: What great leaders do!", written by Lyn Sharratt and Michael Fullan.

## 03

The Arauco Educational Foundation holds its eighth seminar in the city of Talca called: "Small changes, large transformations: the value of improving education."

## 04

Arauco inaugurates the Municipal Library of Constitución as one of the projects of the sustainable reconstruction plan (PRES) for the city. This initiative entailed an investment of Ch\$ 310 million, with financing by the Municipality of Constitución and Banco Itaú. The Arauco Educational Foundation made a contribution to the equipping of the library, part of its book collection and the training of the professional team.

## 05

The Copec-Catholic University Foundation organizes its eleventh international seminar called "Big Data: the power of information."

## 06

The Copec-Catholic University Foundation holds the award ceremony of the twelfth Natural Resource Development Project Competition, the third Counterparts Competition and the third Young Researcher Project Competition.





# AWARDS



## 01

Empresas Copec is once again distinguished as one of the most admired companies in Chile, according to the survey conducted by the auditor PwC with the Diario Financiero newspaper.

## 02

Roberto Angelini obtains third place in the director category of the Leading Sustainability Company in the ALAS20 ranking. In the corporate categories, Empresas Copec was distinguished as one of the five companies in the ten top places in each of the areas assessed.

## 03

Copec is once again given the Consumer Loyalty Award in the service station category by Alco Consultores and Estrategia newspaper.

## 04

Abastible is distinguished as a leading customer experience company according to the latest ranking by Praxis Xperience Index.

## 05

Metrogas attains first place in the household services category of the National Consumer Satisfaction Awards.

## 06

Arauco wins the Good Corporate Citizenship Award in the associativity category for its worker housing plan.

## 07

Sonacol once again secures certification in the competitive company program (PEC) excellence of the Workers' Safety Association.

08

~

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

09

~

Golden Omega secures sustainable fishery "Friend of the Sea" certification for its Omega-3 concentrate products made from anchovy oil.

10

~

Terpel wins the Andesco Award for the best corporate governance environment on issues of governance, ethics and transparency.

11

~

The Anacleto Angelini-Catholic University Innovation Center wins the Designs of the Year 2015 Award.

12

~

Alejandro Aravena, an executive director of Elemental, is appointed the director of the XV Venice Biennale.

13

~

The sustainable reconstruction plan (PRES) of Constitución is a finalist in the community category of the Index Award.





# HISTORY



## ESTABLISHMENT

### 1934

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

### 1936

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

## LINE OF BUSINESS EXTENSION



### 1956

Abastible is established to market and distribute liquefied gas in Chile.

### 1957

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

## DIVERSIFICATION

1976

Copec buys Celulosa Arauco and Forestal Arauco.

1979

Copec acquires Celulosa Constitución that merges with Celulosa Arauco to become Celulosa Arauco y Constitución.

1980

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

## NEW LEADERSHIP

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.

## MAJOR INVESTMENT

1990

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

1991

Compañía Minera Can-Can is established.

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, one of the leading wood pulp mills in Argentina.

1999

Corpesca is established after merging the operating assets of the fishing companies Igemar, Eperva and Coloso in the north of Chile.

## STRATEGIC FOCUS

2000

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



## ESCALA MUNDIAL

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, a subsidiary in charge of the liquefied fuels and lubricants business and the parent company is transformed into a financial holding changing its business name to Empresas Copec S.A.

2004

The Valdivia wood pulp mill is commissioned.

2005

Arauco purchases pine plantations, a medium-density fiberboard (MDF) mill, a particle board mill and a resin facility in Brazil.

2006

The Nueva Aldea wood pulp mill is commissioned. Elemental is established to develop low-cost urban projects.

2007

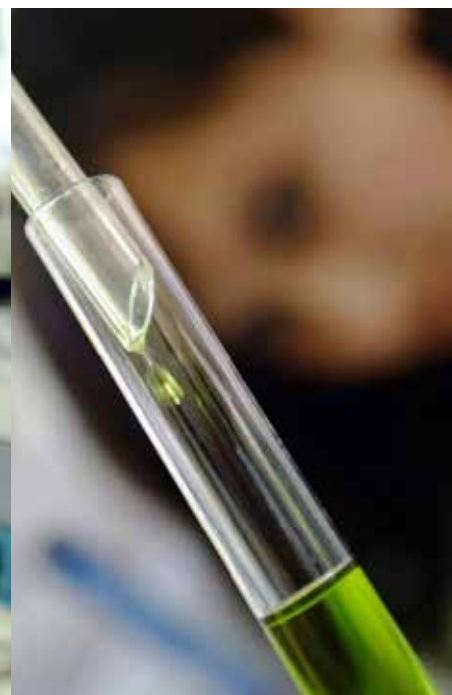
Arauco and Stora Enso acquire forestry lands, a sawmill and 20% of a paper mill in Brazil. Mina Invierno is established to produce coal in the Magallanes region.

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 buy the assets of the Ence business group in Uruguay giving rise to Montes del Plata. In the north of Chile, Golden Omega is established to produce Omega-3 concentrates.



## 2010

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

## 2011

Abastible acquires 51% of Inversiones del Nordeste. Arauco buys the Moncure panel mill in the United States.

## 2012

Arauco acquires 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.

## 2014


The Montes del Plata wood pulp mill in Uruguay is commissioned. Empresas Copec sells its interest in Guacolda. Empresas Copec and the Catholic University of Chile inaugurate the Anacleto Angelini-Catholic University Innovation Center.




# MISSION



Create  
sustainable value.



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.



# VISION

*To be true to the  
values and policies.*

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, contractual obligations 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

To assure that management, investment and productive actions practices are undertaken considering economic, social and environmental aspects.

## ~ PRINCIPLES ~

The corporate governance of Empresas Copec is governed by the principles defined by the Organization for Economic Co-operation and Development (OECD). These include promoting transparent and efficient markets in keeping with the rule of law; correctly assigning and monitoring the responsibilities among the different authorities; protecting shareholder rights to facilitate their exercise and assure they receive fair treatment; the permanent promotion of strategic advice; and constantly strive to make sure management is effectively overseen by the Board, and that the latter represents all shareholders.

Empresas Copec transmits these principles in each of its companies, assuring that management, investment and productive action practices are undertaken considering economic, social, and environmental aspects and that they lead to a contribution that goes beyond the direct economic benefit and complies with the legal regulations.

This leads to a way of doing business in which the creation of sustainable value, thoughtful and informed decision-making with a long-term vision, and engaging responsibly with the country's social, human and economic development are key elements.

## ~ CORPORATE GOVERNANCE STRUCTURE ~

The corporate governance structure of Empresas Copec mainly lies in the Board and Directors' Committee. There is also the Ethics Committee, the Information Security Committee, the Person in Charge of Prevention, Internal Audit, Risk Management area, among others.

These bodies are responsible for assuring that the strategic and financial decisions are made with transparency, participation and efficiency. They therefore have all the information needed to make decisions and the resources to perform their functions.



### Board of Directors

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; keeping shareholders permanently informed; selecting the chief executive and assessing his performance, and it is empowered to remove him and oversee his replacement. It also gives advice on selection, assessment, development and remuneration of the company's senior management.

The Board 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.



### Directors' Committee

The Directors' Committee is accountable for analyzing issues of strategic importance to make a contribution so that the company's management and investment decisions are 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.

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



### Ethics Committee

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 whistleblowing 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.

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.

### Information Security Committee

The Information Security Committee comprises three members, who are elected by the CEO, with the aim of implementing the policies, regulations and procedures established in the information security model and make sure they are complied with.



*The Company periodically provides transparent, true and representative information to all its stakeholders.*

## ~ STAKEHOLDERS ~

The main stakeholders of Empresas Copec are investors and financial analysts, civil society, regulators, the media and government institutions, among others.

For this, the Company has a series of procedures, instruments and channels to minimize information inconsistencies, facilitate the suitable operation of the financial market, and align management's interests with those of shareholders, employees and the environment.

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 companies; making periodic presentations of results, issuing press releases; and participating in national and international conference calls.

The Company also has a corporate website and a website for investors through which it provides 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 practices and procedures, Code of Ethics, community contribution

policy, sustainability policy, risk management policy, offense prevention policy, among others.

Moreover, the Company has a cell phone application that informs shareholders and investors of the latest news and publications made.

The institutional magazine, which is more than 20 years old and is issued every four months, publishes information on the different initiatives developed by Empresas Copec and its subsidiaries, investments, and articles of general interest.

Furthermore, the Company periodically provides transparent, true and representative information to all its stakeholders, and promotes the informed participation of all shareholders in shareholders' meetings, 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

Right from the outset, Empresas Copec and its subsidiaries have maintained a sound community commitment and good corporate practices. By means of various initiatives, Empresas Copec therefore seeks to make a contribution to local development, overcoming poverty, care of the environment and people, promotion of culture, education, sports, innovation and scientific research.

## EDUCATION, CULTURE AND SPORTS

Education, culture and sport are important tools to attain the individual and social growth of people, and progress for the country. Both the Parent Company and subsidiaries therefore reaffirm every year their support of various initiatives in these areas.

These include the Arauco Educational Foundation, whose aim is to make a contribution to municipal education in the regions where it operates by means of teacher training programs that enable them to give their students quality education. The Foundation has conducted programs in 89 districts, benefitting more than 570 schools, and over 5,000 teachers who educate about 99,000 pupils every year. Furthermore, it has published 19 books, 20 studies and 18 articles.

The Belén Educa Foundation offers children and youngsters in vulnerable districts in the Metropolitan region a quality education. The Foundation currently has 12 schools and over 13,000 pupils. Moreover, executives of Empresas Copec and its subsidiaries participate in the tutorship program, which aims to inform the most outstanding pupils in third and fourth grade of secondary education of the importance

of continuing their studies and becoming good professionals. There is also the Angelini Scholarship, which is awarded every year to the most outstanding pupil in each school to finance all studies at a technical training center or professional institute.

Enseña Chile is building a network of change agents with the necessary conviction and perspective to have an impact on the educational system, firstly from the classroom experience and then from different sectors. For this, it selects and trains young professionals who wish to spend their first working years as teachers in vulnerable schools to change the educational system from the classroom. In 2015, this institution supported over 30,000 pupils and 86 schools in 48 districts in Chile.

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

Moreover, in 2016 the company will inaugurate the Arauco Campus, which will house the Duoc UC professional institute and through which it will provide education of excellence under the alternating educational model for youngsters in the Province of Arauco in the Biobío region.

*The Company seeks to make a contribution to local development, overcoming poverty, care of the environment and people, culture, education, sports, innovation and scientific research.*



It will also provide 200,000 hours of training a year for company workers and for those companies with which it works.

The subsidiary Copec drove the Viva Leer (Long Live Reading) program, aimed at promoting reading with a collection of books sold directly at service stations, the formation of a network of volunteers inside the company, 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. In the fifth Viva Leer Copec National School Library Competition, 15 new libraries were inaugurated, giving a total of 75 libraries in all Chile's regions. There was also the fifth edition of Sueña Leyendo (Dream by Reading), which aims to get people to

read by selling books at cheap prices at service stations. Over 380,000 books were sold, giving a total of more than 1.3 million books sold in these five editions.

Likewise, Copec continued making progress with the Raíces (Roots) project, whose aim is to promote and rescue the local identity of the different places where its service stations are located by means of outside and technological walls which show the attractions of each area. In 2015, seven new service stations were added giving a total so far of 17.

Metrogas conducted its Environmental Brigade program, by means of which it aims to reinforce the educational content of children and youngsters on care of the environment and energy efficiency. This program has the sponsorship of the Environmental Ministry and the Chilean Energy Efficiency Agency. In 2015, the company visited 35 schools in 22 districts, reaching around 27,000 pupils.

At the same time, Alxar supports the Comprehensive Care Center at Hierro Viejo, which cares for poor disabled children. Mina Invierno has training agreements with schools in Punta Arenas and every year holds the Winter Cup, which is a football event that in 2015 brought together 24 teams from different schools in Punta Arenas.

Corpesca collaborates with dual education programs at technical-professional educational establishments in Iquique and Mejillones, enabling students to do part of their training in the company.

Moreover, since the outset the Company and its subsidiaries have supported different youth and juvenile orchestra programs in Chile, particularly the orchestras of Curanilahue and Petorca. They have also carried out various cultural initiatives, like the recovery of archaeological sites, support of expositions and publication of various books. There is also the continual support given to outstanding national sportsmen like Francisco "Chaleco" López and Ignacio Casale, and the Mobil Rally event.

## 99 THOUSAND PUPILS

*Arauco Educational Foundation has conducted programs in 89 districts, benefitting more than 570 schools, and over 5,000 teachers who educate about 99,000 pupils every year.*

~



## ~ OVERCOMING POVERTY ~

Empresas Copec and its subsidiaries reaffirm their commitment every year to help overcome poverty as a priority and improve the standards of life of the most vulnerable sectors of the population.

The Company has therefore participated in Elemental since 2006, a joint venture of Copec, the Catholic University and a group of professionals, whose aim is to reduce poverty and improve the quality of life of families with urban projects of public interest and a social impact. So far, Elemental has developed social housing projects in Antofagasta, Concepción, Copiapó, Iquique, Rancagua, Santiago, Temuco, Tocopilla, Valparaíso, Valdivia and Yungay, besides Mexico and Switzerland.

At the same time, Arauco has continued to make progress with various initiatives envisaged in the Master Plan for the Sustainable Reconstruction (PRES) of Constitución, 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. To date, more than 55% of the projects have been completed or are in the implementation stage, highlighting the Municipal Library, the Mutrún Stadium, the Cultural Center, the Villa Verde Housing Estate comprising 484 houses, the Enrique Donn Müller School for 900 pupils, the First Fire Brigade Station and a stretch of the Echeverría promenade, among others.

The subsidiary Arauco permanently provides support to local enterprise in the communities around its productive facilities through the supplier development program, which entails including local suppliers on the list of the company's product and service suppliers.



## APPLIED INNOVATION

## ~ RESEARCH AND INNOVATION ~

Empresas Copec and its subsidiaries are permanently driving innovation and scientific research initiatives, as they are essential to be able to timely and efficiently meet the market, customer and community needs and thereby attain the country's economic and social development.

The main initiatives include the Anacleto Angelini-Catholic University Innovation Center, which is open to all companies and enterprises and aimed at encouraging meetings and interaction between the academic and business worlds to generate applied knowledge and innovation that meet

the country's needs. To date, several companies are already working in the building, highlighting Arauco, Codelco, and Google.

On the other hand, the Copec-Catholic University Foundation 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. Moreover, every year the company holds the National Natural Resource Development Project Competition, the Young Researcher Project Competition, and the Higher Education Student Competition: 'Apply your Idea,' providing technical, financial and commercial support to various initiatives. In 2015, the Foundation held the eleventh international seminar of the Copec-Catholic University Foundation: "Big Data: the power of information," whose aim was to analyze and disseminate the different technology applications that process large quantities of information.

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.

Bioforest conducts studies to 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.

Moreover, Arauco, together with CMPC, MASISA, the University of Concepción, the Catholic University of Valparaíso and Fundación Chile, participates in the technology consortium Bioenercel S.A., whose aim is to develop technologies to obtain second generation biofuels from wood pulp.

Likewise, Arauco is driving the AcercaRedes innovation project, which entails establishing, in sectors away from the large urban hubs, centers that promote the meeting of entrepreneurs, companies and organizations to promote community development.

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

Golden Omega has continued to make progress with the pharmaceutical certification process of its Omega-3 concentrate plant, which will enable its products to be marketed as active pharmaceutical ingredients. The company has developed and patented a technology to produce Omega-3 concentrate with neutral organoleptic properties that remain stable over time to add it to foods. There is also the research work of Bioambar SpA and Harvard University to study the benefits of Omega-3 concentrates for cell health.

Corpesca and Orizon undertake oceanographic monitoring programs, sampling, biological analyses of catches, and satellite data to contribute to national research on how to make marine resources efficient and sustainable.

**Encourage the creation of strategic partnerships engaged in research and development.**







## 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 legislation. It is a commitment that involves actively collaborating with national bodies and authorities to meet market requirements, contribute to conserving ecosystems and making businesses sustainable.

Arauco therefore manages a network of parks from the Maule to Los Ríos regions, and it has 406,000 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.

Furthermore, 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. Its wood pulp mills also

use elemental chlorine-free (ECF) technology in the bleaching process and its plantations are managed under responsible forest stewardship practices. 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 eight biomass-fired power co-generating plants and two backup units in Chile to meet its own energy needs at most of its industrial processes, and the surplus is available to be injected into the central power grid. In Argentina, it has two electric power co-generating plants, with a total installed capacity of 78 MW, and in Uruguay it operates with a capacity of 165 MW. Arauco thereby reduces its emissions and participates in the international market of emission reduction certificates (ERCs).

Copec 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. Moreover, the company has a specialized area in charge of developing and promoting a health, safety and environmental policy, which involves employees, contractors, customers and suppliers.

Abastible has strict standards on emissions and handling of hazardous industrial waste to assure all its productive plants and distribution centers comply with current legislation. The company has also incorporated 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 2015, the company completed the construction of the methanization phase at this same plant, which will increase the methane concentration in biogas from 62% to 96% to then inject this into its supply network.

Corpesca has environmental monitoring programs of the marine ecosystem, monitoring and control of liquid emissions and control of gas emissions so processes generate the least environmental footprint possible. Furthermore, all its operations comply with what is laid down in Supreme Decree N°138, which regulates the declaration of airborne emissions, Supreme Decree N°148, which regulates the handling of hazardous substances, and Supreme Decree N°78 on the storage of hazardous substances. In 2015, the company started the process to measure the carbon footprint and odor emissions at its plants in Iquique.

**The subsidiaries have strict control systems in all their processes, with aim of reducing the emissions and the impacts that their operations could generate.**

Orizon strives for all its productive plants to meet the requirements of General Environmental Law N°19.300, Supreme Decree N°90 and N°609, which regulate emissions of liquid industrial waste, Supreme Decree N°138, which regulates the declaration of airborne emissions, and Supreme Decree N°78, which regulates the storage of hazardous substances.

Alxar has strict control systems for all its processes to reduce emissions and minimize their impact on operations. Mina Invierno has cutting-edge technology to minimize particulate matter emissions at its facilities and productive mine sites. It should be highlighted that its productive mine site deploys a coal mining technique known as mobile pit, in which the areas mined are filled in as the material is extracted. It also has a 690-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 1,000 sheep and 2,000 cattle graze, with the objective of showing that cattle breeding can be undertaken simultaneously with coal mining.



## ~ OPERATING SAFETY AND LABOR TRAINING ~

Empresas Copec and its subsidiaries are permanently concerned about care of the safety of the conditions in which the different products reach customers, and the comprehensive wellbeing of its employees. The companies therefore have stringent internal regulations and procedure manuals in line with the most demanding national and international standards.

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

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

Sonacol permanently controls all the fuel transport processes and performs remote follow-up of its valves, pipelines and facilities to prevent faults and leakages. It also conducts various programs for its employees to improve their quality of life. In 2015, for the fourth year running the company secured 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.



Sonamar has procedures and sampling for fuel loading and unloading operations and training plans for deck crew directly involved in fuel transfer operations. It should be mentioned that the company also has safety and occupational health certification of the PEC program of the Workers' Safety Association and all its vessels are certified according to international navigation regulations. Likewise, Sonamar has a strict health, safety, quality, environmental and protection policy, which is actively disseminated to all its employees.

Abastible makes periodic checks of bulk trucks and drivers, and involves all its subsidiaries, suppliers and contractors in the safety management system, 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. It should be highlighted that in January 2015



## COMPREHENSIVE WELLBEING OF THE EMPLOYEES

the company secured tri-certification (safety, quality and environmental) for the gas supply, storage and bulk distribution process in the Metropolitan region.

Lastly, Metrogas has the Metroprev program aimed at driving risk prevention and occupational health management by detecting, identifying, assessing, controlling and monitoring risks.

Alxar has stringent control systems to assure high levels of safety with the handling and storage of waste and supplies, and it conducts employee training periodically on accident prevention and safety.

*Empresas Copec and its subsidiaries have stringent internal regulations and procedure manuals in line with the most demanding national and international standards.*

~



# CONSOLIDATED FINANCIAL RESULTS

Empresas Copec had consolidated net income, net of minority participation, of US\$ 539 million in 2015, which was a 37.0% year-on-year decrease. This difference is largely explained by the company's lower non-operating income arising from lower income in associates and joint ventures and a drop in other earnings related to the sale of a 25% stake in the associate Guacolda in 2014.

## GROSS MARGIN

The Company's gross margin was 5.4% down year-on-year amounting to US\$ 3,062 million, which mainly came from Arauco's subsidiaries of US\$ 1,635 million; with Copec accounting for US\$ 1,100 million; Abastible for US\$ 242 million; Sonacol for US\$ 49 million; and Igemar for US\$ 39 million.

## OPERATING INCOME

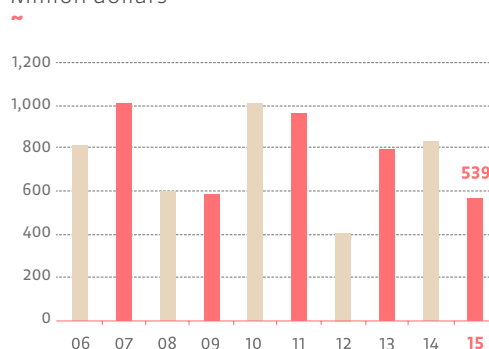
Operating income dropped 2.9%, due to lower revenue in the sawn timber, panels and forestry businesses, that was offset by greater wood pulp sales volumes from Montes del Plata, an increase in liquefied fuel sales in Chile in the industrial and dealer channels, and in Colombia, the Dominican Republic, Panama and Ecuador, and higher liquefied gas margins in Chile and Colombia.

## OTHER INCOME

Non-operating income dropped US\$ 435 million, mainly due to lower income in associates and joint ventures on account of the asset impairment of US\$ 145 million recorded at the subsidiary Laguna Blanca related to the lower international coal prices. There was also a drop in other revenue related to the sale of Guacolda in 2014 and a decrease in other revenue from a lower revaluation of biological assets. That was offset by a decrease in other operating expenses.

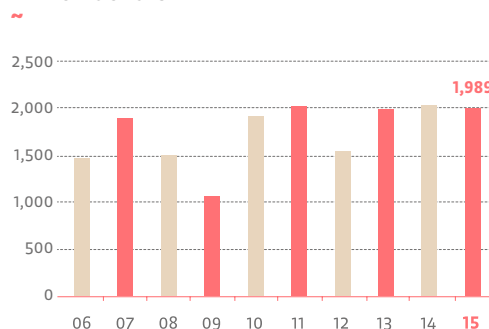
## NET INCOME

Million dollars



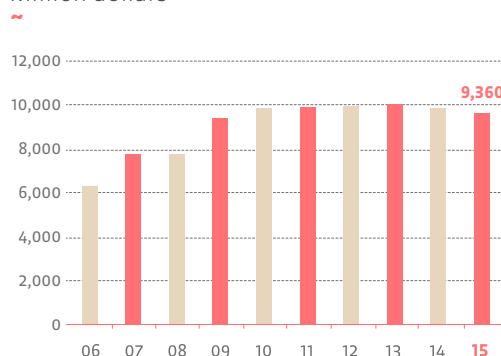
## CONSOLIDATED EBITDA

Million dollars



## EQUITY

Million dollars





## FORESTRY BUSINESS

### CELULOSA ARAUCO Y CONSTITUCIÓN

Celulosa Arauco y Constitución had net income of US\$ 363 million in 2015, which was down on the US\$ 432 million the previous year. That difference is mainly explained by a lower revaluation of biological assets, more unfavorable exchange rate differences and higher financial expenses. Operating income fell on account of lower revenue in the sawn timber, panel and forestry businesses.

In operating terms, revenue dropped 3.7% on the previous year. Wood pulp sales rose 0.9% because

of volume increasing 7.9% from the output of the Montes del Plata mill in Uruguay. Sales prices dropped 5.3%.

Panel revenues, including energy sales, were down 5.0% due to sales prices falling 8.3%, partly offset by the sales volume increasing 4.3%.

Sawn lumber revenue was down 10.0%, due to the sales volume dropping 10.5%.



## FUELS BUSINESS

### COPEC

The subsidiary Compañía de Petróleos de Chile Copec had net income of Ch\$ 197,042 million in 2015, which was up on the Ch\$ 116,129 million in 2014.

Operating income rose 15.4% from a higher volume in Chile, Colombia, Ecuador, Panama, and the Dominican Republic. That was offset by the negative effect of the revaluation of inventories.

Physical sales in Chile amounted to 10.0 million m<sup>3</sup>, which was a 6.1% year-on-year increase. That was due to the 9.2% growth of the service station network, and a 3.4% increase in the industrial channel. As a result, market share was 60.6%.

Terpel's physical fuel sales in Colombia, Panama, Ecuador and the Dominican Republic rose 7.2%, 4.1%, 3.3% and 2.1%, respectively.

Non-operating income was less unfavorable year-on-year, because of higher financial income and revenue from associates and joint ventures, and more favorable exchange rate differences.

### ABASTIBLE

Abastible had net income of Ch\$ 34,645 million in 2015, which was a 38.4% increase. Operating income rose 54.8%, mainly due to higher margins in Chile and Colombia, and greater sales volumes in Chile. Non-operating income decreased Ch\$ 2,709 million, on account of increased financial costs and more unfavorable exchange rate differences.

Abastible had physical sales in Chile of 434,000 tons of liquefied gas, which was a 1.6% year-on-year increase, and giving it a market share of 37.0%. Inversiones del Nordeste had physical sales in Colombia of 197,000 tons of liquefied gas, which was a 0.4% year-on-year increase, and a market share of 35.3%.

**SONACOL**

In accrued terms, Sonacol had net income of Ch\$ 21,019 million, which was a Ch\$ 952 million year-on-year increase. That increase is mainly explained by a 4.5% increase in the volume pipelined.

Physical sales were 14.6% up, mainly related to a 38.5% increase in supply to power generating companies and 5.8% and 1.6% in industrial and residential sales, respectively.

**METROGAS**

Metrogas had net income of Ch\$ 54,236 million in 2015, which was down on the Ch\$ 82,685 million in 2014. That was due to lower margins and higher administration expenses.



## FISHERIES BUSINESS

**PESQUERA IQUIQUE-GUANAYE**

Igemar had a net income loss of US\$ 17.6 million in 2015, which was down on the net income gain of US\$ 4.7 million in 2014, due to lower operating income and decreased income from associates and joint ventures, related to the effects of the depreciation of the Brazilian real on the debt of the subsidiary Selecta.

In operating terms, income amounted to US\$ 3.2 million, which was a US\$ 21.0 million year-on-year decrease.

Physical fishmeal sales were 28.5% down on the previous year amounting to 24,200 tons. Physical fish oil sales were 5,400 tons, a 57.0% year-on-year decrease. 2.1 million cases of canned fish were sold, 9.6% down on the previous year. Frozen fish sales amounted to 13,500 tons, 35.2% down on the previous year. The fish processed dropped 17.5% and amounted to 174,000 tons.

Fish oil and canned fish prices rose 3.1% and 3.9%, respectively. Frozen fish prices dropped 10.8% and fishmeal prices remained stable.

**CORPESCA**

Net income accrued up to December was a loss of US\$ 17.1 million, which was down on the net income of US\$ 16.6 million the previous year. That was due to more unfavorable exchange rate differences and lower income from associates and joint ventures, related to the effects of the depreciation of the Brazilian real on the debt of the subsidiary Selecta.

Operating income increased US\$ 10.4 million because of fishmeal and fish oil price increases of 17.1% and 6.6%, respectively. That was partly offset by lower sales volumes of fishmeal and fish oil of 28.6% and 5.4%, respectively. 416,000 tons of fish were processed, which was a 33.7% year-on-year decrease.





# BALANCE SHEET

## ASSETS

Consolidated current assets fell 15.9% as of December 31, 2015 on those as of December 31, 2014. That difference was principally driven by lower cash and cash equivalents, due to the lower financial debt of the subsidiary Arauco, and a drop in trade receivables and other accounts receivable of the subsidiary Copec and related to the drop in the oil price; along with a decrease in accounts receivable from related companies of the subsidiary Camino Nevado, on account of the asset impairment recognized this year.

Non-current assets as of December 31, 2015 dropped 6.2% on those in 2014. This difference is explained by a decrease in property, plant and equipment, investments accounted for using the equity method, accounts receivable from related companies and intangible assets other than goodwill, because of a greater exchange rate difference effect.

## LIABILITIES

Current liabilities fell 33.5%, because of a drop in other current financial liabilities, principally at the subsidiaries Arauco and Copec. There was also a decrease in commercial accounts payable

and other accounts payable, mainly at the subsidiary Copec.

Non-current liabilities dropped 5.8% on those the previous year, due to the lower debt of the subsidiary Arauco and the deconsolidation of the associate Golden Omega at the subsidiary Igemar. There was also a decrease in deferred tax liabilities because of the higher exchange rate.

## SHAREHOLDERS' EQUITY

The company's shareholders' equity fell 3.9% on that at December 2014, due to lower other reserves from the effect of the higher exchange rate on subsidiaries with accounting in currencies other than the US dollar.

In regard to dividends, the company paid a dividend of US\$ 0.142471 per share in May 2015, charged to the income of the previous year. The company also distributed an interim dividend of US\$ 0.059027 per share in December, charged to the net income of 2015.

Lastly, the book value of the stock of Empresas Copec amounted to US\$ 7.201 for the year ended December 31, 2015 and earnings per share were US\$ 0.44.





# INVESTMENT PLAN



## INVESTMENT PLAN

The base plan for 2016 is about US\$ 1,192 million for the growth and maintenance of the company's productive activities. About 64% of

this will go to the forestry business, 32% to the fuels business, 2% to the fisheries business and 2% to other activities.



**STATEMENT OF FINANCIAL POSITION**

Thousand dollars	2015	2014
Current Assets	5,132,503	6,105,504
Non-current Assets	14,804,133	15,785,464
<b>Total Assets</b>	<b>19,936,636</b>	<b>21,890,968</b>
Current Liabilities	1,937,167	2,913,576
Non-current Liabilities	8,143,596	8,641,265
<b>Total Liabilities</b>	<b>10,080,763</b>	<b>11,554,841</b>
Share capital	686,114	686,114
Other reserves	(1,300,692)	(598,117)
Accumulated earnings (losses)	9,974,213	9,651,252
<b>Equity attributable to equity holders of the company</b>	<b>9,359,635</b>	<b>9,739,249</b>
Minority interest	496,238	596,878
<b>Total Equity</b>	<b>9,855,873</b>	<b>10,336,127</b>
<b>Total Liabilities and Equity</b>	<b>19,936,636</b>	<b>21,890,968</b>

**STATEMENT OF COMPREHENSIVE INCOME**

Thousand dollars	2015	2014
Revenues	18,160,142	23,854,696
Cost of sales	(15,097,992)	(20,619,044)
<b>Gross margin</b>	<b>3,062,150</b>	<b>3,235,652</b>
Administrative and a sales expenses	(1,978,813)	(2,120,488)
Investments in related companies and joint ventures	(125,940)	77,237
Net financial expenses	(274,892)	(292,973)
Exchange difference	(60,478)	(40,196)
Others	135,382	364,985
<b>Income before taxes</b>	<b>757,409</b>	<b>1,224,217</b>
Income tax expense	(186,440)	(323,209)
<b>Income</b>	<b>570,969</b>	<b>901,008</b>
Income attributable to equity holders	539,307	855,555
Income attributable to minority interests	31,662	45,453
<b>Income</b>	<b>570,969</b>	<b>901,008</b>

## INCOME MAIN AFFILIATES AND ASSOCIATES

	Direct shareholding	2015	2014
<b>Forestry</b> (million dollars)			
Celulosa Arauco	99.978%	362.7	432.0
Forestal Arauco	0.052%	67.3	91.4
Arauco Internacional	—	141.6	42.8
Arauco Bioenergía	—	(1.2)	(0.3)
Paneles Arauco	—	16.3	35.8
<b>Fuels</b> (million pesos)			
Copec	99.999%	197,042	116,129
Abastible	99.048%	34,645	24,486
Sonacol*	52.686%	21,019	20,067
Metrogas	39.830%	54,236	82,685
<b>Fisheries</b> (million dollars)			
Igemar**	81.933%	(17.6)	4.7
Corpesca	—	(17.1)	16.6
Orizon	—	(14.5)	3.4
<b>Other investments</b> (million dollars)			
Camino Nevado	100.000%	(182.9)	(25.1)
Alxar Minería	—	(13.4)	(8.3)
Laguna Blanca	—	(338.7)	(38.9)
Inmobiliaria Las Salinas	100.000%	(0.5)	(0.4)

\* Represents ownership percentage hold through Copec and Abastible.

\*\* Includes ownership percentage hold through Sercom.



# BUSINESS AREAS



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# FORESTRY BUSINESS





# ARAUCO



Celulosa Arauco y Constitución S.A. was established in 1979 from the merger of Celulosa Arauco S.A. and Celulosa Constitución S.A. The company is now one of the leading forestry companies in Latin America in terms of the surface area and performance of its plantations, manufacture of market pulp, timber, panels, and energy. Arauco also offers a wide range of sustainable and quality products for the paper industry, construction, packaging and furniture making industry to help improve people's quality of life.

The company has an integrated productive chain operation and 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.

Besides this, Arauco maintains a careful investment plan, deploys state-of-the-art forest stewardship techniques and has large competitive advantages, like the fast growth and the short harvesting cycle of its forests, unique soil and weather conditions, the scale economies of its facilities and closeness to shipping ports.

The company has 1.7 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 sawmills 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 also has eight biomass-fired electric power generating plants and two backup generators in Chile, which have a total installed capacity of 606 MW. In Argentina, it has two electric power generating plants with a total installed capacity of 78 MW, and in Uruguay it has one electric power generating plant with an installed capacity of 165 MW.

In 2015, Arauco's total production was 3.6 million tons of wood pulp, 2.7 million m<sup>3</sup> of sawn timber and 5.4 million m<sup>3</sup> of panels. Sales were US\$ 5.147 billion, of which wood pulp accounted for 45.9%, panels for 36.5%, sawn timber for 14.7% and other products for 2.9%. 91.7% of the total sales were exported, with Asia and America being the main markets.

Regarding investment, the company secured environmental approval to produce textile pulp at the Valdivia mill. This initiative considers an investment of US\$ 185 million and will enable Arauco to offer a new product, which is used as a raw material to make textile fibers like rayon or viscose, cellophane, filters, and others.

Arauco also started works on the new waste treatment system at the Arauco mill, which considers the construction of a cutting-edge biological treatment plant that will process even more efficiently the waste generated by the current production lines, future line 3 and other facilities of the Horcones industrial complex. These works will require a total investment of US\$ 120 million and it is estimated they will be completed in May 2017. It should be highlighted that these works are part of the Arauco mill modernization and expansion (MAPA) project, which will increase the mill's production capacity up to 2.1 million tons of wood pulp a year.

The Montes del Plata wood pulp mill in Uruguay consolidated its operation after completing the commissioning stage and attaining its production capacity of 1.3 million tons of eucalyptus fiber a year.

In 2015, the company announced the construction a new MDP panel mill in the city of Grayling, Michigan, USA, which will have a production capacity of 750,000 m<sup>3</sup> of panels. This project, entailing an investment of US\$ 325 million, envisages two melamine lines and an impregnation line, the generation of 250 direct jobs, along with various benefits for the economic and community development in the area.

At the same time, Arauco agreed to acquire 50% of the Spanish company Tafisa, which produces and sells OSB, MDF and PB panels, and sawn timber, by means of two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa. These facilities have a total production capacity of 4.2 million m<sup>3</sup> of panels and this purchase will require an investment of US\$ 150 million.

After completion of the operation, the company will be in second place of the global panel production ranking, with output of 9 million m<sup>3</sup> a year and will export its products to new continents and markets.

Moreover, the company invested US\$ 30 million in the Bennettsville mill in South Carolina to raise the production capacity of particle board and melamine panels by 100,000 m<sup>3</sup> a year.

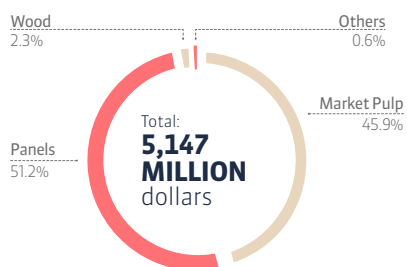
The company started to build the Arauco Campus, a technical training center that will entail an investment of US\$ 8.5 million and will provide education of excellence to youngsters in the Province of Arauco due to a partnership with Duoc UC.

Lastly, the company was the official sponsor of the Chilean pavilion at Expo Milan 2015. The work was designed by the architect Cristián Undurraga and required more than 1,200 m<sup>3</sup> of pine wood.

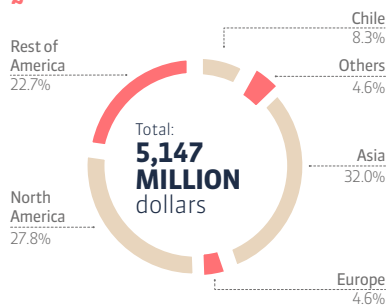
In 2016, Arauco will continue to work on developing forestry products that help to improve people's quality of life.



### ARAUCO'S SALES PER PRODUCT 2015



### ARAUCO'S SALES PER MARKET 2015



### MARKET PULP PRICE US\$/ton







# FORESTRY



Forestal Arauco has a sound commitment to sustainability, care of the environment and community development, which assures that the raw material used is a renewable resource and its operations are undertaken with responsible forest stewardship.

In Chile it has 559,000 hectares of radiata pine plantations, 157,000 hectares of eucalyptus, 3,000 hectares planted with other species, 211,000 hectares of native forest and 177,000 hectares allocated for forestation and other uses. The company's plantations in Argentina, Brazil and Uruguay amount to 147,000 hectares of taeda and elliotti pine, 139,000 hectares of eucalyptus, 18,000 hectares of other species, 195,000 hectares of native forest and 64,000 hectares earmarked for forestation and other uses. These assets are the basis of the competitiveness of all Arauco's business areas.

The company has a permanent commitment to conserving native forest on its lands, for which it has stringent protection and conservation programs and high standard monitoring systems to identify changes and drive prevention and restoration action.

Moreover, in all the areas of high conservation value, i.e., exceptional or critically important forest zones, the company undertakes identification management, stewardship practices and monitoring to maintain or increase the high conservation value.

All the plantations are managed according to responsible forest stewardship practices and the operations have stringent environmental standards.

Furthermore, the company has 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. Lastly, it has a forest work mechanization plan to eliminate the presence of workers on sites with potential risk.

Besides these initiatives, the company has implemented the Forestry Zero Waiting Time program, which is the joint work with transport contractors to optimize the transport of raw material from the forest to plants.

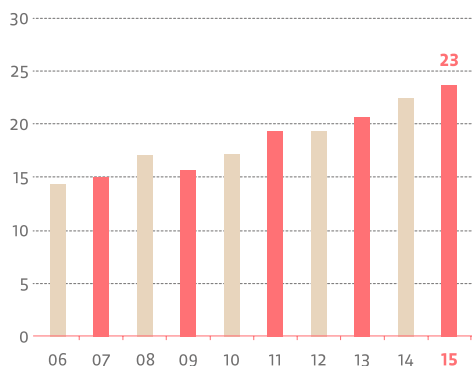
Complementing this, the subsidiary Bioforest develops advanced research initiatives in areas like biotechnology, genetics, phytosanitary protection, forestry and studies on the properties

and characteristics of different types of wood, along with processes to optimize wood pulp and research on new uses for it and panels.

In 2015, Arauco harvested 22.5 million m<sup>3</sup> of logs and purchased 11.5 million m<sup>3</sup> of logs, chips and combustible material. 32.7 million m<sup>3</sup> of the total were allocated to Arauco's wood pulp mills, panel mills and sawmills, and 2.4 million m<sup>3</sup> were sold to third parties.

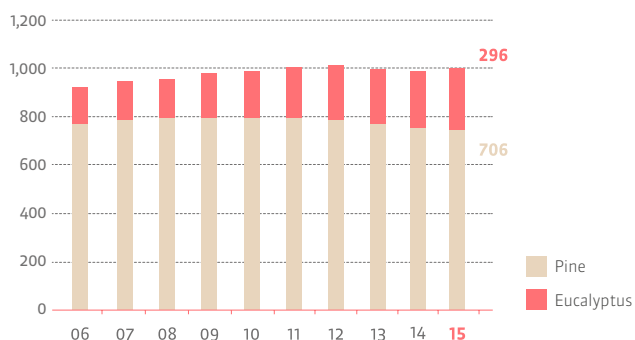
## LOGS HARVESTED

Million cubic meters



## FOREST PLANTATION INVENTORY

Thousand hectares





# PULP

Celulosa Arauco is one of the largest producers of market pulp in the world and a leading non-mining export company in Chile.

In Chile, the company makes wood pulp from 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.

Arauco owns the Arauco, Constitución, Licancel, Nueva Aldea and Valdivia mills in Chile, Alto Paraná in Argentina and Montes del Plata in Uruguay, by means of a joint venture with the Swedish-Finnish company Stora Enso. These mills have a production capacity of 3.9 million tons a year and have the highest national and international certification. In Chile, they operate under the Lean Manufacturing program, which seeks to minimize waste and reduce the production times to raise the operating capacity of the mills and provide top quality products.

In 2015, the company's total production was 3.6 million tons, a 10.2% year-on-year increase, which was mainly sold in Asia, Europe and Latin America. Arauco currently accounts for 7.2% of the global sales of bleached pine wood pulp, 4.4% of the bleached eucalyptus wood pulp sales and 24.2% of the raw wood pulp sales.

At the same time, Arauco secured unanimous approval for its textile pulp project at the Valdivia mill. This considers an investment of US\$ 185 million and will enable the company, when the project comes on stream, to be the first company in Chile to produce this kind of pulp. This is used as a raw material to make textile fibers and for medical use, creating an innovative and value-added product and diversifying market supply.

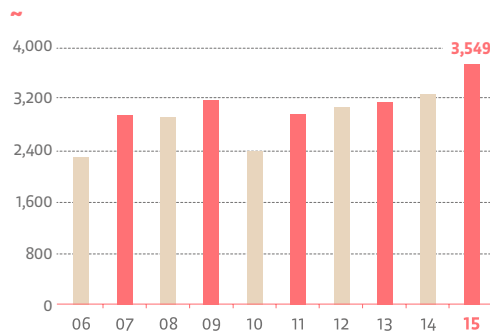
The company started works on the new waste treatment system at the Arauco mill, which considers the construction of a cutting-edge biological treatment plant that will process even more efficiently the waste generated by the current production lines,

future line 3 and other facilities of the Horcones industrial complex. These works will require a total investment of US\$ 120 million and it is estimated they will be completed in May 2017. It should be highlighted that these works are part of the Arauco mill modernization and expansion (MAPA) project, which will increase the mill's production capacity up to 2.1 million tons of wood pulp a year.

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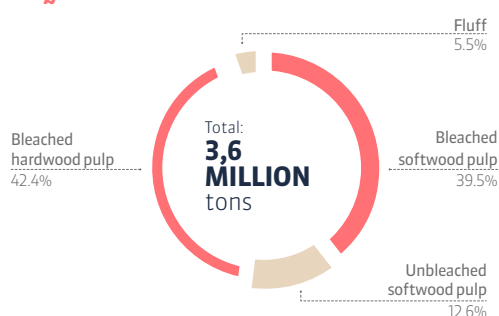
## MARKET PULP SALES

Thousand tons



## MARKET PULP PRODUCTION

2015





# TIMBER



Arauco Maderas was established in 2015 to merge into one single entity the wood and panel operations, which were previously in Paneles Arauco, Aserraderos Arauco and Arauco Distribución.

The company is currently the leading wood producer in the Southern Hemisphere and one of the most important in the world, due to the quality and variety of its products, and an efficient marketing and distribution strategy. It produces a wide range of sawn timber, plywood and molding products with different degrees of finish, appearance and value processes for architecture, design, construction, packaging and refurbishment.

The company has five panel mills in Chile, where plywood, particle board, MDF and HB panels are made, with a total production capacity of 1.6 million m<sup>3</sup>. It also has seven operative sawmills and four remanufacturing facilities with a production capacity of 2.6 million m<sup>3</sup> of sawmilling, 2 million m<sup>3</sup> of dried timber and 408,000 m<sup>3</sup> of remanufactured products.

It has two panel mills in Argentina where it makes MDF and particle board, with a production capacity of 300,000 m<sup>3</sup> and 260,000 m<sup>3</sup> a year, respectively. There is also a sawmill and a

remanufacturing plant with a production capacity of 318,000 m<sup>3</sup> of sawmilling and 67,000 m<sup>3</sup> of remanufactured products.

In Brazil it has two panel mills that can produce 1.3 million m<sup>3</sup> of MDF and 310,000 m<sup>3</sup> of particle board.

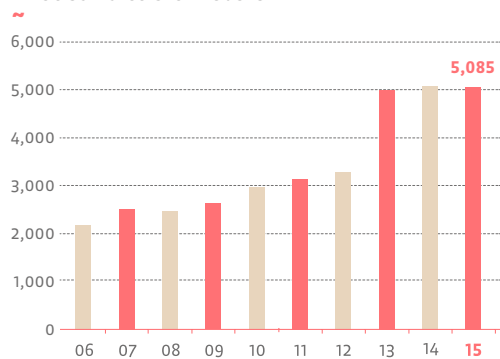
It also has eight mills in the United States and Canada with a total production capacity of 1.5 million m<sup>3</sup> of MDF panels and 1.4 million m<sup>3</sup> of particle board panels a year.

In 2015, the company's total board production was 5.4 million m<sup>3</sup>, against 5.2 million m<sup>3</sup> in 2014. As in previous years, panel sales were mainly exported to Latin America, Asia and the United States. The total sawn timber output was 2.8 million m<sup>3</sup>, a 5.1% year-on-year decrease, and sales mostly went to Asia.

At the same time, in operating terms the company continued to develop projects focused on raising productivity and the performance of processes under the "Impeccable Operation" standard, and on driving commercial management aimed at providing greater customer value with a broad product mix marketed worldwide.

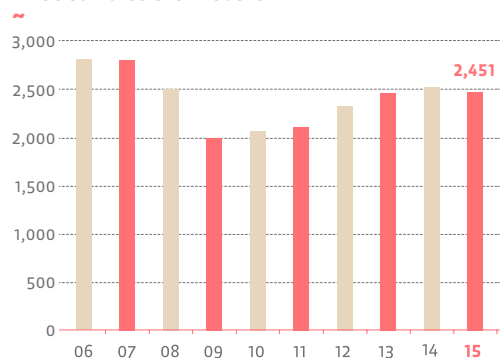
## PANEL SALES

Thousand cubic meters



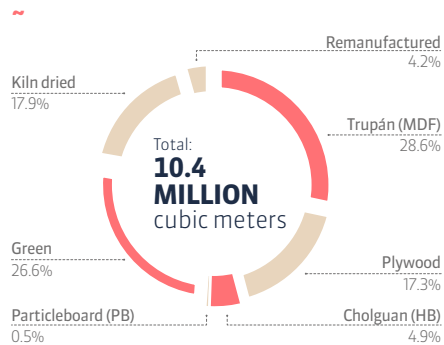
## SAWN TIMBER SALES

Thousand cubic meters



## TIMBER PRODUCTION

2015





# ARAUCO INTERNACIONAL



Arauco is one of the leading wood pulp, panel and board producers in the world. It has an important office network in Argentina, Australia, Brazil, Canada, China, Colombia, Dubai, the United States, Holland, Japan, Mexico, and Peru, and operation centers in Argentina, Brazil, Chile, Uruguay and North America.

The company also owns 132,000 hectares of plantations in Argentina, 100,000 hectares in Brazil and 72,000 hectares in Uruguay.

In Argentina, it has a sawmill with a production capacity of 318,000 m<sup>3</sup> of sawn timber 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 production 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 a year.

In Uruguay, through a joint venture with the Swedish-Finnish company Stora Enso 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 165 MW.

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> of MDF panels and 1.4 million m<sup>3</sup> of particle board panels a year.

In 2015, Arauco invested US\$ 30 million in the Bennettsville mill in South Carolina to raise the production capacity of particle board and melamine panels by 100,000 m<sup>3</sup> a year.

It also started to implement a new project in the city of Grayling in the state of Michigan to build a mill to produce 750,000 m<sup>3</sup> of particle boards. This will entail an investment of US\$ 325 million and is expected to start up in 2018.



Arauco signed a share purchase agreement for 50% of the capital of the Spanish company Tafisa, a subsidiary of the Portuguese Sonae Group, which produces and sells OSB, MDF and PB panels, and sawn timber, by means of two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa.

These facilities have a total production capacity of 4.2 million m<sup>3</sup> of panels and this purchase will require an investment of US\$ 150 million.

After completion of the operation, the company will be in second place of the global panel production ranking, with output of 9 million m<sup>3</sup> a year and it will export its products to new continents and markets.





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# FUELS BUSINESS





# COPEC



Compañía de Petróleos de Chile S.A. (Copec) was established in 1934 to market and distribute fuels in Chile. In 2010, it launched its internationalization process after gaining an interest in the Colombian company Terpel.

In Chile, the company has 627 service stations from Arica to Puerto Williams, 90 Pronto convenience stores, 240 Punto outlets and 19 fuel storage plants with a total capacity of 502,000 m<sup>3</sup>. In Colombia, Ecuador, Panama, Peru and Mexico, it has a network of 2,165 service stations, of which 326 are vehicle natural gas sales points under the Gazel brand.

In 2015, Copec had physical sales in Chile of 10.0 million m<sup>3</sup> with a market share of 60.6%. Most of the sales in the year were mainly due to a 9.2% increase in sales at service stations amounting to 4.7 million m<sup>3</sup>. Sales in the industrial channel rose 3.4% to 5.3 million m<sup>3</sup>. In Colombia, the company

had fuel sales of 7.0 million m<sup>3</sup>, which was a 6.2% year-on-year increase and giving the company a 44.3% share of the Colombian market. In particular, the vehicle natural gas segment had sales of 354,000 m<sup>3</sup>, a 7% year-on-year decrease, and the aviation segment had an increase of around 14.4% of aviation fuel.

At the same time, the company renewed its corporate image after 17 years, adding greater simplicity, modernism, innovation and customer closeness. This entailed simplifying the logo and redesigning the sphere, modernizing the totems and infrastructure of the loading bays and implementing a led lighting system, among other improvements. At the close of 2015, these changes had already been incorporated at 51 service stations.

Copec inaugurated 11 urban service stations at Coya, Maipú, Puente Alto, Puerto Montt, Rancagua, San Esteban, San Felipe, San

José Mariquina, Santiago and Tucapel, and two highway service stations at Cabrero and Copiapó. These are in addition to six NeoGas LPG sales points.

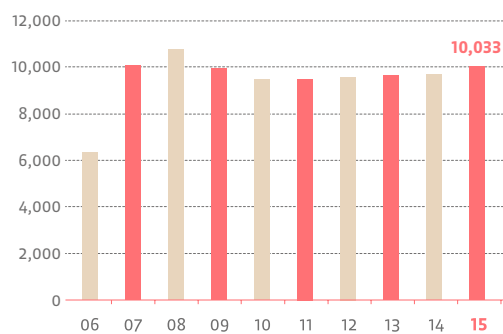
In the industrial market, the company was awarded a Codelco tender to supply 40 million liters of diesel and gasoline monthly to six of its divisions.

Lastly, Copec once again won the Consumer Loyalty Award in the service station category given by Alco Consultores and the Estrategia financial newspaper.

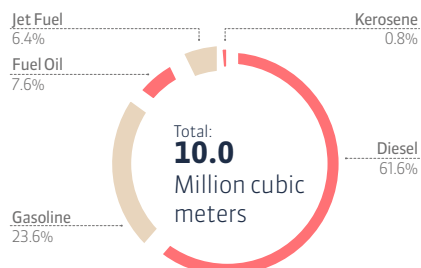
In 2016, the company will continue to develop initiatives to offer its customers a quality, efficient and safe service.

**COPEC'S SALES**

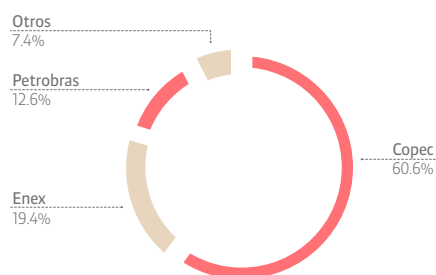
Thousand cubic meters

**COPEC'S SALES PER PRODUCT**

2015

**LIQUID FUEL MARKET SHARE**

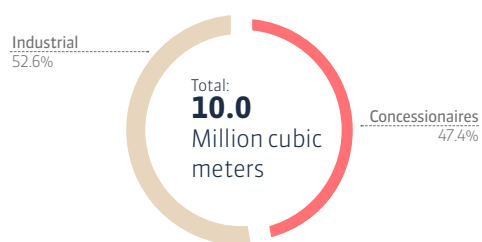
2015



Source / Own Estimates

**COPEC'S SALES PER DISTRIBUTION CHANNEL**

2015



# TERPEL

Terpel was established in 1968 in Colombia to provide a solution for fuel shortages affecting the Santander region. Later on, and in 2010 Terpel became an indirect related company of Copec.

Terpel currently has a network of 2,165 service stations in Colombia, Ecuador, Panama, Peru and Mexico, of which 287 sell vehicle natural gas in Colombia, 8 in Mexico and 31 in Peru under the Gazel brand. In the Dominican Republic, it supplies aviation fuel at the main airports.

In 2015, Terpel sold 5.3 million m<sup>3</sup> of liquefied fuel through service stations and to industrial customers, a 5.8% year-on-year increase. In turn, the vehicle natural gas segment had sales of 354,000 m<sup>3</sup>, 7% down on the previous year, and the aviation segment had an increase of around 14.4% for aviation fuel. The company thereby had total fuel sales of 7.0 million m<sup>3</sup>, a 6.2% increase, and a 44.3% share of the market in Colombia.

At the same time, Terpel presented its new exclusive service bays for motorbikes, which have a cutting-edge pump and can simultaneously serve four motorbikes. It also added a new product, Terpel Oiltec, which is a state-of-the-art lubricant for gas vehicles that guarantees a long life and better performance of the vehicle engine.

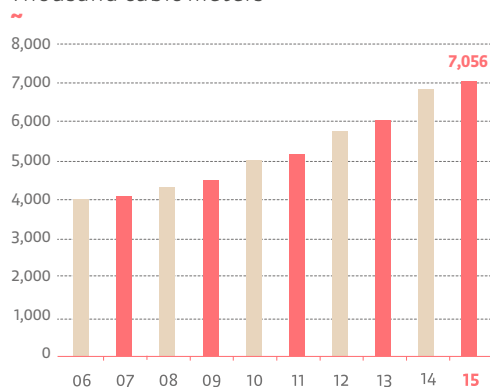
In the financial area, the company made a successful bond placement of COPS 400,000 million in two series with maturity of 7 and 15 years, which received the top AAA credit rating by the risk rating agency Fitch Ratings. The amount placed was allocated to cover all the bank debt and improve its maturity profile to strengthen the capital structure.

In 2016, Terpel will continue with its growth strategy, building more service stations and adding

its new corporate image to a larger number of units in Colombia and Panama. It will refurbish about 300 service stations, will build 15 new units and inaugurate more than 20 Al Toque convenience stores in Colombia.

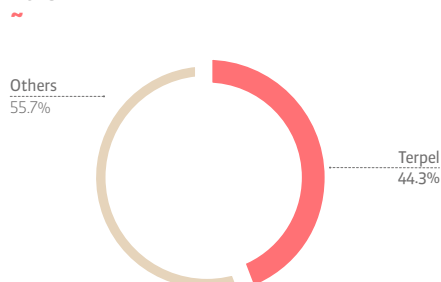
## TERPEL'S SALES

Thousand cubic meters



## LIQUID FUEL MARKET SHARE

2015



Fuente / Own estimates



# CONVENIENCE STORES

ArcoPrime was established in 2004 to develop a convenience store network, restaurants and coffee shops at service stations to give customers products and services with a high quality standard in addition to fuel sales.

The company currently has a convenience store network of 42 Pronto urban stores and 48 Pronto highway stores that offer customers a wide range of products and services 24 hours a day. This network has three highway formats: Pronto Barra, which provides a wide range of services and takeaway or eat-in foods; Pronto Kiosco, which has a defined offering of fast food and ready-made products; and Truck Center, targeted at truck drivers, with a proposal designed according to their food and rest needs on the highway. In the city there are three formats, which offer quite similar products and services, with the only difference being the size of the store.

There are also eight Fres&Co restaurants located in areas with a high concentration of office buildings in Santiago, in the modality of Fres&Co Bistró Café and Fresco Mall.

The subsidiary Arco Alimentos produces and sells fresh, refrigerated and frozen quality food as sandwiches, ready-made dishes and desserts. They are sold under the Fres&Co, Piacceri, and Cresso brands in supermarkets, coffee shops, restaurants, convenience stores and catering companies.

Complementing this, the 240 Punto stores, which are managed by the own licensees of service stations according to Copec's same quality standards, offer a wide range of products and services 24 hours a day.

In 2015, ArcoPrime inaugurated two Pronto urban stores at Los Trapenses and Portal La Dehesa. It also expanded its Pronto highway stores, opening three stores in Palomares, Cabrero and Copiapó.

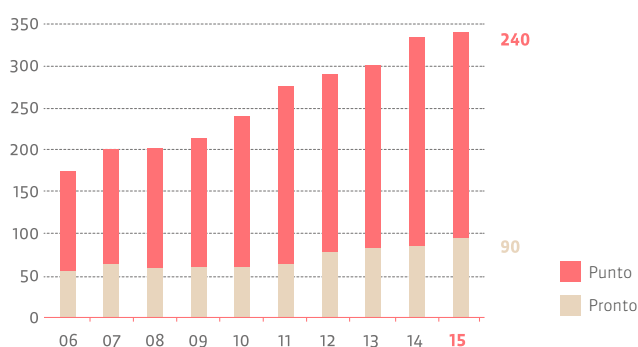
Arco Alimentos added hamburgers and wraps to its product line in co-branding with the companies La Crianza and Pancho Villa, respectively.

The company also implemented an electronic ordering system at the Pronto Barra to efficiently order the production sequences and measure the productivity of each service point in a real, detailed and online way.

In 2016, ArcoPrime will work on improvements to reduce the customer service times at Pronto stores, consolidate the Fres&Co value proposal and continue to develop products that expand the offering by Arco Alimentos.



## NUMBER OF CONVENIENCE STORES





# LUBRICANTS



Copec has operated in the lubricants business since 1959 when it entered into a strategic partnership with Mobil Oil to market its products in Chile. Later, Mobil merged with Exxon forming ExxonMobil, which is one of the leading lubricant companies in the world. In 2003, due to a new partnership, Copec started to produce and market ExxonMobil lubricants exclusively in Chile, thereby becoming one of the few places in the world where this US company places its products in third-party hands.

Copec currently sells over 450 products, and 70% of them are made at the company's plant in Quintero in the Valparaíso region. This facility is one of the most modern of its kind in Latin America and can produce 124 million liters a year. It also operates according to the stringent product quality management system of ExxonMobil to guarantee an operation with the highest quality and safety standards.

Lubricants are supplied under the Mobil brand to automotive, transport, industrial and mining

markets, through service stations, distributors, industrial companies and representatives of automotive brands. It should be mentioned that currently 37% of the automotive brands in Chile recommend the use of Mobil lubricants.

Complementing this, Copec has the subsidiary Via Limpia, which collects solid and liquid waste containing customers' hydrocarbons and then turns them into fuel that can be used by industries.

In 2015, lubricant sales amounted to 96,000 m<sup>3</sup>, a 9.2% year-on-year decrease, and a 53% market share.

The MobilTec lubrication network at service stations implemented an online oil changing agenda and improved the product mix availability. It also inaugurated two lubrication centers in Lampa and Coquimbo.

In the industrial sales channel the company added products like Mobil Delvac Elite, a semi-synthetic lubricant that leads to fuel savings and consolidated the company's presence in freight and passenger

transport, serving customers like Transportes Jorquera, Transportes Nazar and Turbus.

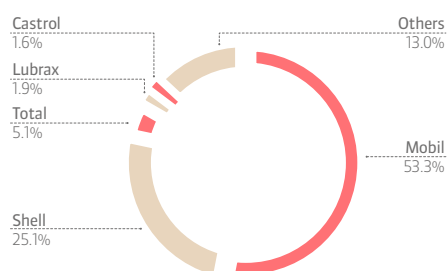
In 2016, Copec Lubricantes will continue to work on offering better quality products and a more efficient service to enhance its offering to the

industrial and automotive industries.

To achieve this objective, it will optimize its distribution network and implement cutting-edge technology to provide innovative and safe solutions.

## MARKET SHARE

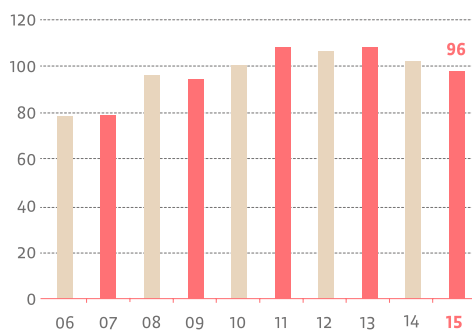
2015



Source / Own estimates

## SALES

Thousand cubic meters







# SONACOL /SONAMAR



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, giving rise to Sonamar.

The company currently has a 465-kilometer oil pipeline network that runs from Quintero to San Fernando, nine pumping stations, two product delivery terminals in Maipú and Concón and two dispatch centers in Maipú and Las Condes. Sonamar owns a fleet of four oil tankers (Punta Angamos, Punta Gruesa, Abtao and Doña Ana) with a total capacity to ship 180,000 m<sup>3</sup> of oil and by-products.

In 2015, Sonacol transported 9.1 million m<sup>3</sup> of liquid fuels, which was a 4.4% year-on-year increase, and Sonamar transported 2.1 million m<sup>3</sup> of fuels, 26.0% lower than the 2014 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 27.5 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 2016.

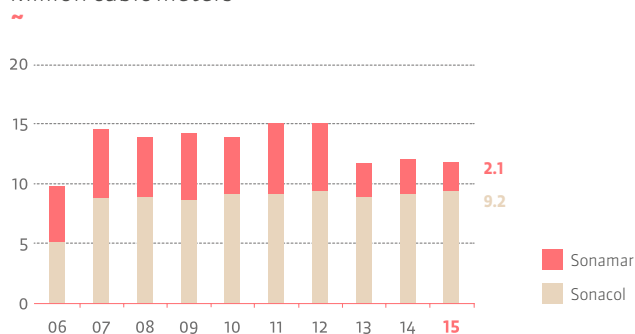
It is therefore estimated that the oil pipeline will be commissioned in 2019.

Sonacol once again obtained certification in the Competitive Company Program (PEC) excellence of the Workers' Safety Association, and Sonamar was distinguished by the latter institution with safety and occupational health certification of the PEC.

In 2016, Sonacol and Sonamar will continue to make continuous improvements to their processes, facilities and vessels to assure customers an efficient and safe service.

## VOLUME TRANSPORTED

Million cubic meters





# ABASTIBLE



Abastible was established in 1956 to market liquefied gas for residential and industrial use. 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, the company provides its customers with a safe and timely gas supply.

Abastible is present throughout Chile, including Easter Island. It has 10 storage and bottling plants, 6.3 million gas bottles, 55,000 tanks at customers' homes, 23 sales and distribution offices, and a network of approximately 1,450 distributors. 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.

Abastible also provides 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.

Moreover, the company provides liquefied gas to taxis and company vehicle fleets by means of Autogas service stations, and liquefied gas to Nautigas vessels.

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

In 2015, Abastible's physical sales in Chile amounted to 434,000 tons, a 1.6% year-on-year increase, attaining a domestic market share of 37.0%. In Colombia physical sales amounted to 197,000 tons, a 0.4% year-on-year decrease and a market share of 35.3%.

At the same time, the company started up operations in Villarrica with a distribution office, and in Calama with a sales office. It also inaugurated a

second power co-generation project using micro-turbines in Antofagasta.

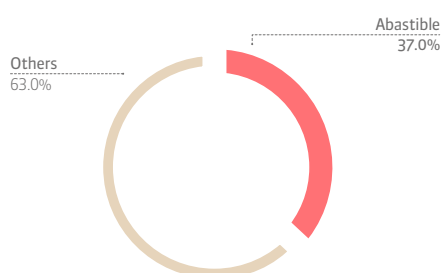
The company increased its interest in Gasmar to 36.25% to strengthen its logistical position.

Regarding awards, Abastible was distinguished as a leading company on customer experience, according to the latest Praxis Xperience Index ranking.

In 2016, the company will undertake various projects and action plans in the commercial, productive, administrative and human resources areas to increase the operating, safety, service quality, and resource management results and the consequential economic results.

## LIQUIFIED PETROLEUM GAS MARKET SHARE

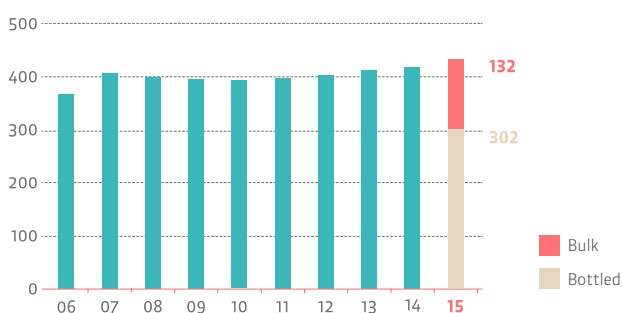
2015



Source / Abastible

## SALES

Thousand tons





# INVERSIONES DEL NORDESTE



Inversiones del Nordeste was established in 2004 to merge into one single entity the administration of a group of Colombian companies, 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% interest.

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

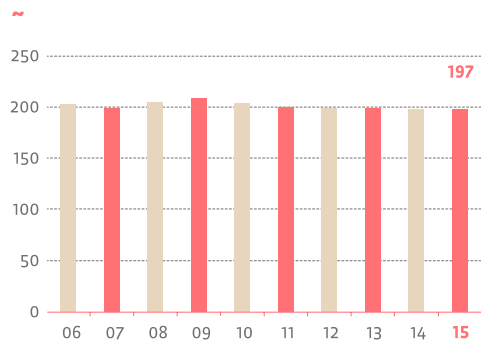
In 2015, Inversiones del Nordeste had physical sales of 197,000 tons of liquefied gas, a 0.4% year-on-year increase, attaining a 35.3% share of a market driven by the high penetration of natural gas.

It should be highlighted that the company had the highest profits in the last four years, due to making improvements to customer service and making commercial, logistical, operational and business management support process optimization. These included the assembly of bottling plants in line with the constant market movement, the centralized optimization of product and service delivery, and the improvement of the liquefied gas supply routes and distribution.

In 2016, Inversiones del Nordeste will continue to enhance its customer and community commitment with initiatives focused on providing a quality, efficient and competitive service.

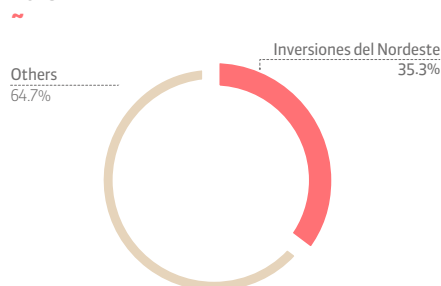
## SALES

Thousand tons



## LIQUEFIED PETROLEUM GAS MARKET SHARE

2015



Source / Own Estimates



# METROGAS



Metrogas was established in 1994 to distribute natural gas in Chile. The company currently supplies over 614,000 industrial, commercial and residential customers in the Metropolitan and O'Higgins regions by means of a more than 5,200-kilometer long distribution network.

Metrogas also has a 20% interest in the liquefied natural gas (LNG) terminal at Quintero, which was built with the highest safety standards in the industry and has a 1,878-meter long dock to unload vessels of 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; a regasification area with three vaporizers to regas 15 million m<sup>3</sup> a day, a backup vaporizer that can regas 5 million m<sup>3</sup> a day, and a truck loading yard which can load up to 48 trucks a day.

In 2015, Metrogas had physical sales of 1,304 million m<sup>3</sup>, which was a 14.2% year-on-year increase, mainly due to higher supply to power generating companies.

Metrogas also announced a natural gas growth plan in Chile, which entails expanding its supply coverage in the Tarapacá, Antofagasta, Atacama, Maule, Araucanía, Los Ríos and Los Lagos regions.

In the first stage, this will require an investment of US\$ 700 million and will add 500,000 homes in the next five years. The second stage will benefit 800,000 new homes, so the total project investment will be US\$ 1,100 million in a 10-year term.

The company completed the construction of the La Farfana biogas methanization plant, which will convert biogas into biomethane to then inject it into the supply network. This facility has a production capacity of approximately 14 million m<sup>3</sup> of natural gas a year.

At the same time, Metrogas, along with Empresas Copec, Aguas Andinas, the Municipality of Peñalolén and Universidad Adolfo Ibáñez, inaugurated Ecoparque, an initiative with a surface area of 20,000 m<sup>2</sup> in Peñalolén aimed at furthering the development of environmental education.

The company also signed an agreement with the Municipality of Vitacura to supply 25 municipal vehicles with natural gas, which will reduce fuel consumption by 40% and lower the carbon footprint.

Metrogas modified the format of its bills to present the information in a simpler and easier way for users.

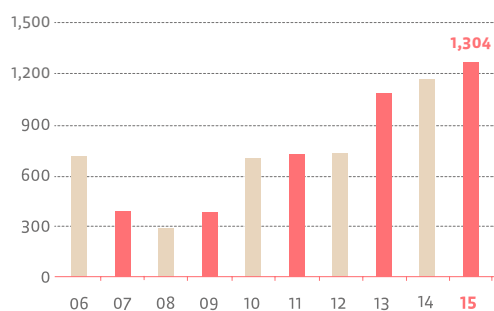
Lastly, the main awards received by the company were first place in the household services category of the ProCalidad National Service Awards, conducted by Capital magazine; and the Outstanding Company Award in the ranking of the Most Innovative Companies in Chile 2015, in the fuel distribution category, given by the ESE Business School of Universidad de Los Andes.

The Environmental Brigade social responsibility program obtained the top award in sustainable marketing given by Asociación de Avisadores de Chile.

In 2016, Metrogas will start work to implement the growth plan, which will benefit 2 million people in five years and a total of 3 million people in ten years.

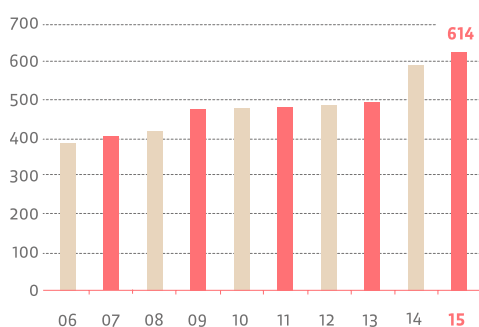
## SALES

Million cubic meters equivalent



## NUMBER OF METROGAS'S CUSTOMERS

Thousands



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# FISHERIES BUSINESS





# IGEMAR



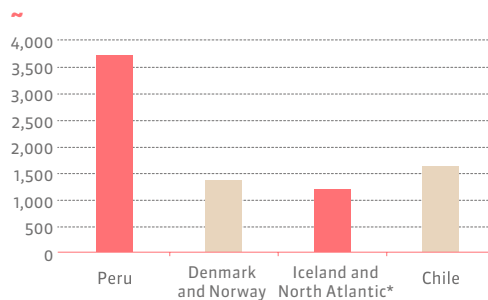
Empresas Copec has operated in the national fisheries industry since 1980 after acquiring Pesquera Guanaye Ltda., which later merged with Pesquera Iquique S.A. into Pesquera Iquique-Guanaye S.A. (Igemar).

The company currently operates in the north of the country through its associate Corpesca S.A. and in the center and south of Chile through its subsidiary Orizon S.A. Igemar has thereby diversified catch risks, reducing the exposure to weather and ocean variations and adding value to the wealth of the Chilean coastline. This is always undertaken by safeguarding the sustainability of resources and complying with the current regulations or system of Tradable Fishing Licenses (TFL), which it has for 20 years that can be renewed.

In 2015, catches in the north of Chile amounted to 0.5 million tons, a 3.3% year-on-year decrease. Total catches in the center and south of the country amounted to 0.7 million tons, 12.5% down on 2014.

## 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 company in Chile for the production of fishmeal and fish oil and one of the largest producers worldwide.

In Chile, the company operates fishmeal and fish oil processing plants at the ports of Arica, Iquique, and Mejillones, with a processing capacity of 640,000 tons of raw material per hour. It also has an authorized fleet of 47 own vessels and one leased from the subsidiary Orizon, giving it a total hold capacity of over 20,000 m<sup>3</sup>.

Though its subsidiary Selecta in Brazil, it also has a soy processing plant of 670,000 tons a year. Among other products, such plant produces 350,000 tons of soy protein concentrate (SPC) a year, which is used to replace and complement fishmeal in aquaculture feed.

It should be noted that Corpesca undertakes its operations with strict care of the environment and permanently promoting the sustainability of the surroundings and fish resources. Its processes therefore use the best technology available and all its plants have the current Hazard Analysis and Critical Control Points (HACCP) quality assurance

program, certified by Chile's Directorate of Fisheries (SERNAPESCA); it has the GMP B3 international quality certification of the Product Board of Animal Feed of Holland at its Arica plant; the International Fishmeal and Fish Oil Organization Responsible Supply (IFFO RS) sustainability certification to fish anchovy and Spanish sardines; and all its plants are licensed to export fishmeal to China.

In 2015, the company processed 416,000 tons, a 33.7% year-on-year decrease, mainly due to lower industrial and non-professional catches because of the El Niño phenomenon that has led to more adverse conditions in the last 15 years. On account of this, fishmeal and fish oil output was 95,000 tons, which was a 37.4% year-on-year decrease, and physical sales amounted to 115,000 tons, 27.5% lower than the previous year. 56% of the fishmeal was sold in export markets, mainly Asia and Europe, and 83% of the fish oil was sold in Europe and America.

Regarding investment, Corpesca increased its interest in Selecta to 70% after acquiring a further 10% for US\$ 25 million. This will enable the company to consolidate as a major player in the supply of marine, vegetable and animal protein for aquaculture and animal feed. Selecta increased its soy concentrate production capacity by 25% and

started up a non-GMO soy lecithin plant, a by-product of soy oil for human consumption, which has outstanding properties as an antioxidant and emulsion.

In April, the company acquired 99.9% of Astilleros Arica S.A., a company that undertakes a large part of the maintenance of its fleet, for approximately US\$ 11.8 million.

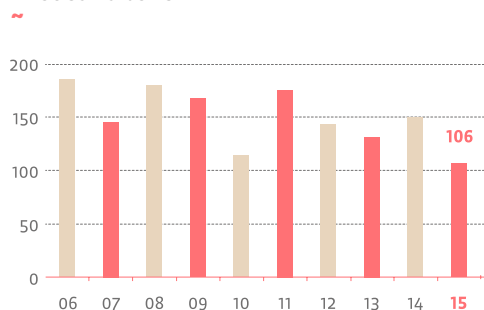
In December, Corpesca also made a binding offer for 30% of FASA, a company that produces high quality protein concentrates for animal feed. This transaction will require an investment of US\$ 43 million.

At the same time, the company, through the Marine Applied Research Center (CIAM), continued to undertake research work to further knowledge and assure the sustainability of the marine ecosystem. To such effect, it signed an agreement with the Sustainable Fisheries Partnership (SFP), an international NGO that works on the sustainability of fisheries, to develop a fisheries improvement project focused on anchovy in the north of Chile. In turn, the CIAM undertook various dissemination activities, like studies, seminars and training.

In 2016, the company will continue to develop initiatives to optimize its operating standards, and consolidate and diversify its productive capacity.

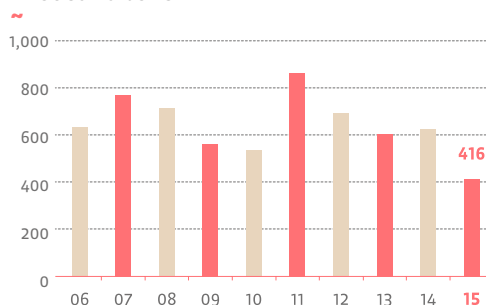
## FISHMEAL SALES

Thousand tons



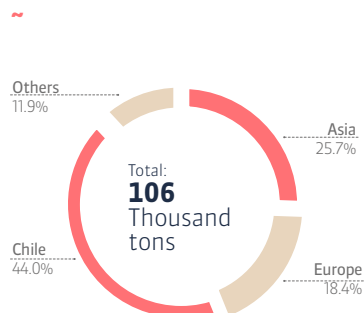
## PROCESSED CATCH

Thousand tons



## FISHMEAL PER MARKET

2015





# ORIZON



Orizon S.A. was established in 2010 after the merger of the operating assets of SPK and Pesquera San José.

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

Orizon thereby produces fishmeal and fish oil, canned and frozen fish, which are marketed under the San José, Colorado, Wirembo, Lenga and Atlas brands. The company also markets rice and vegetables under the San José brand.

In 2015, Orizon's catches amounted to 75,000 tons, 2.2% down on the previous year. The company's share of nonprofessional fishing catches amounted to 91,000 tons, a 25.8% year-on-year decrease. That was due to lower catches of common sardine and anchovy.

This meant that fishmeal production amounted to 27,000 tons, which was 14.6% down on 2014, and fish oil output was 6,000 tons, which was 48.3% lower than the previous year.

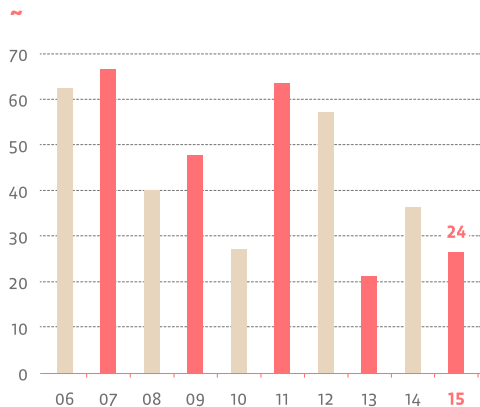
Physical sales were 24,000 tons of fishmeal, 5,000 tons of fish oil, 2.0 million cases of canned fish and 14,000 metric tons of frozen fish. Fishmeal, fish oil and canned fish were mainly sold in the domestic market, and frozen fish products principally in Spain, Peru and Japan.

In 2016, Orizon will continue to work on offering its customers quality food solutions and thereby consolidate its presence in the global food market.

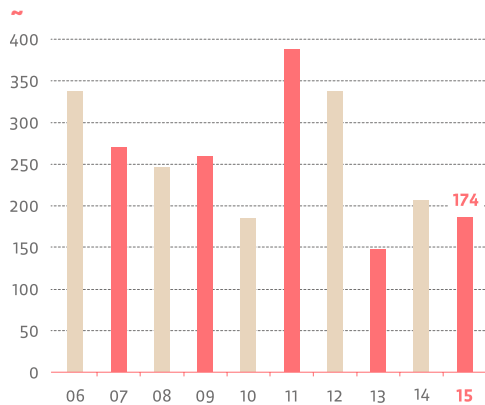


**FISHMEAL SALES**

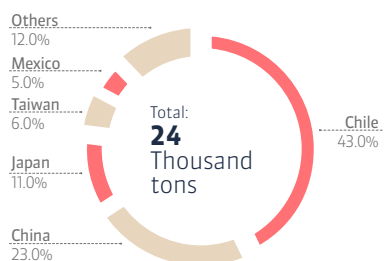
Thousand tons

**PROCESSED CATCH**

Thousand tons

**FISHMEAL SALES PER MARKET**

2015







# 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%.

The company has a plant with a production capacity of 2,000 tons of finished product a year. The first phase of this facility produces products with concentrations of up to 60% of Omega-3 fatty acids in accordance with the stringent pharmaceutical standards of the US Food and Drug Administration (FDA). The second phase 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. This process enables the company to produce concentrates with neutral

organoleptic properties that remain stable over time and allows them to be added to foods.

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.

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.

In 2015, the company made progress with the pharmaceutical certification process of its Omega-3 concentrate plant, which will enable it to sell its products as active pharmaceutical ingredients.

Complementing this, the company secured approval for the patent on the super concentration technology. It thereby has three patents approved in the United States.

In the commercial area, Golden Omega continued to work on launching its products in the leading global markets.

Furthermore, it entered into commercial agreements with processing companies that use Omega-3 concentrates and super concentrates as a raw material to produce products of high value for the pharmaceutical industry in the United States, Europe and Japan.

Bioambar SpA and Harvard University continued to make progress with studies to detect the benefits that Omega-3 concentrates might have for cell health.

# OTHERS INVESTMENTS





# INMOBILIARIA LAS SALINAS



Inmobiliaria Las Salinas was established in 2012 to concentrate in one single company the lands of the former Las Salinas plant and thereby establish a new urban area for the coastline of Viña del Mar.

This plot of land has a total surface area of 16 hectares and Copec bought it in various stages. As of 2000 and after agreeing with the Municipality of Viña del Mar to end industrial activity in the area, the company has undertaken a series of environmental restoration works to reconvert the area and transform it into a sustainable and high standard center.

In 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. 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 2008, participated.

In 2015, Inmobiliaria Las Salinas made progress with the environmental remediation of lands it started in 2001 to lift the risk restriction for real estate use and thereby guarantee the safety of those who live, work and move around this new urban development. In this context, the company

conducted a new sampling plan to obtain an updated, thorough and statistically representative environmental characterization the land and water. The information obtained in this process will be added to the environmental impact study to be submitted in the second half of 2016.

Likewise, the company made large progress with the structuring of the master plan, which establishes the guidelines, specifications and standards for this new neighborhood. This proposal considers architecture in line with the city of Viña del Mar, with suitable highways for road and pedestrian connectivity and preference given to the development of public spaces, which will account for 40% of the total surface areas. Due to this, this initiative will aim to get Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) certification to become the first sustainable neighborhood in Chile and the second in Latin America.

It should be mentioned that in the development of the master plan the company has maintained ongoing dialogue with the main urban players, such as neighbors, authorities, NGOs, universities, among others, to include the social dynamics of the city and respect its idiosyncrasies.



# MINA INVIERNO



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

The company has four sub-bituminous coal deposits on Riesco Island called Invierno, Río Eduardo, Elena and Adela, with resources of over 500 million tons and reserves of 251 million tons. In the case of Invierno, the company has mining rights up to 2017 and it can exercise a call option late that year.

Mina Invierno uses an open-cut mining technique for its operations known as the “mobile pit,” which entails filling in the areas mined as the material is removed to minimize use of the outside surface area.

Complementing this, the company 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 1,000 sheep and 2,000 cattle graze to show that livestock activity and coal mining can be undertaken simultaneously. In 2015, Mina Invierno adjusted its production rate amounting to 3 million tons of coal, a 23.9% year-on-year decrease. The domestic market accounted for 76% of the total sales, and Asia and Europe the remaining 24%.

Complementing this, the company undertook a series of actions to attain greater operating efficiency, reduce costs and raise the productivity of the coal mining process.

In the commercial area, Mina Invierno carried out a plan to review and renegotiate supplier contracts and it maintained those supply contracts with AES

Gener and E-CL of the Engie International group. It also drove a coal sale process to export directly to final customers in the mentioned export markets.

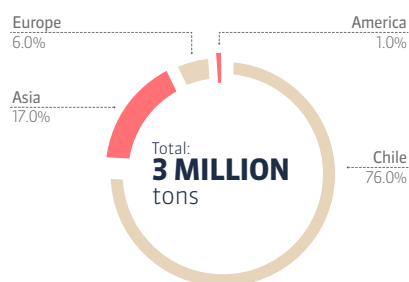
The company submitted an environmental impact statement to the authorities to add the use of low charge blasting to raise the productivity of the

mining process. At the same time, the company started works to enhance the maritime terminal to be able to receive larger Capesize-type vessels.

In 2016, Mina Invierno will carry on working to increase its productivity, reduce costs and make a major contribution to employment in the region.

### SALES PER MARKET

2015



### COAL PRICE

US\$/ton



Source / International Coal Report, Northwest Europe CIF 6,000 Kcal/Kg



# ALXAR MINERÍA



Compañía Minera Can-Can was established in 1991 to explore and mine mid-sized gold, silver and copper deposits, which is now called Alxar Minería.

The company and its subsidiaries have mining properties in the Arica and Parinacota, Antofagasta, Atacama and Valparaíso regions. These include the El Bronce and Botón de Oro deposits in the Province of Petorca, Choquelimpie in the Province of Parinacota, and Diego de Almagro in the Province of Chañaral.

In 2015, Alxar Minería sold over 3,000 ounces of gold equivalent, a 72.7% year-on-year decrease. That was due to the temporary stoppage of the El Bronce mine site in the second half of the year.

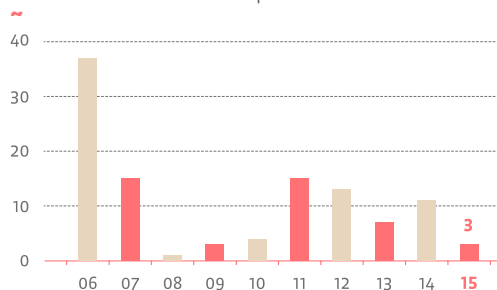
At the same time, the company continued to make progress with defining the Sierra Norte project, undertaking drilling and metallurgical tests to determine the quantity and quality of its reserves.

It should be mentioned that in 2015 the company secured approval of its environmental impact study for this project.

In 2016, the company will continue working to become a major player in the Chilean mining industry. It is therefore analyzing new growth opportunities that have an interesting future outlook.

## SALES

Thousand of ounces equivalent





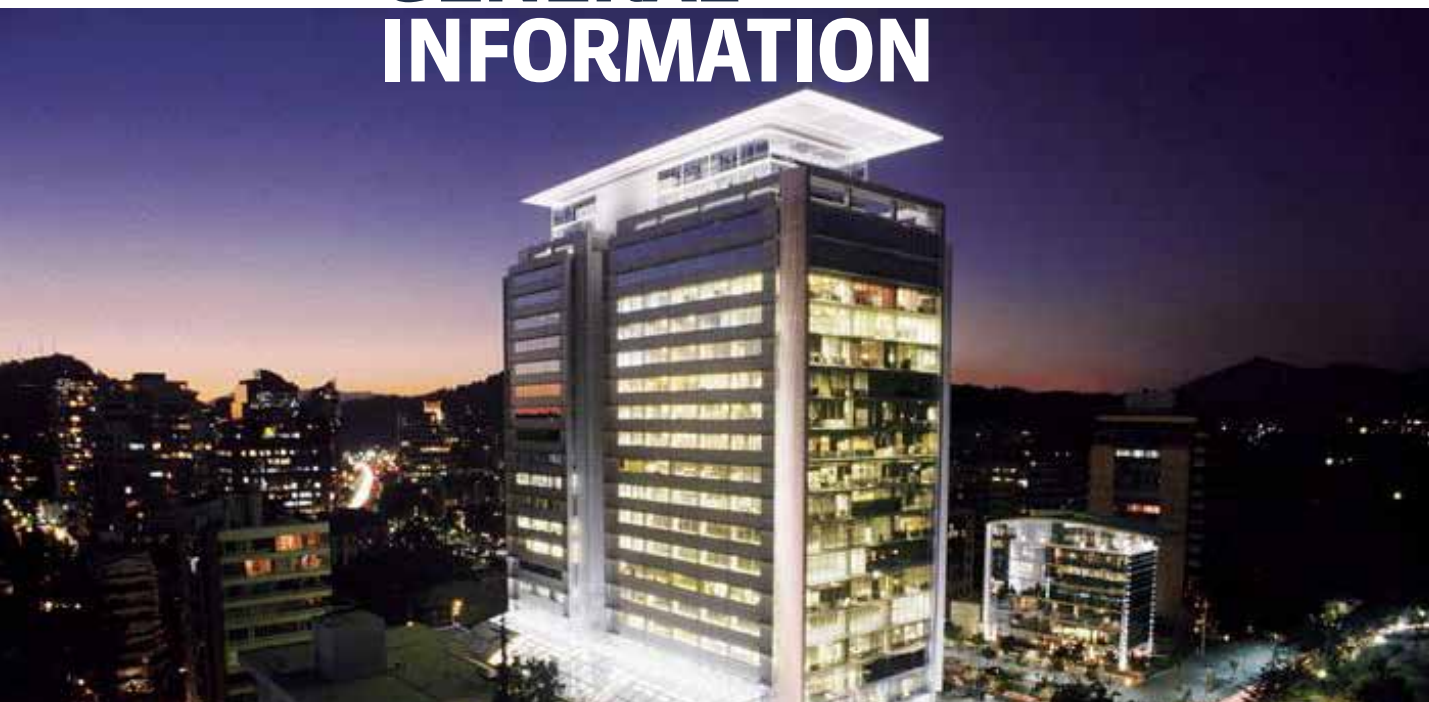
# **FINANCIAL INFORMATION**







# GENERAL INFORMATION



## COMPANY OWNERSHIP

Shareholder Name <sup>(1)</sup>	Taxpayer Code N°	N° of Shares	%
AntarChile S.A. <sup>(2)</sup>	96.556.310-5	790,581,560	60.82
Banco de Chile por Cuenta de Terceros	97.004.000-5	50,018,392	3.85
Banco Itaú por Cuenta de Inversionistas	76.645.030-K	36,338,624	2.80
Forestal y Pesquera Callaqui S.A.	96.513.480-8	29,731,091	2.29
Viecal S.A.	81.280.300-K	29,439,066	2.26
Minera Valparaíso S.A.	90.412.000-6	22,027,125	1.69
AFP Provida	98.000.400-7	20,001,748	1.54
Banco Santander – JP Morgan	97.036.000-K	19,397,141	1.49
AFP Habitat	98.000.100-8	19,194,603	1.48
Forestal y Pesquera Copahue S.A.	79.770.520-9	18,692,371	1.44
AFP Capital	98.000.000-1	17,793,828	1.37
AFP Cuprum	98.001.000-7	16,260,991	1.25
Subtotal		1,069,476,540	
<b>TOTAL SHARES</b>		<b>1,299,853,848</b>	

(1) Twelve major shareholders

(2) The shareholder AntarChile S.A. holds more than 10% of the company capital

There were 7,514 shareholders for the year ended December 31, 2015

# CONTROLLERS

For the year ended December 31, 2015, Empresas Copec S.A. was controlled by the publicly-traded corporation AntarChile S.A., taxpayer code N° 96.556.310-5, owner of 60.820804% 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, 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 0.001865% of Empresas Copec S.A.'s stock and Mrs. Patricia Angelini Rossi is the direct owner of 0.000192% 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, taxpayer code N°13.026.010-1: 0.000048%, Mr. Maurizio Angelini Amadori, taxpayer code N°13.232.559-6: 0.000048%, Mr. Claudio Angelini Amadori, taxpayer code N°15.379.762-5: 0.000048%, Mr. Mario Angelini Amadori, taxpayer code N°16.095.366-7: 0.000048%, Mr. Franco Roberto Mellafe Angelini, taxpayer code N°13.049.156-1: 0.000064%, Mr. Maximiliano Valdés Angelini, taxpayer code N°16.098.280-2: 0.000064%, and Ms. Josefina Valdés Angelini, taxpayer code N°16.370.055-7: 0.000064%.

As already mentioned, AntarChile S.A. is controlled by its final controllers, with an agreement of acting jointly legalized, which has no limitations on the free disposal of shares, who are the above-mentioned Mrs. María Nosedá Zambra, 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 0.211269% of

the shares issued by AntarChile S.A.; and a.2) Mrs. Patricia Angelini Rossi is the direct owner of 0.225283% of the shares issued by AntarChile S.A. Total shares of AntarChile S.A. directly owned by the final controllers: 0.436552%, b) Shares of AntarChile S.A. owned indirectly 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 63.401503% of the shares issued by AntarChile S.A., and indirect owner of, through its subsidiary Inmobiliaria y Turismo Río San José S.A., 0.073300% 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 64.954356% broken down as follows: 1) Mrs. María Nosedá Zambra is the direct owner of 10.944020%; 2) Mr. Roberto Angelini Rossi is the direct owner of 5.377325% and indirectly of 16.992312% through Inversiones Arianuova Limitada, taxpayer code N°76.096.890-0, of which he has 99% of the corporate rights, and 3) Mrs. Patricia Angelini Rossi is the direct owner of 5.105316% and indirectly the owner of 13.699321% through Inversiones Rondine Limitada, taxpayer code N°76.096.090-K, of which she has 99% of the corporate rights; 4) Mr. Roberto Angelini Rossi and Mrs. Patricia Angelini Rossi, indirectly 7.334892% owned by the former and 5.501170% by the latter, the corporate rights of Inversiones Angelini y Compañía Limitada through Jean Pierre Corp, taxpayer code N°59.008.780-7 (7.298763% of the corporate rights of Inversiones Angelini y Compañía Limitada), Yolab Investment Corp., taxpayer code N°59.008.790-4 (0.550382% of the corporate rights of Inversiones Angelini y Compañía Limitada), and Vengalia Group Inc., taxpayer code N°59.075.180-4 (4.986917% of the corporate rights of Inversiones Angelini y Compañía Limitada), companies in which each one of them has a shareholding of 57.142857% and 42.857143%, respectively. On the other hand, Jean Pierre Corp. and Yolab Investment Corp. are



direct shareholders of AntarChile S.A. with the former having 5.525419% and the latter 4.577457%.

c) Mr. Roberto Angelini Rossi has by-law control of Inversiones Golfo Blanco Limitada, taxpayer code N°76.061.995-7, which owns 18.357026% of the corporate rights of Inversiones Angelini y Compañía Limitada. The partners of Inversiones Golfo Blanco Limitada are: (i) Mr. Roberto Angelini Rossi with 0.000111% of the corporate rights; and (ii) Mr. Maurizio Angelini Amadori, taxpayer code N°13.232.559-6, Mrs. Daniela Angelini Amadori, taxpayer code N°13.026.010-1, Mr. Claudio Angelini Amadori, taxpayer code N°15.379.762-5, and Mr. Mario Angelini Amadori, taxpayer code N°16.095.366-7 with 24.999972% of the corporate rights each.

Mrs. Patricia Angelini Rossi also has by-law control of Inversiones Senda Blanca Limitada, taxpayer code N°76.061.994-9, owner of 14.793925% of the corporate rights of Inversiones Angelini y

Compañía Limitada. The partners of Inversiones Senda Blanca Limitada are: (i) Mrs. Patricia Angelini with 0.0000139% of the corporate rights; and (ii) Mr. Franco Mellafe Angelini, taxpayer code N°13.049.156-1, Mr. Maximiliano Valdés Angelini, taxpayer code N°16.098.280-2, and Ms. Josefina Valdés Angelini, taxpayer code N°16.370.055-7, with 33.333287% of the corporate rights each.

Based on the above, the controller group of AntarChile S.A., already defined, has a total direct and indirect shareholding percentage of 74.014231%.

Lastly, it is left on record that the aforementioned Inversiones Angelini y Compañía Limitada is the direct owner of 0.150750% of Empresas Copec S.A.'s stock, and the indirect owner, through its affiliate Inmobiliaria y Turismo Rio San José S.A., of 0.049339% of the stock of 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 power:

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 Pacífico 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 (Matte Group), whose control is indirectly exercised by the following members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families who have an agreement of acting jointly legalized:

Patricia Matte Larraín, taxpayer code N°4.333.299-6 and her children María Patricia Larraín Matte, taxpayer code N°9.000.338-0, María Magdalena Larraín Matte, taxpayer code N°6.376.977-0, Jorge Bernardo Larraín Matte, taxpayer code N°7.025.583-9, and Jorge Gabriel Larraín Matte, taxpayer code N°10.031.620-K.

Eliodoro Matte Larraín, taxpayer code N°4.336.502-2, and his children Eliodoro Matte Capdevila, taxpayer code N°13.921.597-4, Jorge Matte Capdevila, taxpayer code N°14.169.037-K, and María del Pilar Matte Capdevila, taxpayer code N°15.959.356-8.

Bernardo Matte Larraín, taxpayer code N°6.598.728-7 and his children Bernardo Matte Izquierdo, taxpayer code N°15.637.711-2, Sofía Matte Izquierdo, taxpayer code N°16.095.796-4, and Francisco Matte Izquierdo, taxpayer code N°16.612.252-K.

## TRANSFERS

The changes in the shareholdings of the major shareholders of Empresas Copec S.A. from December 31, 2014 through December 31, 2015 are outlined below.

Banco de Chile on behalf of third parties increased its shareholding from 45,482,841 shares to 50,018,392 shares. Banco Itaú on behalf of investors reduced its shareholding from 43,793,203 shares to

36,338,624 shares. AFP Provida increased its shareholding from 16,518,424 to 20,001,748 shares. Banco Santander – JP Morgan increased its shareholding from 18,632,657 to 19,397,141 shares. AFP Habitat increased its shareholding from 15,125,097 to 19,194,603 shares. AFP Capital increased its shareholding from 16,383,243 to 17,793,828 shares. AFP Cuprum increased its shareholding from 14,477,069 to 16,260,991 shares.

## SHAREHOLDING OF DIRECTORS AND SENIOR MANAGEMENT

For the year ended December 31, 2015, 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 is the direct owner of 108 shares accounting for a 0.000% shareholding of Empresas Copec and participates in companies which own 77,343 shares accounting for a 0.006% shareholding of the same company.
- b) Mr. Roberto Angelini Rossi is the direct owner of 24,242 shares, accounting for a 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 and nor does he participate in companies with a shareholding of the same company.
- d) Mr. Mateo Budinich Diez has no direct shareholding of Empresas Copec and nor does he participate in companies with a shareholding of the same company.
- e) Mr. Juan Edgardo Goldenberg Peñafiel is the direct owner of 10,000 shares which account for a 0.001% shareholding of Empresas Copec.
- f) Mr. Arnaldo Gorziglia Balbi is the direct owner of 10,000 shares which account for a 0.001% shareholding of Empresas Copec.
- g) Mr. Carlos Hurtado Ruiz-Tagle is the direct owner of 10,000 shares which account for a 0.001% shareholding of Empresas Copec.
- h) Mr. Bernardo Matte Larraín is the direct owner of 274,497 shares which account for a 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 and nor does he participate in companies that are shareholders of the same company.
- b) Mr. José Tomás Guzmán Rencoret is the direct owner of 5,399 shares which account for a 0.000% shareholding of Empresas Copec and participates in companies that own 710,714 shares which account for a 0.055% shareholding of the same company.
- c) Mr. Rodrigo Huidobro Alvarado is the direct owner of 1,067 shares which account for a 0.000% shareholding of Empresas Copec.
- d) Mr. Jorge Ferrando Yáñez has no direct shareholding of Empresas Copec and 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, is the owner of 2,552 shares which account for a 0.000% shareholding of Empresas Copec.
- e) Mr. Sergio Prieto Arrate is the direct owner of 1,028 shares which account for a 0.000% shareholding of Empresas Copec.
- f) Mr. Cristián Palacios González has no direct shareholding of Empresas Copec and 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 and nor does she participate in companies that are shareholders of the same company.
- h) Mr. Ricardo Vargas Bernal is the direct owner of 42 shares which account for a 0.000% shareholding of Empresas Copec and participates in companies that own 400 shares which account for a 0.000% shareholding of the same company.



## STOCK MARKET INFORMATION

In 2015, Empresas Copec's stock was traded on the Santiago Stock Exchange, the Valparaíso Stock Exchange and the Chile Electronic Exchange:

	N° of shares traded	Total amount traded (ThCh\$)	Average Price (Ch\$)
1Q - 2013	33,286,640	236,520,772	7,105.58
2Q - 2013	35,937,360	238,092,775	6,625.22
3Q - 2013	33,696,318	231,282,929	6,863.74
4Q - 2013	30,852,078	224,080,230	7,263.05
1Q - 2014	30,783,549	216,196,207	7,023.11
2Q - 2014	25,083,116	184,347,687	7,349.47
3Q - 2014	35,134,928	254,937,164	7,255.95
4Q - 2014	26,803,382	188,676,138	7,039.27
1Q - 2015	25,673,307	180,576,768	7,033.64
2Q - 2015	25,727,879	180,767,685	7,026.14
3Q - 2015	25,340,368	167,967,826	6,628.47
4Q - 2015	28,118,964	177,011,555	6,295.10



## CAPITAL STOCK

The company's subscribed and paid-up capital amounted to US\$ 686,113,724.13 for the year ended December 31, 2015, distributed into 1,299,853,848 subscribed and paid-up shares.

The balance sheet had profits of US\$ 539,307,361.80 for the year ended December 31, 2015, which is proposed to be distributed as follows:

PROFIT DISTRIBUTION	US\$
To cover interim dividend N°30 of US\$0.059027 per share paid in December 2015 and agreed on in November 2015.	76,726,473.09
To cover final dividend N°31 of US\$0.1054730 per share, to be distributed.	137,099,484.91
To the accrued profit surplus fund	325,481,403.80
<b>TOTAL NET INCOME IN THE YEAR</b>	<b>539,307,361.80</b>

Should the Shareholders' Meeting approve the distribution proposed, the following will be the breakdown of the equity accounts:

FINAL BREAKDOWN OF THE EQUITY ACCOUNTS	ThUS\$
Paid-up capital	686,114
Other reserves	(1,300,692)
Withheld earnings	9,974,213
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,359,635</b>

The Board agreed to propose to the Ordinary General Shareholders' Meeting, which will analyze this Annual Report, a final dividend distribution of US\$ 0.1054730 per share. This amount, plus interim dividend N°30 paid in December 2015, gives a total dividend distribution of US\$ 213.83 million, which accounts for 40.07% of the net income in 2015, according to the breakdown below:

DIVIDENDS DISTRIBUTION	ThUS\$
Net income in the year according to the balance sheet	539,307
Adjustments to the distributable net income	(5,685)
<b>Distributable Net Income</b>	<b>533,622</b>
30% minimum legal dividend	160,087
<b>Actual Dividends:</b>	
Interim dividend distributed in December 2015 of US\$0.059027 per share	76,726
Plus: Final dividend proposed by the Board and to be distributed of US\$0.1054730 per share.	137,099
<b>TOTAL DIVIDENDS FOR INCOME IN 2015</b>	<b>213,826</b>
<b>ACTUAL PERCENTAGE OF NET INCOME</b>	<b>40.07%</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.

DIVIDENDS	Date	US\$/share
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
Final N°29	May 2015	0.142471
Interim N°30	December 2015	0.059027



## DIRECTORS' COMMITTEE



Pursuant to circular letter N°1.956 of the Superintendency of Securities and Insurance (SVS), dated December 22, 2009, an ordinary board meeting held on May 29, 2014 appointed the members of the Directors' Committee referred to in article 50 bis of Law N°18.046. The members appointed were Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel and Álvaro Fischer Abeliuk. It should be noted that the latter was appointed president of the Committee in a meeting held on June 25, 2014. Nevertheless, due to the resignation of Mr. Álvaro Fischer Abeliuk and the subsequent incorporation of Mr. Mateo Budinich Diez to replace him, an ordinary board meeting held on September 24, 2015, approved the appointment of Messrs. Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel and Mateo Budinich Diez as members of the Directors' Committee, and the latter was appointed president of the Committee in a meeting held on September 30, 2015.

In 2015, the Committee fulfilled its duties and exercised the faculties set forth by law which, among other matters, entailed analyzing the reports submitted by the independent 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 such Title, noting that the operations undertaken were in accordance with market conditions.

The main issues reviewed by the Directors' Committee in 2015 are outlined below.

### MEETING N°91, HELD ON MARCH 6, 2015

- 2014 financial statements and independent auditors' report.  
It was agreed to approve the 2014 financial statements and the independent auditors' report.
- Contracts with related companies  
Review of transactions with related companies in 2014, no remarks.
- Leasing contract with a subsidiary.  
It was agreed to recommend to the company Board to enter into a leasing contract with Inmobiliaria Las Salinas.

### MEETING N°92, HELD ON MARCH 26, 2015

- Independent 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 PwC as the company's independent auditors for 2015.
- 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 2015.

#### MEETING N°93, HELD ON MAY 15, 2015

- Review of the financial statements for the first quarter of 2015.

It was agreed to approve the financial statements for the first quarter of 2015.

- Contracts with related companies.  
Review of transactions with related companies in the first quarter of 2015 with no remarks.

#### MEETING N°94, HELD ON SEPTEMBER 2, 2015

- Financial Statements for the first half of 2015 and Auditors' Reports.

It was agreed to approve the financial statements for the first half of 2015 and the external auditors' report.

- Contracts with related companies  
Review of transactions with related companies in 2014, no remarks.

#### MEETING N°95, HELD ON SEPTEMBER 30, 2015

- Appointment of the president of the Directors' Committee

Mr. Mateo Budinich Diez was appointed president of the Directors' Committee.

- Portfolio management tender  
It was agreed to recommend to the company Board the approval of the portfolio management to be handed over by the company to third parties.
- Transactions with related parties o The company approved the legal service fees of Portaluppi, Guzmán and Bezanilla Asesorías Limitada.  
The company approved a service contract being entered into with Sigma S.A.

#### MEETING N°96, HELD ON NOVEMBER 20, 2015

- Financial Statements for the third quarter of 2015.

It was agreed to approve the financial statements for the third quarter of 2015

- Contracts with Related Companies  
Review of transactions with related companies for the third quarter of 2015, no remarks.
- Risk Management and Internal Audit  
Servicios Corporativos Sercor S.A. presented corporate governance, risk management, and internal audit issues at Empresas Copec S.A.

#### MEETING N°97, HELD ON DECEMBER 29, 2015

- Internal control and progress status of the external audit.

The company acknowledged the internal control report submitted by the independent auditors PwC.

- Internal Audit  
Servicios Corporativos Sercor S.A. submitted an internal audit report on Empresas Copec S.A.
- Remuneration system for managers and senior officers

A review of the company's remuneration system for managers and senior officers was presented.

In 2015, the Committee incurred the following expenses for the exercise of its duties:

a) US\$ 68,532 for remunerations paid to its members, which were approved in the last Ordinary Shareholders' Meeting.

b) US\$ 31,714 for legal service fees.

The Committee prepared an annual management report, which will be reported in the next Ordinary Shareholders' Meeting.





## BOARD OF DIRECTORS

Messrs. Jorge Andueza Fouque, Roberto Angelini Rossi, Andrés Bianchi Larre, Álvaro Fisher Abeliuk, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, José Tomás Guzmán Dumas, Carlos Hurtado Ruiz-Tagle and Bernardo Matte Larraín have been company directors since April 2014.

In a company Board meeting held on August 27, 2015, the resignation of Mr Álvaro Fisher Abeliuk as an independent director was informed and accepted.

In an Extraordinary Board Meeting held on September 21, 2015, Mr. Mateo Budinich Diez was appointed the new independent director.

In a company Board meeting held on December 30, 2015, the resignation of Mr. José Tomás Guzmán Dumas as a director and Vice-Chairman was informed and accepted.

In accordance with current legislation, the next Ordinary General Shareholders' Meeting will elect the company Board for the next three-year period.

## BOARD REMUNERATION

Pursuant to what is laid down in Law N°18.046, the Ordinary General Shareholders' Meeting held on April 22, 2015, agreed on the Board remuneration for this period.

The gross remunerations received by each director in the 2015 period amounted to: Mr. Roberto Angelini Rossi: US\$ 228,444 (US\$ 251,322 in 2014); Mr. José Tomás Guzmán Dumas: US\$ 91,378 (US\$ 100,529 in 2014); Messrs. Jorge Andueza Fouque, Andrés Bianchi Larre, Juan Edgardo Goldenberg Peñafiel, Arnaldo Gorziglia Balbi, Carlos Hurtado Ruiz-Tagle and Bernardo Matte Larraín: US\$ 45,689 (US\$ 50,264 in 2014); Mr. Álvaro Fisher Abeliuk: US\$ 31,160 (US\$ 33,337 in 2014); Mr. Mateo Budinich Diez: US\$ 14,528 (US\$ 0 in 2014).

Furthermore, the following members of the company's Directors' Committee received gross remunerations as follows: Messrs. Andrés Bianchi Larre and Juan Edgardo Goldenberg Peñafiel US\$ 22,844 each (US\$ 25,138 in 2014), Mr. Álvaro Fisher Abeliuk US\$ 15,580 (US\$ 16,668 in 2014), and Mr. Mateo Budinich Diez US\$ 7,264 (US\$ 0 in 2014). 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 remuneration for serving as directors on the boards of the following subsidiaries:

For their service at Celulosa Arauco y Constitución S.A.: Mr. Roberto Angelini Rossi: US\$ 68,993 (US\$ 76,212 in 2014); Mr. José Tomás Guzmán Dumas: US\$ 55,196 (US\$ 60,970 in 2014); Mr. Jorge Andueza Fouque: US\$ 68,993 (US\$ 76,212 in 2014).

For their service at Forestal Arauco S.A.: Mr. Roberto Angelini Rossi, Mr. José Tomás Guzmán Dumas and Mr. Jorge Andueza Fouque: US\$ 55,336 (US\$ 60,669 in 2014).

For their service at Arauco Argentina S.A.: Mr. Roberto Angelini Rossi: US\$ 18,000 (US\$ 36,000 in 2014); Mr. José Tomás Guzmán Dumas: US\$ 27,000 (US\$ 66,000 in 2014); Mr. Jorge Andueza Fouque: US\$ 18,000 (US\$ 36,000 in 2014).

For their service at Compañía de Petróleos de Chile Copec S.A.: Mr. Roberto Angelini Rossi: Ch\$ 90,214,000 (Ch\$ 86,436,000 in 2014); Mr. José Tomás Guzmán Dumas: Ch\$ 36,086,000 (Ch\$ 34,575,000 in 2014); Mr. Jorge Andueza Fouque: Ch\$ 18,043,000 (Ch\$ 17,287,000 in 2014), and Mr. Bernardo Matte Larraín: Ch\$ 12,134,000 (Ch\$ 17,287,000 in 2014).

For his service at Organización Terpel S.A.: Mr. Jorge Andueza Fouque: US\$ 5,911 (US\$ 10,332 in 2014).

For their service at Pesquera Iquique-Guanaye S.A.: Messrs. Roberto Angelini Rossi and Jorge Andueza Fouque: US\$ 22,834 (US\$ 25,132 in 2014).

For their service at Orizon S.A.: Mr. Roberto Angelini Rossi: US\$ 22,880 (US\$ 25,140 in 2014) and Mr. Jorge Andueza Fouque: US\$ 32,149 (US\$ 39,196 in 2014).

For his service at Alxar Minería S.A.: Mr. Roberto Angelini Rossi: US\$ 22,881 (US\$ 22,238 in 2014).

The next Ordinary General Shareholders' Meeting shall establish the directors' remuneration for 2016.



## SENIOR MANAGEMENT

The following people were the company managers in 2015: Eduardo Navarro Beltrán (CEO 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 remuneration and bonuses received by company managers in 2015 amounted to US\$ 2,234,000 (US\$ 2,544,000 in 2014), who on average received variable compensation of 32.7% of the remunerations.

Bonuses are voluntary and are determined based on the company's results. In 2015, there were no severance payments made to the company's senior managers and officers.



## RELATED PARTY BALANCES AND TRANSACTIONS

The information on related party balances and 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 subsidiaries reported the following significant or essential events to the Superintendency of Securities and Insurance (SVS) in 2015:

### I. PARENT COMPANY

**1.-** On March 26, 2015, the company reported the following to the SVS: "A company board meeting, held on March 26, 2015, unanimously agreed to propose to the company's ordinary shareholders' meeting, summoned for April 22, the payment of a minimum compulsory final dividend indicated below, charged to the profits for the year ended December 31, 2014, and charged to income of such year:

Dividend N° 29 of US\$ 0.142471 per share, single series.

This dividend shall be paid in Chilean pesos, national currency, according to the "observed dollar" exchange rate published in the Official Gazette on May 8, 2015.

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

If this dividend is approved by the mentioned shareholders' meeting, it shall be paid as of May 14, 2015, from 09:00 hours at the company share department, located at Avda. El Golf N°140, district of Las Condes, with normal business hours of 09:00 to 17:00 hours Monday through Friday. For those shareholders who have asked the company, the mentioned dividend shall be deposited in their checking account or they shall be sent their check by mail, accordingly.

Those shareholders listed in the company shareholders' registry at midnight, on May 8, 2015, shall be entitled to the dividend mentioned above, if it is approved by the shareholders' meeting.

The notification informing shareholders of the agreement reached by the mentioned ordinary shareholders' meeting about this dividend shall be published in the El Mercurio newspaper of Santiago, May 5, 2015 edition.

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

The information contained in this significant event is reported as essential, in accordance with what is established by that Superintendency in Circular Letter N°660 of 1986.

This communication is signed by the company CEO Mr. Eduardo Navarro Beltrán, who is duly empowered for this by the company Board."

**2.-** On April 6, 2015, the company reported the following to the SVS: "I hereby inform you that the company will hold an Ordinary Shareholders' Meeting on April 22, at 11:30 hours, in the SOFOFA Auditorium, located at Avenida Andrés Bello N°2777, 2nd floor, district of Las Condes, Santiago, in which the following issues will be addressed:

a) Submit the company's financial statements for the year ended December 31, 2014, and the Board's Annual Report for the Shareholders' Meeting decision and report on the performance of corporate business; b) Report on the operations undertaken by the company to which Title XVI of Law N°18.046 refers; c) Establish the Board remuneration for the next year; d) 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; e) Appoint the independent auditors and risk rating agencies; and f) Address any other issue of corporate interest of the competence of the type of Shareholders' Meeting mentioned.

As of April 10, 2015, shareholders can consult the company's financial statements closed for the year ended December 31, 2015, with their explanatory notes and the independent auditors' report on the company website at [http://investor.empresascopecl/wpcontent/uploads/2013/12/Estados\\_financieros90690000\\_201412.pdf](http://investor.empresascopecl/wpcontent/uploads/2013/12/Estados_financieros90690000_201412.pdf).

Complying with the second subparagraph of article 59 of Law N°18.046, the website [www.empresascopecl](http://www.empresascopecl) 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.

Pursuant to what was agreed by the company board in a meeting held on March 26, 2015, the payment of minimum compulsory final dividend N°29 of US\$ 0.142471 per share will be proposed to the mentioned ordinary general shareholders' meeting. The dividend shall be paid in Chilean pesos, national currency, according to

the “observed dollar” exchange rate published in the Official Gazette on May 8, 2015. The dividend shall be paid in cash and shall be allocated to the profits of the year ended December 31, 2014, 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 14, 2015, at the company’s share department, at Avda. El Golf N°140, district of Las Condes, with normal business 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, accordingly.

Those shareholders listed in the company shareholders’ registry at midnight on May 8, 2015, shall be entitled to the dividend mentioned above, if it is approved by the shareholders’ meeting.

Regarding the above-mentioned dividend, I inform you that the total shares with a right to such dividend are 1,299,853,848 shares, single series.

Those shareholders registered in the company’s Shareholders’ Registry at midnight on April 16, 2015, shall be entitled to participate in the company’s Shareholders’ Meeting. The notifications of summons to this meeting shall be published on April 6, 13 and 20, 2015 in El Mercurio newspaper of Santiago.

The company shall send the SVS a digital copy of the 2014 Annual Report through the SEIL module of the SVS, complying with General Regulation N°30 of 1989.”

**3.-** On November 30, 2015, the company reported the following to the SVS: “Today the company Inversiones Arauco Internacional Limitada, an affiliate of our subsidiary Celulosa Arauco y Constitución S.A., hereinafter referred to as Arauco, and hence an indirect subsidiary of our company, signed a share purchase agreement with Sonae Industrias (hereinafter referred to as Sonae), in which it agreed to acquire 50% of the shares of a Spanish subsidiary of Sonae, currently called Tafisa, which will later be called Sonae Arauco. The remaining percentage will continue to be controlled by Sonae, a company with which a shareholders’ agreement will be entered into.

Such share purchase agreement is subject to meeting the prior conditions established therein, which include approval by the corresponding free competition authorities, the restructuring of the total debt of the companies that will be controlled by the future Sonae Arauco (which would leave it total debt of about € 220 to € 230 million – two hundred and twenty to two hundred and thirty million euros), the company restructuring which incorporates companies that are of interest to Arauco and which are currently controlled by Sonae to the future Sonae Arauco, and the transfer to Sonae of some companies that are currently controlled by Tafisa and which are of no interest in the joint venture.

The operation is expected to be closed in the first half of next year, when the mentioned prior conditions have been met.

The price agreed on to acquire 50% of the shares of the future Sonae Arauco amounts to € 137,500,000 (one hundred and thirty-seven million five hundred thousand euros), which will be paid on closing the operation.

When the transaction is completed, Sonae Arauco and its subsidiaries will produce and market OSB, MDF and PB panels and sawn timber by means of two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa.

After the mentioned restructuring, the total production capacity of Sonae Arauco will be about 460,000 m³ of OSB, 1.45 million m³ of MDF, 2.27 million m³ of particle board panels and 100,000 m³ of sawn timber.

Empresas Copec believes that when this transaction is completed it will have a positive effect on the company’s results, notwithstanding that for the time being this is not possible to quantify.”

## II. SUBSIDIARY: CELULOSA ARAUCO Y CONSTITUCIÓN S.A.

**1.-** On November 30, 2015, the company reported the following to the SVS: “Today, Arauco through its subsidiary Inversiones Arauco Internacional Limitada, signed a share purchase agreement with Sonae Industrias (hereinafter referred to as Sonae), in which it agreed to acquire 50% of the shares of a Spanish subsidiary of Sonae, currently called Tafisa, which will later be called Sonae Arauco. The remaining percentage will continue to be controlled by Sonae, a company with which a shareholders’ agreement will be entered into.

Such share purchase agreement is subject to meeting the prior conditions established therein, which include approval by the corresponding free competition authorities, the restructuring of the total debt of the companies that will be controlled by the future Sonae Arauco (which would leave it total debt of about € 220 to € 230 million – two hundred and twenty to two hundred and thirty million euros), the company restructuring which incorporates companies that are of interest to Arauco and which are currently controlled by Sonae to the future Sonae Arauco, and the transfer to Sonae of some companies that are currently controlled by Tafisa and which are of no interest in the joint venture.

The operation is expected to be closed in the first half of next year, when the mentioned prior conditions have been met.

The price agreed on to acquire 50% of the shares of the future Sonae Arauco amounts to € 137,500,000 (one hundred and thirty-seven million five hundred thousand euros), which will be paid on closing the operation.

When the transaction is completed, Sonae Arauco and its subsidiaries will produce and market OSB, MDF and PB panels and sawn timber by means of two panel mills and a sawmill in Spain; two panel mills and a resin plant in Portugal; four panel mills in Germany and two in South Africa.

After the mentioned restructuring, the total production capacity of Sonae Arauco will be about 460,000 m<sup>3</sup> of OSB, 1.45 million m<sup>3</sup> of MDF, 2.27 million m<sup>3</sup> of particle board panels and 100,000 m<sup>3</sup> of sawn timber.

Arauco believes that when this transaction is completed it will have a positive effect on the company's results, notwithstanding that for the time being this is not possible to quantify."

### III. SUBSIDIARY: FORESTAL CHOLGUÁN S.A.

1.- On March 30, 2015, the company reported the following to the SVS: "In a company Board meeting held on that date, it was agreed to propose to our company Ordinary Shareholders' Meeting, summoned for April 21, payment of a minimum compulsory final dividend indicated below, which will be charged to the income of the year ended December 31, 2014.

Dividend N°38 of US\$ 0.021421616 per share.

The dividend shall be paid in Chilean pesos, national currency, according to the "observed dollar" exchange rate to be published in the Official Gazette on May 6, 2015.

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

Should the above-mentioned dividend be approved by the shareholders' meeting, it will be paid as of May 12, 2015, from 09:00 hours at the company's share department, located at Avda. El Golf N°140, district of Las Condes, with normal business hours of 09:00-17:00 hours Monday through Friday. For those shareholders who have asked the company, the mentioned dividend shall be deposited in their checking account or they shall be sent their check by mail, accordingly.

Those shareholders listed in the company shareholders' registry at midnight on May 6, 2015, shall be entitled to the dividend mentioned above, if it is approved by the shareholders' meeting.

The notification informing shareholders of the agreement reached by the mentioned ordinary general shareholders' meeting about this dividend shall be published in the El Mercurio newspaper of Santiago on April 29, 2015.

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

The information contained in this letter is reported as essential, in accordance with what is established by the SVS in Circular Letter N°660 of 1986."

### IV. SUBSIDIARY: PESQUERA IQUIQUE GUANAYE S.A.

1.- On April 2, 2015, the company reported the following to the SVS: "I hereby inform you that our company will hold an Ordinary General Shareholders' Meeting on April 21, at 16:30 hours, at Avenida El Golf N°150, 16th floor, district of Las Condes, Santiago, in which the following issues will be addressed:

a) Submit the company's financial statements for the year ended December 31, 2014, the Annual Report and report on the performance of corporate business for decision by the Shareholders' Meeting; b) Report on the operations undertaken by the company to which Title XVI of Law N°18.046 refers; c) Establish the Board remuneration for the next year; d) Appoint the independent auditors; and e) Address any other issue of corporate interest of the competence of the type of Shareholders' Meeting mentioned.

As of April 8, 2015, the company's financial statements ended December 31, 2014 will be available to shareholders, with

explanatory notes and the report of the external auditors, on the company's website at <http://www.igemar.cl/igemar/files/attachment/attachment/270/EEFF2014.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 listed in the company shareholders' registry at midnight on April 15, 2015, shall be entitled to participate in this meeting. The notification of summons to this meeting shall be published in the El Mercurio newspaper of Santiago on April 2, 9, and 16, 2015.

The company shall send the SVS a digital copy of the 2014 Annual Report through the SEIL module of the SVS, complying with General Regulation N°30 of 1989."

**2.-** On April 2, 2015, the following was informed: "Pursuant to what is established in and in compliance with letter "j", number "2, 3" of title 2, Section II of NCG 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 2, 2015 edition, in which the notification of the summons to the shareholders' meeting of the reference is published.

I also inform you that the second and third notification of the summons to such shareholders' meeting will be published on April 9 and 16, 2015, respectively, both in El Mercurio newspaper of Santiago."

## V. SUBSIDIARY: SOCIEDAD NACIONAL DE OLEODUCTOS S.A.

**1.-** On March 2, 2015, the company informed the SVS of the following: "In a Board meeting held on February 27, 2015, it was agreed to summon the company's shareholders to the 17th Ordinary Shareholders' Meeting, to be held on March 27, 2015 at 09:00 hours at the head office, located in Santiago at Avenida

Isabel La Católica N°4472, district of Las Condes, to submit the following issues for the consideration of the company's shareholders:

a) Approval of the Annual Report, balance sheet, financial statements and independent auditors' report for the year ended December 31, 2014; b) Distribution of the net income for the year ended December 31, 2014; c) Information on the dividend policy agreed on by the Board for 2015; d) Report the information established in Title XVI of Law N°18.046 on corporations; e) Appoint the independent auditors for 2015; f) Appoint the risk rating agencies for 2015; g) Fully renew the Board, due to the vacancy from the resignation of the directors, in compliance with what is laid down in the sixth article of the corporate by-laws; h) Address any other issues of corporate interest inherent to this type of Shareholders' Meeting."

**2.-** On March 2, 2015, the company informed the SVS of the following: "We hereby complement the significant event sent on March 2, 2015 concerning the summons to an Ordinary Shareholders' Meeting, in which it was informed that a Board meeting held on February 27, 2015 summoned an Ordinary Shareholders' Meeting.

In that meeting, it was also agreed to propose to the 17th Ordinary Shareholders' Meeting to be held on March 27, 2015, to allocate all the profits of Ch\$20,067,186,138 in 2014 to a dividend, firstly covering those interim dividends distributed for the year ended December 31, 2015 and amounting to Ch\$15,436,107,928; and to distribute the balance of Ch\$4,631,078,210 as a final dividend of Ch\$46.31078210 per share on April 29, 2015."

**3.-** On March 30, 2015, the company informed the SVS of the following: "The company's 17th Ordinary Shareholders' Meeting, held on March 27, 2015, due to the resignation of some directors, unanimously agreed to fully renew the Board, which will remain in office for three years as of the mentioned date.

The meeting agreed to appoint the following people as directors:

a) Mr. Fernando Prado Álvarez, as incumbent director, and Mrs. Lorena Oliver Jeréz as his alternate; b) Mr. Lorenzo Gazmuri Scheleyer, as incumbent director, and Mr. Ramiro Méndez Urrutia as his alternate; c) Mr. Frederic Chaveyriat, as incumbent director, and Mr. Juan Carlos Carrasco Baudrand as his alternate; d) Mr. Alejandro Álvarez Lorca, as incumbent director, and Mr. Leonardo Ljubetic Garib as his alternate; e) Mr. Erio Augusto Mathias Senos, as incumbent director, and Ms. Patricia Figueroa Mandiola as his alternate; f) Mr. Pablo Munita Del Solar, as incumbent director, and Ms. Mariangela Monteiro as his alternate; g) Mr. Marc Llambías Bernaus, as incumbent director, and Mr. Nicolás García Nielsen as his alternate; h) Mr. Nicolás Correa Ferrer, as incumbent director, and Mr. Alan Sherwin Lagos as his alternate; i) Mr. José Odone Odone, as incumbent director, and Mr. Eduardo Navarro Beltrán as his alternate.

In a Board meeting held on that same date, Mr. Fernando Prado Álvarez was elected president.”

**4.-** On July 2, 2015, the company informed the SVS of the following: “I hereby inform you as a significant event that on June 30, 2015 Mr. José Odone Odone, a director of the company, resigned as an incumbent director of Sociedad Nacional de Oleoductos S.A., effective as of July 1, 2015.”

**5.-** On July 3, 2015, the company informed the SVS of the following: “I hereby complement the significant event sent to you on July 2, 2015, informing you that in Meeting N°208, a Board meeting of Sociedad Nacional de Oleoductos S.A., held on June 30, 2015, unanimously and temporarily appointed Mr. Joaquín Cruz Sanfiel to replace Mr. José Odone Odone as an incumbent director until the next Ordinary Shareholders’ Meeting.”







## SUBSEQUENT EVENTS

After December 31, 2015, the company informed the SVS of the following significant event:

### I. PARENT COMPANY

1.-On January 29, 2016, the company informed the SVS of the following: "As established by the International Financial Reporting Standards (IFRS), the associate Laguna Blanca S.A. and its subsidiaries, which operate the Mina Invierno coal deposit, conducted an impairment test in 2014 of the value of its assets, which was undertaken, among other considerations, due to noting lower sales prices than originally budgeted on account of the prolonged drop in the international coal price. The mining costs were higher than those considered in the original assessment of the project. The results of the mentioned impairment test do not make it necessary to undertake asset impairment in 2014.

Nevertheless, due to the worsening scenario of low international coal prices in 2015, and in line with what companies in the mining industry have been doing, Laguna Blanca S.A. and its subsidiaries have conducted and completed a new impairment test of the asset items included in its balance sheet. The results obtained, which were validated by the independent auditors EY, entail a financial loss for Laguna Blanca S.A. of about US\$290 million, comprising impairment of the balance sheet amounts for property, plant and equipment, the value of undertaking inventories, intangibles and deferred tax assets. The negative effect on the income of Empresas Copec S.A. as of 12.31.2015, proportional to its shareholding, therefore amounted to approximately US\$ 145 million.

Such extraordinary accounting effect does not mean a cash outflow. In the future, depending on the evolution of

the coal price, operating costs and other critical factors, it might be necessary to conduct further studies to determine the economic value of the assets of Laguna Blanca S.A. The results of these analyses could lead to the need of recognizing additional losses, or partly reverting the losses generated this year due to impairment.

The subsidiary Compañía de Petróleos de Chile Copec S.A. has wound up and liquidated its subsidiary Copec Investments Limited, incorporated overseas, through which it had a 43.48% stake in the Colombian company Organización Terpel S.A. Such operation is part of a process started in 2013, aimed at simplifying and improving the corporate structure through which Compañía de Petróleos de Chile Copec S.A. has a shareholding in Terpel.

As a result of this operation, the subsidiary Compañía de Petróleos de Chile Copec S.A. will record a favorable effect on income in the last quarter of 2015 amounting to about Ch\$ 47,000 million, equivalent to approximately US\$ 67 million, essentially arising from tax losses related to the winding up of Copec Investments Limited. Empresas Copec S.A. will record this whole positive effect on income as of December 31, 2015.

All the aforementioned amounts are still pending final review by the management and independent auditors of Empresas Copec and the respective companies, so there could be changes, although these should not affect their amount. The Board of Empresas Copec S.A. has therefore deemed it necessary, and has unanimously agreed, to report these effects to the market, as both cases are major amounts in regard to the company's annual net income."



## SUPPLIERS AND CUSTOMERS

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

- Arauco: no supplier has such concentration.
- Copec: Enap Refinerías S.A. (47.3%).
- Abastible: Gasmar S.A. (48.0%); Enap Refinerías S.A. (12.0%).
- Sonacol: Constructora Aconcagua (15.0%).
- Igemar: no supplier has such concentration.

For each of the company's business segments, customers who individually concentrate 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. (47.0%); Compañía de Petróleos de Chile Copec S.A. (34.0%).
- Igemar: no customer has such concentration.



## BRANDS

Empresas Copec owns the following brands: "Empresas Copec," record N°s 742026, 742027, 742028 and, "EC", record N°s 733767, 733768 and 733769.

The company's business segments use the following brands to market their products:

a) Arauco: Arauco, Arauco EKP, Arauco UKP, Arauco BKP, Arauco Melamina, Arauco Color, Arauco PBO, AraucoPly, Alto Paraná Fluff, Durolac, Duraflake, Trupán, Faplac, MSD, DecoFaz, Hilam, Cholguán, TruChoice, Fibrex, Vesto.

b) Copec: Copec, Pronto, Punto, Zervo autoservicio 7.0, Tarjeta Copec Transporte (TCT), Cupón

Electrónico Copec, Chiletur Copec, Tarjeta de Abastecimiento en Empresas (TAE), EnRuta Copec, Viva Leer, Solvex, BlueMax, Renova, Taxiamigo, CilckCard, Lavamax, PagoClick Copec, ClickCard Copec, NeoGas, GeoGas, Voltex, S.O.S Copec, MobilTEC.

c) Abastible: Abastible, Autolavado Abastible Autogas, Abastible Nautigas.

d) Sonacol: Sonacol.

e) Igemar: Igemar, Orizon, Atlas, Colorado, Lenga, San José, Wirembo.

# FINANCING, RISK AND INSURANCE

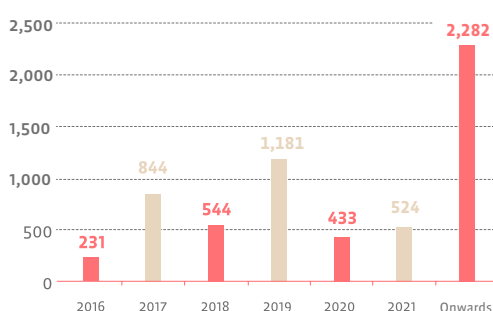
## FINANCING

For the year ended December 31, 2015, the total consolidated financial debt amounted to US\$ 6,156 million, with short-term financial liabilities accounting for US\$ 168 million and long-term financial liabilities plus the short-term portion of long-term financial liabilities accounting for US\$ 5,988 million. The subsidiary Celulosa Arauco y Constitución S.A. accounted for 74.0% of this amount, and its debt mainly consisted of bonds issued in the United States and expressed in US dollars. The subsidiary Compañía de Petróleos de Chile Copec S.A. accounted for 16.1%, and its financial debt is mainly bank debt. 6.3% of the consolidated debt was issued by the parent company Empresas Copec S.A., and consisted of bonds expressed in Unidades de Fomento.

Consolidated Empresas Copec had a financial debt to shareholders' equity ratio of 0.45 times and a hedging ratio (EBITDA on financial expenses) of 5.7 times. Debt maturing in 2015 amounts to US\$ 231 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

Amounts expressed in millions of US dollars



## RISK RATING

In 2015, the risk rating agency Feller Rate reaffirmed the rating and outlook for the shares of Empresas Copec, rating them as 1st Class, Level 1. Likewise, it gave it a credit rating of AA-. Moreover, Fitch Ratings maintained the rating given to the company's shares as Level 1, and AA- for its credit rating. In regard to international ratings, Standard & Poor's and Fitch Ratings gave the company a risk rating of BBB.

Concerning this, Empresas Copec S.A. has been recognized for its leadership in its two core businesses, its efficient cost structure and sound international presence of its forestry subsidiaries, its wide network, efficient logistics and strategic locations for fuel distribution, and the support of its controlling group. The downward trend of debt to historic levels was recognized.

## RISK FACTORS

The company has operations in different natural resource and energy areas through its subsidiaries and associates. The significant risk factors vary depending on the type of business. Based on this, the management of each of the subsidiaries carries out its own risk management in collaboration with the respective business units.

The most important subsidiaries are Arauco, which operates in the forestry sector, and Copec in the fuels business. Both companies jointly account for about 87% of the group's consolidated assets, and 90% of the EBITDA. They also account for around 95% of the accounts receivable and 90% of the bond and financial debt issues. Together with the parent company, they represent 96% of the consolidated placements. Most of the risks faced by the Group therefore lie in these three units. The specific risks affecting each of them are analyzed below.

## Forestry Business

The global market determines the wood pulp price and the regional market conditions. Prices fluctuate according to demand, production capacity, the commercial strategies adopted by the large forestry companies and pulp and paper producers, and the availability of substitutes.

As an example of the price sensitivity with all the other variables constant, a variation of + / - 10% in the average wood pulp price would mean a variation of net income in the year after tax of Celulosa Arauco y Constitución S.A. of + / - 32.2%, of shareholders' equity of + / - 1.5% and of EBITDA of + / - 15.7%.

In regard to the economic risks from interest rate variations, the subsidiary had a fixed-rate debt to total consolidated debt ratio of approximately 85.7% for the year ended December 31, 2015, and this policy is in keeping with the industry in which it operates.

Most of the subsidiaries in the forestry business have their accounting in US dollars. Nevertheless, they are subject to the risk of losses from exchange rate variations of currencies

when assets and liabilities are in currencies other than the functional currency defined by Arauco. With all the other variables constant, a variation of  $\pm 10\%$  in the US dollar to Chilean peso exchange rate would mean a variation of net income in the year after tax of  $\pm 4.09\%$  (equivalent to US\$ 15,301,000), and  $\pm 0.13\%$  for shareholders' equity (equivalent to US\$ 9,181,000).

Likewise, with all the other variables constant, a variation of  $\pm 10\%$  in the US dollar to Brazilian real exchange rate would mean a variation of net income in the year after tax of  $\pm 0.43\%$  (equivalent to US\$ 2,087,000) and a change in shareholders' equity of  $\pm 0.02\%$  (equivalent to US\$ 1,252,000).

### Fuels Business

Through its subsidiaries Copec and Abastible, the company has a leading position in the Chilean liquefied fuel and gas market for automobiles and consumption in various productive sectors and services and for residential consumption. It also operates in Colombia through its subsidiaries Terpel and Inversiones del Nordeste. The supplies of these fuels are mainly obtained from local companies in both countries. Notwithstanding the foregoing, the company can access alternative fuel supply markets, enabling it to assure and optimize the supply and distribution of products to the public.

The major risk in the fuel and liquefied 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 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.

Notwithstanding this, at present the value of the company's inventory is indeed affected by variations in international fuel prices. The company's policy is not to hedge the permanent stock as the increases and decreases that occur are offset in the long term. This is not the case with specific surplus stocks, for which due to the market price establishment methodology the company has not found a hedging instrument that mitigates this risk.

The subsidiaries in the fuels business, accounting for approximately 23% of the company's total assets, have accounting in Chilean and Colombian pesos and their accounts receivable, financial liabilities and most of their earnings are expressed in such currency. 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.

### Fisheries Business

In the fisheries business 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 concerning demand consumption in Asia in general, and China in particular.

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 general bank debt of companies is 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 using forwards or other financial instruments.

Sales agreed in currencies other than the US dollar 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 to the US dollar. Regarding costs, the fisheries 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 subsidiaries and related companies in this business.

### Parent Company

Lastly, the parent company risks are mainly related to its financial placements which for the year ended December 31, 2015 amounted to US\$ 713 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.

It should be noted that on December 22, 2009, the parent company issued a bond in the domestic market in UF (BECOP-C)

of UF 7 million. The placement rate was 4.30% for a coupon rate of 4.25%. Interest is paid half yearly and the amortization of the capital will be paid in one single installment in 2030. The denomination currency of this liability (UF) differs from the functional currency of the parent company (US\$). However, these bonds were transferred to subsidiaries in the fuels business, whose functional currency is the peso, so the consolidated exposure to exchange rate variations for this is eliminated. This transfer also eliminates any liquidity risk at parent company level. A similar situation occurred with a new bond placement in the domestic market in UF (BECOP-E), made by the parent company on September 15, 2011. It amounted to UF 1.3 million, and the placement rate was 3.40% at a coupon rate of 3.25%. Interest is also paid half yearly and the amortization of the capital will be paid in one single instalment on July 31, 2021.

Similarly, on December 4, 2014, the parent company Empresas Copec made a new bond issue (BECOP-G) in the Chilean market for a total amount of UF 2,500,000. The placement rate was 2.88%, with a coupon rate of 2.70%. As with the previous issues, interest

is paid quarterly, and the capital will be amortized in one single payment on October 15, 2024.

Note N°4 to the financial statements provides more information about risk factors.

#### 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 national insurance companies that agree on reinsurance for the bulk of the significant risks with first-class risk reinsurers 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 modifying existing coverage in keeping with what is offered in the market.





## DIFFERENCE MARKET AND BOOK VALUES

For the year ended December 31, 2015, 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, 2015, the parent company was the owner of its corporate headquarters at Av. El Golf 150, and it has no other

important franchises, lands and/or facilities. Moreover, nor does the company have lands reserved for future projects.



## PATENTS, LICENSES AND FRANCHISES

For the year ended December 31, 2015, Empresas Copec S.A. had no patents, licenses and franchises.



## HEADCOUNT

For the year ended December 31, 2015, the headcount of the parent company Empresas Copec S.A. amounted to 25 people, including 7 managers and senior executives and 10 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 26,694 employees, including 784 managers and senior executives and 8,183 professionals and technicians.



## ORGANIZATIONAL DIVERSITY

For the year December 31, 2015, the breakdown of the organizational diversity of Empresas Copec S.A. was as follows:

Nº of People	The Board	Senior Management	Rest of the Organization
<b>Gender</b>			
Male	8	6	12
Female	0	1	6
<b>Nationality</b>			
Chilean	8	7	16
Foreign	0	0	2
<b>Age</b>			
Less than 30 years	0	0	9
From 30 to 40 years	0	2	2
From 41 to 50 years	0	3	2
From 51 to 60 years	2	1	2
From 61 to 70 years	3	0	2
More than 70 years	3	1	1
<b>Years of Service</b>			
Less than 3 years	1	1	6
From 3 to 6 years	1	2	6
More than 6 and less than 9	1	0	0
From 9 to 12 years	3	3	2
More than 12 years	2	1	4



The consolidated breakdown of the organizational diversity is shown below:

N° of People	Consolidated Headcount
<b>Gender</b>	
Male	20,323
Female	6,371
<b>Nationality</b>	
Chilean	18,654
Foreign	8,040
<b>Age</b>	
Less than 30 years	6,963
From 30 to 40 years	9,398
From 41 to 50 years	6,228
From 51 to 60 years	3,413
From 61 to 70 years	665
More than 70 years	27
<b>Years of Service</b>	
Less than 3 years	10,984
From 3 to 6 years	5,474
More than 6 and less than 9	2,871
From 9 to 12 years	2,446
More than 12 years	4,919



## SALARY GAP

For the year ended December 31, 2015, the parent company had the following salary gap:

Position	Men	Women	Gap (%)
General Management	1	0	N/A
Management	3	0	N/A
Assistant management	2	0	N/A
Heads	0	2	N/A
Analysts*	7	2	83,9%
Secretaries	0	3	N/A
Messengers	5	0	N/A

\*Include analysts of the finance, studies and accounting areas with 0 to 5 years of experience.

# SUMMARY OF FINANCIAL STATEMENTS



**ASSETS**

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Current Assets</b>	<b>5,132,503</b>	<b>6,105,504</b>
Cash and cash equivalents	1,584,765	2,013,287
Other current financial assets	174,981	162,999
Other current non financial assets	182,124	220,365
Trade and other receivables	1,352,211	1,670,686
Accounts receivable with related parties	76,669	205,345
Inventories	1,364,733	1,445,545
Biological assets	274,548	311,523
Current tax assets	115,245	63,721
Non current assets held for sale	7,227	12,033
<b>Non Current Assets</b>	<b>14,804,133</b>	<b>15,785,464</b>
Other non current financial assets	130,228	73,281
Other non current non financial assets	131,909	135,240
Non current fees receivable	40,816	55,401
Non current accounts receivable with related parties	7,464	157,831
Investment in associates through equity method	584,520	680,226
Intangible assets other than goodwill	635,948	807,285
Goodwill	167,725	201,535
Property, plant and equipment	9,276,447	9,818,641
Biological assets	3,554,560	3,538,802
Investment property	44,680	52,135
Deferred tax assets	229,836	265,087
<b>TOTAL ASSETS</b>	<b>19,936,636</b>	<b>21,890,968</b>

**LIABILITIES AND EQUITY**

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Current Liabilities</b>	<b>1,937,167</b>	<b>2,913,576</b>
Other current financial liabilities	420,815	1,082,593
Commercial creditors and other accounts payable	1,278,777	1,439,803
Accounts payable to related parties	6,027	15,267
Other provisions	4,247	16,138
Current tax liabilities	54,527	135,481
Current provisions for employee benefits	6,737	6,126
Other current non financial liabilities	166,037	218,168
<b>Non Current Liabilities</b>	<b>8,143,596</b>	<b>8,641,265</b>
Other non current financial liabilities	5,734,926	6,059,802
Non current liabilities	804	880
Accounts payable to related parties	0	0
Other provisions	43,463	74,299
Deferred tax liabilities	2,172,746	2,265,166
Non current provisions for employee benefits	87,603	85,158
Other non current non financial liabilities	104,054	155,960
<b>Net Equity</b>	<b>9,855,873</b>	<b>10,336,127</b>
Share capital	686,114	686,114
Accumulated earnings (losses)	9,974,213	9,651,252
Other reserves	(1,300,692)	(598,117)
Equity attributable to equity holders of the company	9,359,635	9,739,249
Minority interest	496,238	596,878
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>19,936,636</b>	<b>21,890,968</b>

**INCOME STATEMENT**

For the years ended December 31,

	2015 ThUS\$	2014 ThUS\$
Revenue	18,160,142	23,854,696
Cost of sales	(15,097,992)	(20,619,044)
<b>Gross income</b>	<b>3,062,150</b>	<b>3,235,652</b>
Other operating income	285,219	387,475
Distribution costs	(927,545)	(1,030,826)
Administrative expenses	(1,051,268)	(1,089,662)
Other operating expenses	(131,265)	(193,330)
Other income (loss)	(4,042)	191,379
Financial income	76,443	57,472
Financial costs	(351,335)	(350,445)
Income on investments in related companies and joint ventures	(125,940)	77,237
Exchange rate differences	(60,478)	(40,196)
Gains (losses) on net monetary position	(14,530)	(20,539)
<b>Income before taxes</b>	<b>757,409</b>	<b>1,224,217</b>
Income taxes	(186,440)	(323,209)
<b>Net Income</b>	<b>570,969</b>	<b>901,008</b>
<b>Income attributable</b>		
Income attributable to equity holders of the company	539,307	855,555
Income attributable to minority interests	31,662	45,453
<b>Net Income</b>	<b>570,969</b>	<b>901,008</b>
<b>Earnings per share</b>		
<b>Common shares</b>		
<b>Basic earnings per share</b>	<b>0.4392563</b>	<b>0.6931610</b>
Basic earnings per share from discontinued operations	0.4392563	0.6931610
Basic earnings per share from continuing operations	0.0000000	0.0000000

**COMPREHENSIVE INCOME STATEMENT**

For the years ended December 31,

	2015 ThUS\$	2014 ThUS\$
<b>Net Income</b>	<b>570,969</b>	<b>901,008</b>
<b>Comprehensive income, net of tax</b>		
<b>Other comprehensive income does not reclassify to the income of the period</b>	<b>(2,310)</b>	<b>(14,881)</b>
Gain (loss) for actuarial plans of defined benefits	(1,530)	(14,881)
Participation of other comprehensive income of associates and joint ventures	(780)	0
<b>Exchange difference on conversion</b>	<b>(705,656)</b>	<b>(507,663)</b>
Gain (loss) for exchange differences, before tax	(705,656)	(507,663)
<b>Financial assets held for sale</b>	<b>(183)</b>	<b>(890)</b>
Gain (loss) on fair value changes of financial assets held for sale	(183)	(890)
<b>Cash flow hedges</b>	<b>1,424</b>	<b>(21,366)</b>
Gain (loss) on fair value changes of financial assets held for sale	1,427	(21,366)
Reclassification adjustments on cash flow hedges	(3)	0
Gain (loss) from investments in equity instruments	4	(3)
Gain (loss) for actuarial plans of defined benefits	(618)	0
Participation of other comprehensive income of associates and joint ventures	(783)	0
<b>Other comprehensive income, net of tax</b>	<b>(705,812)</b>	<b>(529,922)</b>
<b>Income tax related to other comprehensive income</b>		
Income tax related to investment in equity instruments	(1)	0
Income tax related to financial assets held for sale	41	(9)
Income tax related to cash flow hedges	(331)	0
Income tax related to changes in the revaluation surplus	0	112
Income tax related to actuarial plans of defined benefits	659	0
Reclassification adjustments on income tax	0	3,839
<b>Total income tax related to other comprehensive income</b>	<b>368</b>	<b>3,942</b>
<b>Other comprehensive income</b>	<b>(707,754)</b>	<b>(540,861)</b>
<b>Total comprehensive income</b>	<b>(136,785)</b>	<b>360,147</b>
<b>Comprehensive income attributable</b>		
Comprehensive income attributable to parent company	(167,323)	316,010
Comprehensive income attributable to non controlling interests	30,538	44,137
<b>Total comprehensive income</b>	<b>(136,785)</b>	<b>360,147</b>

## STATEMENT OF CHANGES IN EQUITY

Current Period (ThUS\$)	Ordinary Shares Share Capital	Legal and statutory reserves	Reserves available for sale	Conversion Reserves	Benefits Reserves	Hedge Reserves	Other Reserves	Other Reserves Total	Changes in Retained Earnings (Accumulated Losses)	Changes in Equity Attributable to Parent Company Shareholders, Total	Changes in Minority Interests	Changes in Net Equity, Total
Opening balance at January 1, 2015	686,114	0	(326)	(974,990)	(19,658)	(41,622)	438,479	(598,117)				
Restated opening balance	686,114	0	(326)	(974,990)	(19,658)	(41,622)	438,479	(598,117)	9,651,252	9,739,249	596,878	10,336,127
<b>Changes in equity</b>												
<b>Comprehensive income statement</b>												
Net income	0	0	0	0	0	0	0	0	539,307	539,307	31,662	570,969
Other comprehensive income	0	3	(142)	(704,577)	(2,266)	1,135	(783)	(706,630)	0	(706,630)	(1,124)	(707,754)
Dividends	0	0	0	0	0	0	0	0	(213,449)	(213,449)	0	(213,449)
Other increases (decreases) through transfers and other changes	0	0	0	0	0	0	(21,583)	(21,583)	(2,897)	(24,480)	(131,178)	(155,658)
Increases (decreases) to changes in subsidiaries that do not involve loss of control	0	0	0	0	0	0	25,638	25,638	0	25,638	0	25,638
<b>Changes in equity</b>	<b>0</b>	<b>3</b>	<b>(142)</b>	<b>(704,577)</b>	<b>(2,266)</b>	<b>1,135</b>	<b>3,272</b>	<b>(702,575)</b>	<b>322,961</b>	<b>(379,614)</b>	<b>(100,640)</b>	<b>(480,254)</b>
<b>Closing balance at December 31, 2015</b>	<b>686,114</b>	<b>3</b>	<b>(468)</b>	<b>(1,679,567)</b>	<b>(21,924)</b>	<b>(40,487)</b>	<b>441,751</b>	<b>(1,300,692)</b>	<b>9,974,213</b>	<b>9,359,635</b>	<b>496,238</b>	<b>9,855,873</b>

Opening balance at January 1, 2014	686,114	0	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	0	642	(470,258)	(8,657)	(17,951)	446,960	(49,264)	9,475,164	10,112,014	707,816	10,819,830
<b>Changes in equity</b>												
<b>Comprehensive income statement</b>												
Net income	0	0	0	0	0	0	0	0	855,555	855,555	45,453	901,008
Other comprehensive income	0	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	0	(329,321)	(329,321)	0	(329,321)
Increases (decreases) through transfers and other changes	0	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	0	7,438	7,438	0	7,438	0	7,438
<b>Changes in equity</b>	<b>0</b>	<b>0</b>	<b>(968)</b>	<b>(504,732)</b>	<b>(11,001)</b>	<b>(23,671)</b>	<b>(8,481)</b>	<b>(548,853)</b>	<b>176,088</b>	<b>(372,765)</b>	<b>(110,938)</b>	<b>(483,703)</b>
<b>Closing balance at December 31, 2014</b>	<b>686,114</b>	<b>0</b>	<b>(326)</b>	<b>(974,990)</b>	<b>(19,658)</b>	<b>(41,622)</b>	<b>438,479</b>	<b>(598,117)</b>	<b>9,651,252</b>	<b>9,739,249</b>	<b>596,878</b>	<b>10,336,127</b>



**STATEMENT OF CASH FLOWS**

For the years ended December 31,

	2015 ThUS\$	2014 ThUS\$
<b>Cash Flows from (used in) Operating Activities</b>	<b>1,526,269</b>	<b>1,425,325</b>
Classes of cash receipts from operating activities		
Receipts from sales of goods and rendering of services	18,824,977	23,637,179
Receipts from premiums and claims, annuities and other policy benefits	6,122	5,352
Other cash receipts from operating activities	337,495	363,345
Classes of cash payments		
Payments to suppliers for goods and services	(16,256,561)	(21,296,535)
Payments to and behalf of employees	(700,736)	(752,589)
Payments from premiums and claims, annuities and other policy benefits	(4,307)	(5,899)
Other payments from operating activities	(242,975)	(228,189)
Dividends received	13,114	19,925
Interest paid	(232,646)	(220,314)
Interest received	39,590	70,473
Income taxes refund (paid)	(258,463)	(176,338)
Other inflows (outflows) of cash	659	8,915
<b>Cash Flows from (used in) Investing Activities</b>	<b>(836,832)</b>	<b>(599,144)</b>
Cash flows from loss of control of subsidiaries or other businesses	(10,090)	0
Other charges for the sale of equity or debt instruments of other entities	(22,202)	0
Other cash payments to acquire equity or debt instruments of other entities	0	369,759
Other cash payments to acquire joint ventures	0	(68)
Loans to related companies	0	(1,882)
Proceeds from sale of property, plant and equipment	(78,663)	(202,813)
Purchase of property, plant and equipment	11,918	72,467
Proceeds from sale of intangible assets	(604,095)	(731,503)
Purchase of intangible assets	99	0
Proceeds from other non current assets	(43,691)	(60,723)
Purchase of other non current assets	650	40,288
Cash advances and loans to third parties	(126,366)	(142,138)
Cash receipts from the repayment of advances and loans granted to third parties	(2,049)	(5,123)
Cash receipts from related parties	924	(16,089)
Dividends received	35,217	89,019
Interests received	53	173
Other inflows (outflows) of cash	1,463	(10,511)

<b>Cash Flows from (used in) Financing Activities</b>	<b>(1,010,454)</b>	<b>(210,487)</b>
Proceeds from long term borrowings	193,803	1,609,360
Proceeds from short term borrowings	334,396	328,839
<b>Proceeds from borrowings</b>	<b>528,199</b>	<b>1,938,199</b>
Borrowings to related parties	184	0
Payments of borrowings	(1,206,278)	(1,774,883)
Payments of finance leasing liabilities	(669)	0
Payments of borrowings to related parties	0	(5,250)
Dividends paid	(296,686)	(351,155)
Interest paid	(53,329)	(41,432)
Other inflows (outflows) of cash	18,125	24,034
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(321,017)</b>	<b>615,694</b>
Effect of exchange rate changes on cash and cash equivalents	(108,029)	(110,034)
Effect of changes in consolidation on cash and cash equivalents	(429,046)	505,660
Cash and cash equivalents at beginning of period	2,013,251	1,507,591
Cash and cash equivalents at end of period	1,584,205	2,013,251



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# **SUMMARY OF FINANCIAL STATEMENTS**

## **PRINCIPAL AFFILIATES**

# CELULOSA ARAUCO Y CONSTITUCIÓN S.A. AND AFFILIATES

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	2,651,920	3,140,715
Non current assets	11,154,987	11,607,182
<b>TOTAL ASSETS</b>	<b>13,806,907</b>	<b>14,747,897</b>
<b>Liabilities</b>		
Current liabilities	1,034,251	1,547,086
Non current liabilities	6,126,211	6,386,075
<b>TOTAL LIABILITIES</b>	<b>7,160,462</b>	<b>7,933,161</b>
<b>Equity</b>		
Issued capital	353,618	353,618
Other reserves	(949,360)	(571,052)
Accumulated earnings (losses)	7,204,452	6,984,564
Equity attributable to equity holders of the company	6,608,710	6,767,130
Minority interest	37,735	47,606
<b>NET EQUITY</b>	<b>6,646,445</b>	<b>6,814,736</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>13,806,907</b>	<b>14,747,897</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	1,635,315	1,688,497
<b>Profit (loss) before taxes</b>	<b>497,405</b>	<b>592,825</b>
Income taxes	(129,694)	(155,935)
<b>Profit (loss) after taxes</b>	<b>367,711</b>	<b>436,890</b>
<b>Profit (loss)</b>	<b>367,711</b>	<b>436,890</b>
Profit (loss) attributable to equity holders of the company	362,689	431,958
Profit (loss) attributable to minority interests	5,022	4,932
<b>Profit (loss)</b>	<b>367,711</b>	<b>436,890</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31:

	2015 ThUS\$	2014 ThUS\$
Net cash flow from (used in) operating activities	853,650	985,175
Net cash flow from (used in) investing activities	(477,780)	(655,158)
Net cash flow from (used in) financing activities	(812,176)	(7,885)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(436,306)</b>	<b>322,132</b>
Effect of exchange rate changes on cash and cash equivalents	(34,821)	(18,192)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>971,152</b>	<b>667,212</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>500,025</b>	<b>971,152</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Opening balance</b>	<b>6,814,736</b>	<b>7,044,540</b>
Legal and statutory reserves	(878)	(9,406)
Conversion Reserves	(374,275)	(159,390)
Hedge Reserves	(2,374)	(31,515)
Other Reserves	(781)	(4,781)
Changes in Retained Earnings (Accumulated Losses)	219,888	(20,076)
Changes in Minority Interests	(9,871)	(4,636)
<b>CHANGES IN EQUITY</b>	<b>(168,291)</b>	<b>(229,804)</b>
<b>CLOSING BALANCE</b>	<b>6,646,445</b>	<b>6,814,736</b>



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

## BALANCE SHEET

At december 31:

	2015 ThCh\$	2014 ThCh\$
<b>Assets</b>		
Current assets	1,064,242,781	1,057,394,241
Non current assets	1,460,125,629	1,356,158,815
<b>TOTAL ASSETS</b>	<b>2,524,368,410</b>	<b>2,413,553,056</b>
<b>Liabilities</b>		
Current liabilities	578,069,873	669,363,545
Non current liabilities	1,060,314,572	923,257,423
<b>TOTAL LIABILITIES</b>	<b>1,638,384,445</b>	<b>1,592,620,968</b>
<b>Equity</b>		
Issued capital	410,502,349	410,502,349
Other reserves	(195,488,611)	(175,033,371)
Accumulated earnings (losses)	521,140,396	428,661,879
Equity attributable to equity holders of the company	736,154,134	664,130,857
Minority interest	149,829,831	156,801,231
<b>Net equity</b>	<b>885,983,965</b>	<b>820,932,088</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>2,524,368,410</b>	<b>2,413,553,056</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThCh\$	2014 ThCh\$
Gross profit	732,100,354	681,340,542
<b>Profit (loss) before taxes</b>	<b>229,292,550</b>	<b>184,721,289</b>
Income taxes	(24,702,294)	(55,307,816)
<b>Profit (loss) after taxes</b>	<b>204,590,256</b>	<b>129,413,473</b>
<b>PROFIT (LOSS)</b>	<b>204,590,256</b>	<b>129,413,473</b>
Profit (loss) attributable to equity holders of the company	197,042,165	116,128,529
Profit (loss) attributable to minority interests	7,548,091	13,284,944
<b>PROFIT (LOSS)</b>	<b>204,590,256</b>	<b>129,413,473</b>

**STATEMENT OF CASH FLOWS**

For the years ended December 31:

	2015 ThCh\$	2014 ThCh\$
Net cash flow from (used in) operating activities	391,411,817	173,072,274
Net cash flow from (used in) investing activities	(160,396,137)	(148,932,546)
Net cash flow from (used in) financing activities	(109,222,506)	(60,704,936)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>121,793,174</b>	<b>(36,565,208)</b>
Effect of exchange rate changes on cash and cash equivalents	(3,521,052)	(1,264,985)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>192,798,720</b>	<b>230,628,913</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>311,070,842</b>	<b>192,798,720</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31:

	2015 ThCh\$	2014 ThCh\$
<b>Opening balance</b>	<b>821,408,571</b>	<b>824,385,128</b>
Legal and statutory reserves	1,606	(1,606)
Reserves available for sale	(2,691)	21,299
Conversion Reserves	(41,384,789)	(33,035,487)
Hedge Reserves	3,201,759	(228,192)
Beneficials Reserves	(716,685)	(661,698)
Other Reserves	18,445,560	9,721,765
Changes in Retained Earnings (Accumulated Losses)	92,714,582	32,080,231
Changes in Minority Interests	(7,683,948)	(11,349,352)
<b>CHANGES IN EQUITY</b>	<b>64,575,394</b>	<b>(3,453,040)</b>
<b>CLOSING BALANCE</b>	<b>885,983,965</b>	<b>820,932,088</b>



# ABASTIBLE S.A. AND AFFILIATES

## BALANCE SHEET

At december 31:

	2015 ThCh\$	2014 ThCh\$
<b>Assets</b>		
Current assets	75,737,246	61,181,149
Non current assets	410,501,852	400,183,096
<b>TOTAL ASSETS</b>	<b>486,239,098</b>	<b>461,364,245</b>
<b>Liabilities</b>		
Current liabilities	46,371,338	30,896,388
Non current liabilities	224,672,983	219,719,732
<b>TOTAL LIABILITIES</b>	<b>271,044,321</b>	<b>250,616,120</b>
<b>Equity</b>		
Issued capital	4,947,076	4,947,076
Other reserves	(1,392,492)	53,984
Accumulated earnings (losses)	175,994,163	167,682,431
Equity attributable to equity holders of the company	179,548,747	172,683,491
Minority interest	35,646,030	38,064,634
<b>NET EQUITY</b>	<b>215,194,777</b>	<b>210,748,125</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>486,239,098</b>	<b>461,364,245</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThCh\$	2014 ThCh\$
Gross profit	158,417,696	138,571,818
<b>Profit (loss) before taxes</b>	<b>52,163,435</b>	<b>34,328,087</b>
Income taxes	(12,725,678)	(8,822,085)
<b>Profit (loss) after taxes</b>	<b>39,437,757</b>	<b>25,506,002</b>
<b>PROFIT (LOSS)</b>	<b>39,437,757</b>	<b>25,506,002</b>
Profit (loss) attributable to equity holders of the company	34,645,405	24,486,036
Profit (loss) attributable to minority interests	4,792,352	1,019,966
<b>PROFIT (LOSS)</b>	<b>39,437,757</b>	<b>25,506,002</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

	2015 ThCh\$	2014 ThCh\$
Net cash flow from (used in) operating activities	85,943,934	53,913,766
Net cash flow from (used in) investing activities	(42,975,894)	(27,215,262)
Net cash flow from (used in) financing activities	(26,208,462)	(16,151,050)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>16,759,578</b>	<b>10,547,454</b>
Effect of exchange rate changes on cash and cash equivalents	294,890	(4,934,062)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>20,244,890</b>	<b>14,631,498</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>37,299,358</b>	<b>20,244,890</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31:

	2015 ThCh\$	2014 ThCh\$
<b>OPENING BALANCE</b>	<b>210,748,125</b>	<b>222,839,746</b>
Legal and statutory reserves	(115,435)	(330,496)
Conversion Reserves	79,064	(350,253)
Hedge Reserves	(1,015,098)	685,320
Other Reserves	(395,007)	(720,461)
Changes in Retained Earnings (Accumulated Losses)	8,311,732	(5,860,218)
Changes in Minority Interests	(2,418,604)	(5,515,513)
<b>CHANGES IN EQUITY</b>	<b>4,446,652</b>	<b>(12,091,621)</b>
<b>CLOSING BALANCE</b>	<b>215,194,777</b>	<b>210,748,125</b>



# SOCIEDAD NACIONAL DE OLEODUCTOS S.A.

## BALANCE SHEET

At december 31:

	2015 ThCh\$	2014 ThCh\$
<b>Assets</b>		
Current assets	5,563,697	15,764,309
Non current assets	185,247,942	181,461,310
<b>TOTAL ASSETS</b>	<b>190,811,639</b>	<b>197,225,619</b>
<b>Liabilities</b>		
Current liabilities	37,121,729	30,646,625
Non current liabilities	81,953,710	94,842,794
<b>TOTAL LIABILITIES</b>	<b>119,075,439</b>	<b>125,489,419</b>
<b>Equity</b>		
Issued capital	59,575,440	59,575,440
Other reserves	0	0
Accumulated earnings (losses)	12,160,760	12,160,760
<b>NET EQUITY</b>	<b>71,736,200</b>	<b>71,736,200</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>190,811,639</b>	<b>197,225,619</b>

## INCOME STATEMENT

For the years ended December 31:

	2015 ThCh\$	2014 ThCh\$
Gross profit	31,848,258	29,421,805
<b>Profit (loss) before taxes</b>	<b>27,226,280</b>	<b>25,377,017</b>
Income taxes	(6,207,183)	(5,309,831)
<b>Profit (loss) after taxes</b>	<b>21,019,097</b>	<b>20,067,186</b>
<b>PROFIT (LOSS)</b>	<b>21,019,097</b>	<b>20,067,186</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

	2015 ThCh\$	2014 ThCh\$
Net cash flow from (used in) operating activities	12,512,422	8,473,924
Net cash flow from (used in) investing activities	(9,436,335)	(4,382,788)
Net cash flow from (used in) financing activities	(12,584,799)	5,606,934
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(9,508,712)</b>	<b>9,698,070</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>10,537,101</b>	<b>839,031</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,028,389</b>	<b>10,537,101</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended december 31:

	2015 ThCh\$	2014 ThCh\$
<b>OPENING BALANCE</b>	<b>71,736,200</b>	<b>71,736,200</b>
<b>CHANGES IN EQUITY</b>	<b>0</b>	<b>0</b>
<b>CLOSING BALANCE</b>	<b>71,736,200</b>	<b>71,736,200</b>



# PESQUERA IQUIQUE-GUANAYE S.A. AND AFFILIATES

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	117,125	158,494
Non current assets	420,994	608,596
<b>TOTAL ASSETS</b>	<b>538,119</b>	<b>767,090</b>
<b>Liabilities</b>		
Current liabilities	44,629	110,656
Non current liabilities	142,246	257,349
<b>TOTAL LIABILITIES</b>	<b>186,875</b>	<b>368,005</b>
<b>Equity</b>		
Issued capital	347,457	347,457
Other reserves	(8,273)	2,080
Accumulated earnings (losses)	(90,492)	(72,861)
Equity attributable to equity holders of the company	248,692	276,676
Minority interest	102,552	122,409
<b>Net equity</b>	<b>351,244</b>	<b>399,085</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>538,119</b>	<b>767,090</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	39,189	67,270
<b>Profit (loss) before taxes</b>	<b>(26,528)</b>	<b>(5,206)</b>
Income taxes	4,103	6,767
<b>Profit (loss) after taxes</b>	<b>(22,425)</b>	<b>1,561</b>
<b>PROFIT (LOSS)</b>	<b>(22,425)</b>	<b>1,561</b>
Profit (loss) attributable to equity holders of the company	(17,611)	4,651
Profit (loss) attributable to minority interests	(4,814)	(3,090)
<b>PROFIT (LOSS)</b>	<b>(22,425)</b>	<b>1,561</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Net cash flow from (used in) operating activities	17,969	34,855
Net cash flow from (used in) investing activities	(31,512)	(12,926)
Net cash flow from (used in) financing activities	(7,436)	(14,352)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(20,979)</b>	<b>7,577</b>
Effect of exchange rate changes on cash and cash equivalents	354	343
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>32,583</b>	<b>24,663</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>11,958</b>	<b>32,583</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31:

	2015 ThUS\$	2014 ThUS\$
<b>Opening balance</b>	<b>399,085</b>	<b>421,251</b>
Conversion Reserves	(2,554)	(1,796)
Hedge Reserves	(190)	107
Other Reserves	(7,609)	(11,000)
Changes in Retained Earnings (Accumulated Losses)	(17,631)	(4,628)
Changes in Minority Interests	(19,857)	(4,849)
<b>CHANGES IN EQUITY</b>	<b>(47,841)</b>	<b>(22,166)</b>
<b>CLOSING BALANCE</b>	<b>351,244</b>	<b>399,085</b>



# SOCIEDAD MINERA CAMINO NEVADO LTDA.

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	50,889	168,870
Non current assets	151,340	145,832
<b>TOTAL ASSETS</b>	<b>202,229</b>	<b>314,702</b>
<b>Liabilities</b>		
Current liabilities	354,700	290,406
Non current liabilities	10,901	6,869
<b>TOTAL LIABILITIES</b>	<b>365,601</b>	<b>297,275</b>
<b>Equity</b>		
Issued capital	69,105	69,105
Other reserves	(13,425)	(993)
Accumulated earnings (losses)	(219,115)	(50,753)
Equity attributable to equity holders of the company	(163,435)	17,359
Minority interest	63	68
<b>Net equity</b>	<b>(163,372)</b>	<b>17,427</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>202,229</b>	<b>314,702</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	(2,238)	(1,475)
<b>Profit (loss) before taxes</b>	<b>(186,702)</b>	<b>(27,477)</b>
Income taxes	3,826	2,338
<b>Profit (loss) after taxes</b>	<b>(182,876)</b>	<b>(25,139)</b>
<b>PROFIT (LOSS)</b>	<b>(182,876)</b>	<b>(25,139)</b>
Profit (loss) attributable to equity holders of the company	(182,871)	(25,135)
Profit (loss) attributable to minority interests	(5)	(4)
<b>PROFIT (LOSS)</b>	<b>(182,876)</b>	<b>(25,139)</b>



**STATEMENT OF CASH FLOWS**

For the years ended December 31:

	2015 ThUS\$	2014 ThUS\$
Net cash flow from (used in) operating activities	(7,852)	(2,257)
Net cash flow from (used in) investing activities	(49,455)	(74,674)
Net cash flow from (used in) financing activities	63,834	74,875
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>6,527</b>	<b>(2,056)</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>953</b>	<b>3,009</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,480</b>	<b>953</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended December 31:

	2015 ThUS\$	2014 ThUS\$
<b>OPENING BALANCE</b>	<b>17,428</b>	<b>37,616</b>
Hedge Reserves	(3,139)	5,814
Other Reserves	(9,293)	4,280
Changes in Retained Earnings (Accumulated Losses)	(168,363)	(30,279)
Changes in Minority Interests	(5)	(4)
<b>CHANGES IN EQUITY</b>	<b>(180,800)</b>	<b>(20,189)</b>
<b>CLOSING BALANCE</b>	<b>(163,372)</b>	<b>17,427</b>



# INVERSIONES NUEVA SERCOM LTDA.

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	741	827
Non current assets	78,950	87,806
<b>TOTAL ASSETS</b>	<b>79,691</b>	<b>88,633</b>
<b>Liabilities</b>		
Current liabilities	19	14
Non current liabilities	0	0
<b>TOTAL LIABILITIES</b>	<b>19</b>	<b>14</b>
<b>Equity</b>		
Issued capital	88,951	88,951
Other reserves	11,217	14,501
Accumulated earnings (losses)	(20,496)	(14,833)
<b>Net equity</b>	<b>79,672</b>	<b>88,619</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>79,691</b>	<b>88,633</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	0	0
<b>Profit (loss) before taxes</b>	<b>(5,684)</b>	<b>1,336</b>
Income taxes	27	42
<b>Profit (loss) after taxes</b>	<b>(5,657)</b>	<b>1,378</b>
<b>PROFIT (LOSS)</b>	<b>(5,657)</b>	<b>1,378</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

	2015 ThUS\$	2014 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>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Opening balance</b>	<b>88,619</b>	<b>94,203</b>
Conversion Reserves	(811)	(571)
Hedge Reserves	(60)	34
Other Reserves	(2,413)	(3,489)
Changes in Retained Earnings (Accumulated Losses)	(5,663)	(1,558)
<b>CHANGES IN EQUITY</b>	<b>(8,947)</b>	<b>(5,584)</b>
<b>CLOSING BALANCE</b>	<b>79,672</b>	<b>88,619</b>



# INMOBILIARIA LAS SALINAS LTDA.

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	598	976
Non current assets	105,552	117,642
<b>TOTAL ASSETS</b>	<b>106,150</b>	<b>118,618</b>
<b>Liabilities</b>		
Current liabilities	42,792	44,265
Non current liabilities	5,115	5,686
<b>TOTAL LIABILITIES</b>	<b>47,907</b>	<b>49,951</b>
<b>Equity</b>		
Issued capital	98,055	98,055
Other reserves	(9,976)	(95)
Accumulated earnings (losses)	(29,836)	(29,293)
<b>Net equity</b>	<b>58,243</b>	<b>68,667</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>106,150</b>	<b>118,618</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	15	29
<b>Profit (loss) before taxes</b>	<b>(2,171)</b>	<b>(2,000)</b>
Income taxes	1,628	1,624
<b>Profit (loss) after taxes</b>	<b>(543)</b>	<b>(376)</b>
<b>PROFIT (LOSS)</b>	<b>(543)</b>	<b>(376)</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Net cash flow from (used in) operating activities	(5,201)	(2,651)
Net cash flow from (used in) investing activities	0	423
Net cash flow from (used in) financing activities	4,823	2,544
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(378)</b>	<b>316</b>
Effect of exchange rate changes on cash and cash equivalents	(69)	(23)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>468</b>	<b>175</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>21</b>	<b>468</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Opening balance</b>	<b>68,667</b>	<b>74,569</b>
Conversion Reserves	(9,881)	(10,006)
Changes in Retained Earnings (Accumulated Losses)	(543)	4,104
<b>CHANGES IN EQUITY</b>	<b>(10,424)</b>	<b>(5,902)</b>
<b>CLOSING BALANCE</b>	<b>58,243</b>	<b>68,667</b>



# EC INVESTRADE INC.

## BALANCE SHEET

At december 31:

	2015 ThUS\$	2014 ThUS\$
<b>Assets</b>		
Current assets	10	11
Non current assets	36	40
<b>TOTAL ASSETS</b>	<b>46</b>	<b>51</b>
<b>Liabilities</b>		
Current liabilities	31	30
Non current liabilities	0	0
<b>TOTAL LIABILITIES</b>	<b>31</b>	<b>30</b>
<b>Equity</b>		
Issued capital	20	20
Other reserves	16	18
Accumulated earnings (losses)	(21)	(17)
<b>Net equity</b>	<b>15</b>	<b>21</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>46</b>	<b>51</b>

## INCOME STATEMENT

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
Gross profit	0	0
<b>Profit (loss) before taxes</b>	<b>(5)</b>	<b>(7)</b>
Income taxes	0	0
<b>Profit (loss) after taxes</b>	<b>(5)</b>	<b>(7)</b>
<b>PROFIT (LOSS)</b>	<b>(5)</b>	<b>(7)</b>

**STATEMENT OF CASH FLOWS**

For the years ended december 31:

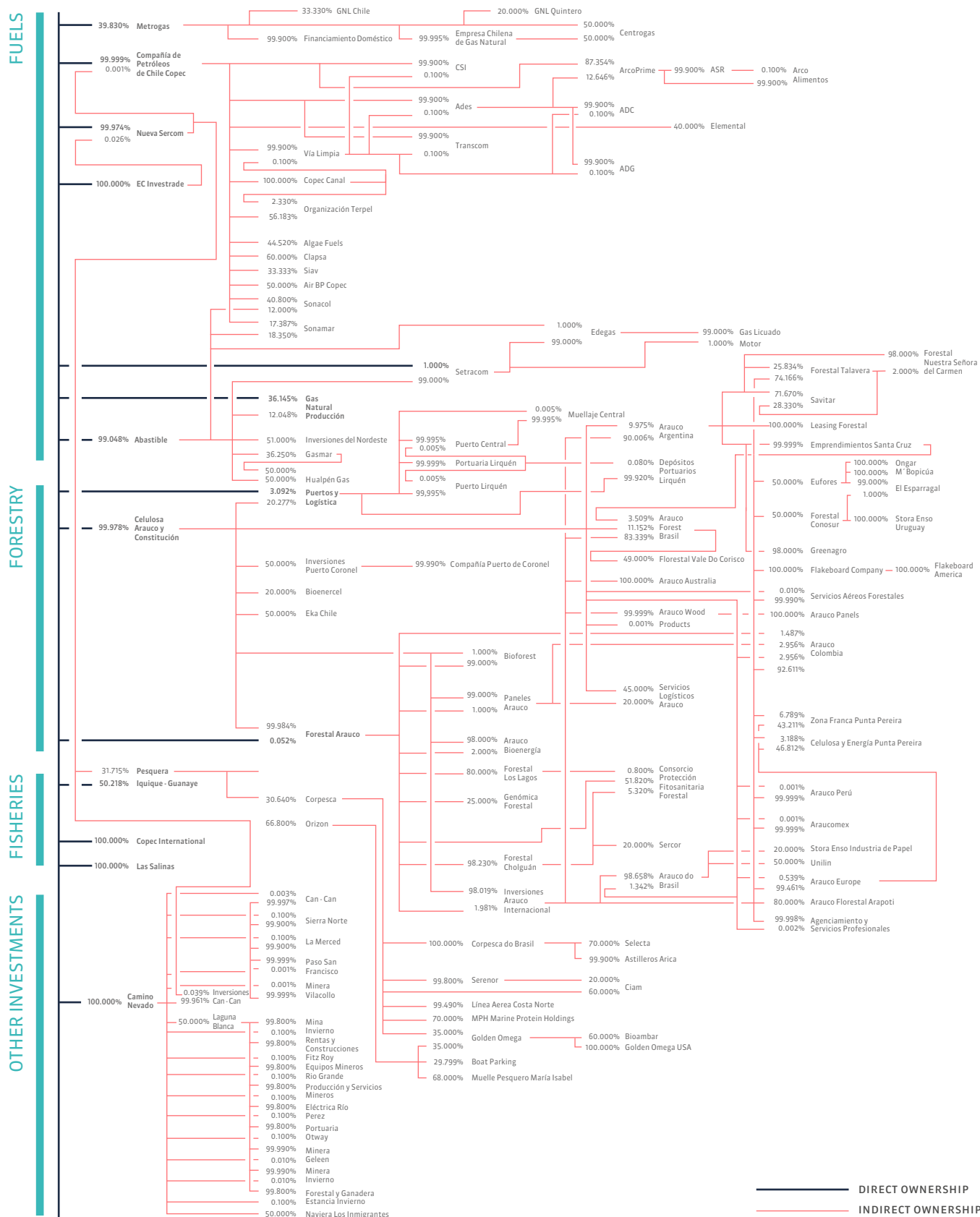
	2015 ThUS\$	2014 ThUS\$
Net cash flow from (used in) operating activities	(1)	(1)
Net cash flow from (used in) investing activities	0	0
Net cash flow from (used in) financing activities	0	0
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1)</b>	<b>(1)</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>11</b>	<b>12</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>10</b>	<b>11</b>

**STATEMENT OF CHANGES IN EQUITY**

For the years ended december 31:

	2015 ThUS\$	2014 ThUS\$
<b>OPENING BALANCE</b>	<b>21</b>	<b>32</b>
Conversion Reserves	(2)	(2)
Other reserves	0	(2)
Changes in Retained Earnings (Accumulated Losses)	(4)	(7)
<b>CHANGES IN EQUITY</b>	<b>(6)</b>	<b>(11)</b>
<b>CLOSING BALANCE</b>	<b>15</b>	<b>21</b>

## OWNERSHIP STRUCTURE





# CORPORATE NAME AND ARTICLES OF INCORPORATION

EMPRESAS COPEC S.A.  
81ST ANNUAL REPORT

<b>Corporate Name:</b>	Empresas Copec S.A.
<b>Chilean Taxpayer Identification Number (RUT):</b>	90.690.000-9
<b>Business Activity:</b>	Investments and Business Services
<b>Legal Address:</b>	El Golf 150, floor 17, Santiago de Chile
<b>Telephone:</b>	(562) 2461 7000
<b>Type of Entity:</b>	Chilean publicly held stock company
<b>Securities Registry Number:</b>	0028
<b>External Auditors:</b>	PwC
<b>Web Page:</b>	<a href="http://www.empresascopec.cl/investor.empresascopec.cl">www.empresascopec.cl/investor.empresascopec.cl</a>
<b>Investor Relations Contact:</b>	Cristián Palacios, <a href="mailto:cristian.palacios@empresascopec.cl">cristian.palacios@empresascopec.cl</a> , (562) 2461 7042; Rodrigo Perera, <a href="mailto:rodrigo.perera@empresascopec.cl">rodrigo.perera@empresascopec.cl</a> , (562) 2461 7065; Leopoldo Silva, <a href="mailto:leopoldo.silva@empresascopec.cl">leopoldo.silva@empresascopec.cl</a> , (562) 2461 7015.



## 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.



## CORPORATE PURPOSE

a) Research, explore, industrialize, clear through Customs, import, export, elaborate, refine, mix, package, store, transport, buy, sell, distribute, and generally trade on its own behalf or for third parties hydrocarbons, their by-products and direct or indirect compounds, including lubricants, additives, mixtures, combinations and substitutes; chemicals of any kind, and any other source of natural energy capable of industrial or domestic use;

b) Import, export, buy, sell, distribute, and generally trade on its own behalf or for third parties motorized vehicles and machinery, elements, equipment and other articles for agricultural, mining, fishery, industrial, commercial, electronic computing and domestic use purposes, their accessories and spare parts;

c) Acquire, administer, manage and exploit on its own behalf or for third parties forest lands or those of forest capability, make paper, wood pulp and their derivatives, by-products and similar products; acquire and exploit sawmills and other industries that make raw materials to make paper, wood pulp and their by-products and/or wood in all its forms, sell, exploit and generally trade in and outside Chile the mentioned products, particularly wood, wood pulp and paper in all their forms;

d) Acquire, administer, manage and exploit on its own behalf or for third parties agricultural real estate, and transform, industrialize and trade food and drinks of any kind or origin;

e) Acquire, administer, manage and exploit on its own behalf or for third parties agricultural real estate in general, develop real estate business and the real estate construction industry arising from this, like buildings, roads, bridges, canals, drainage, industrial facilities and similar, and the production and installation of goods and implements for such industry;

f) Ground, air, sea and river freight on its own behalf or for third parties and undertake, on its own behalf or for third parties, port operations and activities, with these particularly including wharfage, lighterage, moving loads, storage, stowage and unloading of vessels and aircraft, and the promotion, development and exploitation of tourism in Chile;

g) Manufacture, distribute and generally trade containers of any kind;

h) Exploit electronic computer equipment in all its forms, and it can provide consultancy on company management and organization, market and feasibility studies and operative research;

i) Undertake mining-related activities and business, including but not limited to prospection, reconnaissance, exploration and mining of mining deposits; and fishing or hunting of species and organisms with water as their normal habitat, and it may market them in any way;

j) Participate pursuant to law in companies with a banking purpose, and generally in financial, insurance, warrants, storage and merchandise deposit services and in mutual and social security fund management.





**EMPRESAS COPEC**

