EMPRESAS COPEC

2Q19 Earnings Release

August 23rd, 2019

2Q19 Results Conference Call

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2Q19 / 2Q18

Net income was US$135 million down 59.6% YoY, explained by an operating income decrease of US$302 million, related to the lower performance of Arauco in a scenario of downward trend on pulp price. That was partly offset by less negative non-operating income, with higher other net revenue from the sale of a shareholding in Puertos y Logística S.A.. Financial expenses rose due to a higher debt level.

2Q19 / 1Q19

Net income dropped 38.9% QoQ, due to lower operating income and mainly in the forestry business. Non-operating income decreased on unfavorable exchange rate differences and higher financial expenses.

EBITDA

EBITDA in 2Q19 was US$542 million, dropping 33.1% YoY and 8.3% QoQ, mainly because of the lower performance of the forestry business from pulp price and volume decreases. YTD, it was US$1,132 million, 23.7% down on the previous year.

Highlights

In the forestry business, Arauco's projects MAPA and dissolving pulp projects, are a at a 13% and 85% of progress. The latter is expected to start by late 2019. The Mina Justa project has an advance of 45%.

Net Debt / EBITDA

Debt in 2Q19 increased QoQ with a Net Debt/EBITDA ratio of 2.9 times, mainly due to the higher debt to develop projects, along with a lower EBITDA, which was affected by a scenario of lower pulp prices. Excluding the implementation of IFRS 16 new accounting principle the Net Debt/ EBITDA ratio as of 2Q19 is 2.7.

	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Revenues	5,909	5,927	6,116	(3.4%)	(0.3%)	11,836	11,868	(0.3%)
EBIT	251	310	553	(54.6%)	(18.9%)	561	980	(42.8%)
EBITDA*	**542**	**591**	**810**	**(33.1%)**	**(8.3%)**	**1,132**	**1,485**	**(23.7%)**
Non operating income	(44)	(25)	(72)	39%	(74.2%)	(69)	(126)	45.4%
Total profit	147	236	352	(58.2%)	(37.6%)	383	637	(39.8%)
Profit attributable to controllers	**135**	**221**	**335**	**(59.6%)**	**(38.9%)**	**357**	**615**	**-42.0%**
Profit attributable to minority	12	15	18	(31.2%)	(17.8%)	27	22	23.7%
EBITDA Margin	9.2%	10.0%	13.3%	(30.8%)	(8.0%)	9.6%	12.5%	(23.5%)
EBITDA / Net interest expenses	5.7	7.0	12.9	(56.0%)	(19.0%)	6.3	9.4	(32.8%)

*EBITDA = Operating Income + Depreciation + Amortization + Fair value cost of timber harvested

Figures in US$ million

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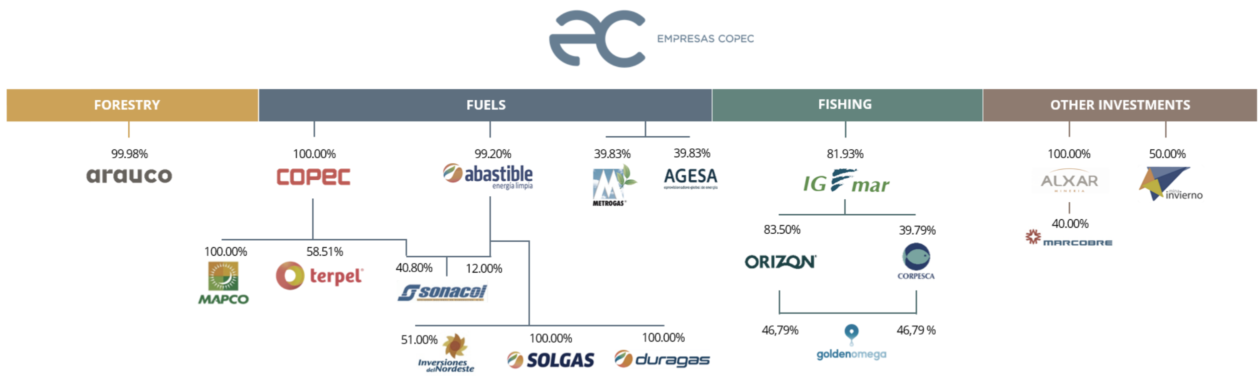
SIMPLIFIED OWNERSHIP STRUCTURE



HIGHLIGHTS

Dissolving Pulp Project Update

The dissolving pulp project continues its course with progress of 85% as of July 2019, including engineering, procurement and construction. The estimated investment is about US$195 million and the project is expected to start up in late 2019.

Development of the MAPA project

The MAPA project has progress of 13% that is on schedule. The civil and electromechanical works started in July 2019, and equipment assembly is expected to start in September. The earthworks were completed successfully.

The new line 3 is expected to be commissioned in the second quarter of 2021, when line 1 will be shut down.

Progress with the Mina Justa Project

As planned, the Mina Justa project had construction progress of over 45% at the close of July. 5,257 people are currently involved in its development, entailing an investment of around US$1,600 million, and it is expected to start production by late next year.

Alxar has a 40% interest in Mina Justa, which is its venture into the large-scale copper mining industry. The project is located in Ica, Peru, and is expected to attain production of up to 150 thousand tons of fine copper per year in the first few years of operation, with an average of 115 thousand tons per year in its planned 16-year life.

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CONSOLIDATED RESULTS

2Q19 / 2Q18. Profits attributable to controllers, was US$135 million in 2Q19 , decreasing 59.6% YoY. That was mainly due to operating income falling US$302 million, partly offset by less negative non-operating income of US$28 million.

The drop in **operating income** was mainly due to the forestry business, where Arauco had lower revenue from pulp price and volume decreases. The performance of the timber and forestry businesses remained stable.

The fuels business had lower operating income from the effect of a revaluation of inventories at Copec and Terpel due to the high comparative base. There was a volume increase at Copec Chile, both in the industrial and the service stations channels, and also at Terpel and Mapco.

Abastible posted higher operating income on account of lower distribution costs. Chile, Perú and Ecuador exhibited better operational results based on higher volumes. Colombia had higher margins.

The company's gross margin fell 29.8% amounting to US$834 million, which mainly came from Arauco, accounting for US$388 million; Copec, for US$307 million; Abastible, for US$105 million; Sonacol, for US$14 million; and Igemar, for US$19 million.

Non-operating income was less negative, mainly because of higher other revenue related to revaluation of biological assets and the sale of Puertos y Logística S.A., that generated a result before taxes of MMUS$ 47 (MMUS$ 41 in Arauco and MMUS$ 6 at the parent company), along with a tax decrease because of a lower tax base and recognition of exchange rate variations in the value of investments abroad. That was offset by higher financial expenses and the loss at Mina Invierno.

Approximate effects of the new IFRS 16, as of June 2019

The adoption of the new accounting principle has entailed the following effects in the company's financial statements:

- Assets increase in US$ 737,3 million
- Liabilities increase in US$ 733,6 million
- Leasing expenses decrease in US$ 78,8 million
- Financial expenses increase in US$ 16,0 million
- Depreciation and Amortization increase in US$ 69,8 million
- EBITDA increase in US$ 78,8 million
- Net profits decrease US$ 7,0 millions

Income Statement	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Revenues	5,909	5,927	6,116	(3.4%)	(0.3%)	11,836	11,868	(0.3%)
Cost of sales	(5,076)	(5,007)	(4,928)	(3.0%)	(1.4%)	(10,082)	(9,700)	(3.9%)
Administration & distribution expenses	(583)	(611)	(634)	8.1%	4.5%	(1,193)	(1,188)	(0.5%)
Operating Income	**251**	**310**	**553**	**(54.6%)**	**(18.9%)**	**561**	**980**	**(42.8%)**
Other income	89	73	18	396.3%	21.7%	162	75	115.8%
Other expenses	(38)	(31)	(36)	(3.9%)	(23.2%)	(69)	(65)	(5.4%)
Other gains (losses)	6	2	5	35.2%	213.9%	8	4	113.5%
Finance costs	(111)	(99)	(71)	(56.9%)	(12.7%)	(210)	(178)	(18.1%)
Finance income	16	15	8	94.2%	10.0%	31	20	54.0%
Share of profits of associates	15	5	35	(58.2%)	219.7%	19	45	(57.6%)
Foreign exchange differences	(13)	10	(26)	52.3%	(221.5%)	(2)	(19)	88.3%
Other results	(8)	(0)	(4)	(93.1%)	(38080.0%)	(8)	(8)	(0.9%)
Non Operational income	**(44)**	**(25)**	**(72)**	**39.4%**	**(74.2%)**	**(69)**	**(126)**	**45.4%**
Income tax expense	(60)	(49)	(129)	53.1%	(23.7%)	(109)	(217)	49.8%
Total profit	147	236	352	(58.2%)	(37.6%)	383	637	(39.8%)
Profit attributable to controllers	**135**	**221**	**335**	**(59.6%)**	**(38.9%)**	**357**	**615**	**(42.0%)**
Profit attributable to minority	**12**	**15**	**18**	**(31.2%)**	**(17.8%)**	**27**	**22**	**23.7%**
EBIT	251	310	553	(54.6%)	(18.9%)	561	980	(42.8%)
Depreciation & Amortization	211	206	166	27.0%	2.4%	417	332	25.7%
Fair value cost of timber harvested	80	75	91	(12.9%)	6.3%	154	173	(10.9%)
EBITDA	**542**	**591**	**810**	**(33.1%)**	**(8.3%)**	**1,132**	**1,485**	**(23.7%)**

Figures in US$ million

2Q19 / 1Q19. Net income dropped 38.9% QoQ, explained by lower operating income and mainly in the forestry business, along with more negative non-operating income.

The **forestry business** EBITDA fell 15.9%, due to pulp price decreases and lower sales volumes in this business.

The **fuels business** had a stable EBITDA measured in US dollars in the quarter, since the drop at Copec, mainly its operations in Chile, were offset by an increase at Abastible and its subsidiaries.

Non-operating income was US$18.5 million more negative, because of more unfavorable exchange rate differences, higher financial expenses and lower income from monetary correction. That was partly offset by higher other revenue and income in associates and joint ventures.

2019 / 2018. Net income in the year was 42.0% down on that YTD 2018. That was mainly due to operating income dropping US$419 million, partly offset by less negative non-operating income of US$57 million.

The **operating income** decrease was essentially due to the forestry business, where Arauco had lower revenue from pulp price and volume decreases in the first half of the year.

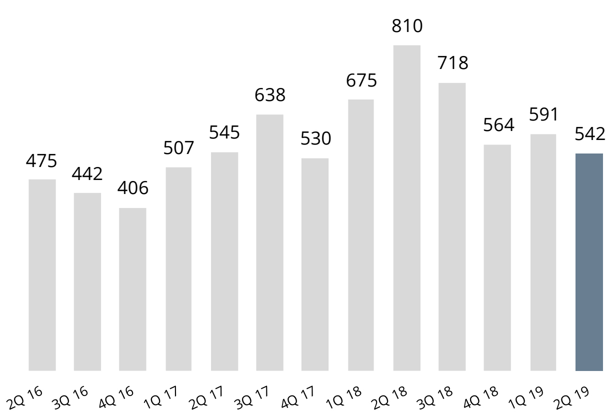
The **fuels business** had a drop in operating income at Copec Chile and Terpel, due to a lower revaluation of inventories and a supply margin decrease. Nevertheless, there were volume increases in Chile and Colombia, and Mapco had a better performance from higher margins.

Abastible posted a higher operating income. There was a better performance in Colombia and Peru, offset by lower income in Chile. Ecuador remained stable.

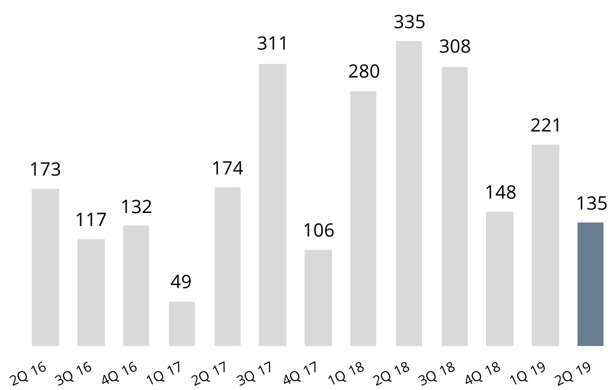
The company's gross earnings dropped 19.1%, amounting to US$1,754 million, which mainly came from Arauco, accounting for US$834 million; Copec, for US$660 million; Abastible, for US$200 million; Sonacol, for US$28 million; and Igemar, for US$33 million.

Non-operating income was less negative, mainly due to increased other revenue at Arauco from a higher revaluation of biological assets, along with the net income generated from the sale of Puertos y Logística S.A., and net income from the sale of real estate assets at Copec. That was partly offset by higher financial expenses at Arauco and lower results at Mina Invierno.

EBITDA



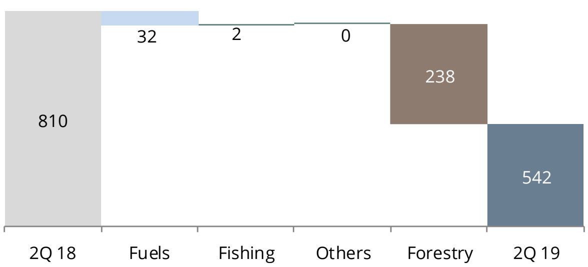
Net Income



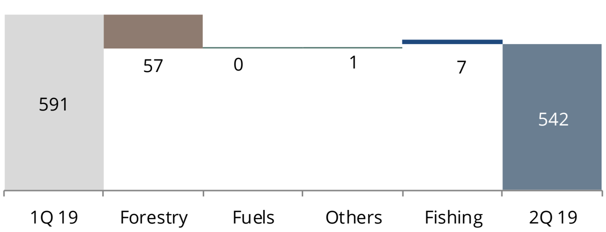
Figures in US$ million

	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Var 19 / 18
EBITDA								
Forestry	304	362	542	(43.9%)	(15.9%)	666	996	(33.1%)
Fuels	231	230	263	(12.2%)	0.2%	461	481	(4.2%)
Copec	164	175	194	(15.5%)	(6.5%)	339	354	(4.1%)
Abastible	50	39	51	(2.1%)	29.6%	89	94	(5.4%)
Sonacol	17	16	18	(6.0%)	2.2%	33	34	(1.7%)
Fishing	12	4	10	16.8%	176.4%	16	18	(10.7%)
Others	(5)	(6)	(5)	1.9%	11.2%	(10)	(10)	5.2%
TOTAL	**542**	**591**	**810**	**(33.1%)**	**(8.3%)**	**1,132**	**1,485**	**(23.7%)**
CAPEX								
Forestry	342	395	202	69.2%	(13.3%)	737	385	91.2%
Fuels	89	89	101	(11.2%)	(0.1%)	179	675	(73.5%)
Fishing	0	23	1	(100.0%)	(100.0%)	23	1	1894.8%
Others	34	1	183	(81.3%)	2,751.9%	35	184	(80.7%)
TOTAL	**466**	**508**	**487**	**(4.3%)**	**(8.4%)**	**974**	**1,246**	**(21.8%)**

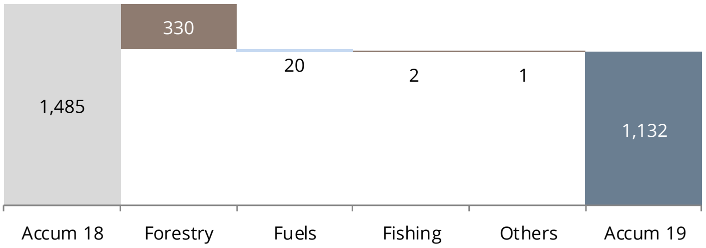
EBITDA change by business (2Q 19 v/s 2Q 18) (MMUS$)



EBITDA change by business (2Q 19 v/s 1Q 19) (MMUS$)



EBITDA change by business (Accum 19 v/s Accum 18) (MMUS$)



ARAUCO

2Q19 / 2Q18. Arauco posted net income of US$57 million, US$181 million down YoY. That was due to operating income falling US$251 million because of lower revenue in the pulp business from price decreases in the first half of 2019.

Consolidated **revenue** dropped 13.3%, explained by pulp price and volume decreases of 16.3% and 13.0%, respectively. The timber business revenues increased 4.6%, due to a panel volume increase of 8.1%, partly offset by a panel and sawn timber price decrease, along with a lower plywood volume. The unit production costs of bleached hardwood and softwood rose 5.6% and 4.7%, respectively, and raw softwood costs increased 8.6%.

Non-operating income was up, because of the sale of the stake in Puertos y Logística S.A. and the higher revaluation of biological assets, partly offset by greater financial costs related to IFRS 16 and higher debt, along with unfavorable results of associates and joint ventures.

Changes	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19 / 18
Volume			
Pulp	(13.0%)	(8.9%)	(4.7%)
Panels	8.1%	6.0%	6.2%
Sawn timber*	0.2%	2.2%	(2.1%)
Prices			
Pulp	(16.3%)	(2.3%)	(14.3%)
Panels	(1.2%)	(0.3%)	(2.1%)
Sawn timber*	(8.1%)	(2.2%)	(5.7%)

*Includes Plywood

Market Status

Pulp

In the second quarter of 2019 the market situation deteriorated because of lower demand and higher inventory levels, which affected the pulp price. Although there was some stability late in the first quarter, uncertainty caused by the trade war between the United States and China has hit paper demand and therefore that of pulp.

Global inventory levels of producers remain high at around 50-52 days. Pulp buyers are therefore keeping low levels of the commodity in their factories.

As in the first quarter, no new production has entered the market, nor have there been any events limiting production, like weather problems, natural disasters, strikes, major faults at mills, etc.

Markets in China and Asia have generally had the largest price decreases, with very high inventories. Some producers are starting to be aggressive so as not to lose market share, which has reduced prices considerably. There is also the factor of seasonality of the summer months in the Northern Hemisphere. Bleached hardwood had the largest decrease, with prices dropping about 20% in the quarter, partly affected by high inventories at Chinese ports. Bleached and raw softwood prices dropped 10% to 15% and 5%, respectively.

Demand in Europe is also weak, but price decreases have been more moderate than in Asia. Paper producers are starting to see a threat to their exports outside the Eurozone, due to volume competition from China, which is helping to push prices down. Moreover, paper production stoppages planned for the third quarter could keep pulp demand depressed.

ARAUCO	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	1,352	1,388	1,559	(13.3%)	(2.6%)	2,740	3,024	(9.4%)
Pulp**	583	652	824	(29.3%)	(10.6%)	1,235	1,557	(20.7%)
Wood Products**	726	698	694	4.6%	4.0%	1,424	1,387	2.7%
Forestry	35	31	32	8.9%	12.9%	65	62	5.8%
Others	8	7	10	(17.0%)	6.4%	15	19	(17.5%)
EBITDA*	**304**	**362**	**542**	**(43.9%)**	**(15.9%)**	**666**	**996**	**(33.1%)**
EBIT	96	162	347	(72.3%)	(40.7%)	258	616	(58.1%)
Non operating income	(7)	(21)	(36)	80.9%	67.6%	(28)	(55)	49.7%
Net income	**57**	**126**	**238**	**(76.0%)**	**(54.4%)**	**183**	**436**	**(58.0%)**

Figures in US$ million

*Adj. EBITDA informed by Arauco was US$343 million for 2Q19, US$355 million for 1Q19, US$538 million for 2Q18

Adj. EBITDA = Net Income + fin. costs - fin. income + tax + dep & amort + fair value cost of timber harvested - gain from changes in biologica assets + exchange rate differences

**Includes energy sales

Timber

Sawn Timber and Remanufactured Products

In 1H19, billing still did not reflect the widespread price decreases in the different markets. Lower demand is forecasted on account of less dynamic markets, which have been hit by the trade war between the United States and China. There is also a greater timber supply, mainly in markets in Brazil, Europe and Canada.

There is a better outlook for remanufactured products, due to good demand in the United States and lower supply from Chinese competitors that have been affected by the trade war.

Plywood

Just as for timber, lower demand is expected in virtually all markets, with the exception of the United States, as well as oversupply from Brazil, Chile, China, and substitutes like MDF, OSB, etc.

Panels (MDF, PB and Melamine)

The Latin American market is facing low demand due to lower economic growth and some oversupply, mainly from Brazil. Although this latter market had a good start to the year, the situation deteriorated as of the second quarter because of a more sluggish Brazilian economy than envisaged and higher MDF supply. Nevertheless, seasonality is expected to lead to a slight improvement by late this year.

Although Argentina ended the first half of the year better than early in the year, there are expectations of political uncertainty due to elections to be held in the second half of 2019.

Particle board sales in the United States and Canada are benefiting from a large drop in supply by a major competitor that has closed three mills. This favorable scenario could continue in the second half of the year, offset by volume entering the market from the Grayling mill. MDF supply and demand are generally in equilibrium, with the situation varying depending on the state.

2Q19 / 1Q19. Net income dropped 54.4% QoQ, due to lower operating income, partly offset by higher non-operating income.

Operating income was down 40.7% QoQ, due to pulp volumes and prices dropping 8.9% and 2.3%, respectively. That was partly offset by a 1.0% decrease in unit production costs for bleached softwood and hardwood. However, raw fiber costs rose 2.1%.

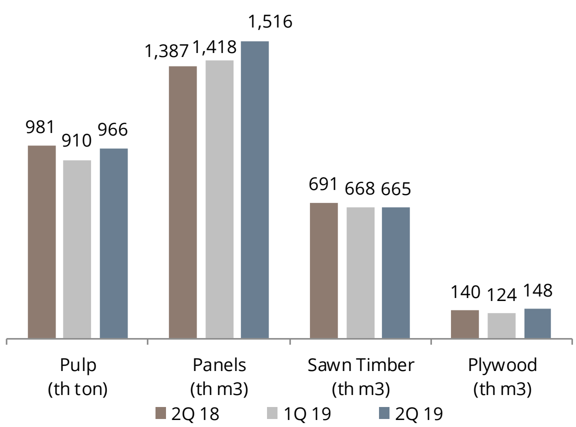
Non-operating income was US$14.0 million less negative, largely because of higher other revenue from the sale of its shareholding in Puertos y Logística S.A. in April. That was partly offset by greater financial expenses and unfavorable exchange rate differences.

2019 / 2018. Arauco posted a net income decrease of US$253 million on the previous year, due to lower operating income from price decreases in the first half of 2019.

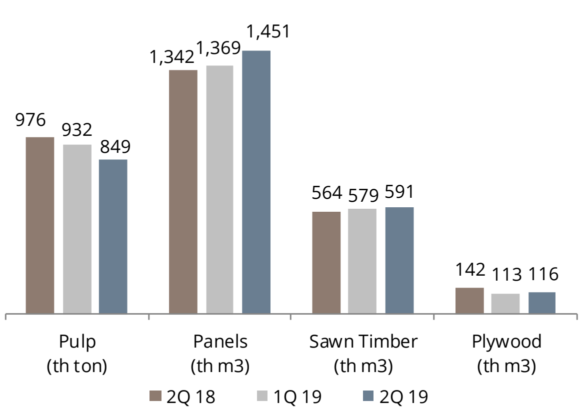
Operating income was down US$358 million, explained by pulp price and volume decreases of 14.3% and 4.7%, respectively. Timber revenues rose 2.7%, due to panel price and volume increases of 15.2% and 6.2%, respectively. That was partly offset by sawn timber prices and volumes dropping 5.7% and 2.1%, respectively. There were higher unit production costs of bleached softwood and hardwood of 5.4% and 5.8%, respectively, and raw softwood costs rose 5.0%.

Non-operating income was US$27.0 million less negative, on account of greater other revenues from a higher revaluation of biological assets, along with the net income generated from the sale of the shareholding in Puertos y Logística S.A. That was offset by higher financial expenses.

Production by Business



Sales Volumes by Business



COPEC

2Q19 / 2Q18. Copec posted net income of Ch$27,734 million in 2Q19, which was down on the net income of Ch$43,003 million in 2Q18, due to lower operating income, higher financial expenses and exchange rate differences. That was partly offset by reduced tax from a lower tax base and recognition of the exchange rate for investments abroad.

Consolidated **EBITDA** was Ch$113,829 million, dropping 6.6% due to decreases at Copec Chile and Terpel, partly offset by the higher EBITDA of Mapco and the effect of IFRS16.

EBITDA in Copec Chile was down 11.6%, with operating income dropping as a result of decreased margins, related to the lower revaluation of inventories. That was offset by total **volumes** rising 4.8%, with increases of 1.8% in the dealer channel and 8.6% in the industrial channel. This gives market share of 57.9% (figure as of May and the latest officially available), which is an increase on the 56.2% in 2Q18.

Terpel's EBITDA was down 3.1%, due to a drop in operating income from lower margins related to the effect of the revaluation of inventories, partly offset by the impact of IFRS16. Liquid fuel sales volumes were up 4.3% in consolidated terms, explained by increases of 5.1% in Colombia, 13.0% in Panama, 21.6% in the Dominican Republic and 73.9% in Peru, partly offset by a 10.6% decrease in Ecuador. The vehicle natural gas (VNG) business had a 1.2% volume decrease in Colombia and a 3.3% increase in Peru.

Mapco's EBITDA was US$15 million and up on the US$12 million in the second quarter of 2018. Physical sales were 559 thousand m^3 and increased 1.2%.

Consolidated **non-operating income** was more negative, mainly due to a higher financial expense, mainly at Terpel and Copec Chile, and an unfavorable exchange rate difference. That was offset by lower other disbursements.

COPEC CONSOLIDATED (Including Terpel & Mapco)	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Revenues	2,899,563	2,821,140	2,572,847	12.7%	2.8%	5,720,703	4,965,906	15.2%
EBITDA	**113,829**	**116,879**	**121,914**	**(6.6%)**	**(2.6%)**	**230,708**	**218,126**	**5.8%**
EBIT	68,631	75,109	94,904	(27.7%)	(8.6%)	143,740	165,450	(13.1%)
Non operating income	(27,178)	(1,996)	(22,424)	(21.2%)	(1261.8%)	(29,174)	(38,931)	25.1%
Net income	**27,734**	**51,109**	**43,003**	**(35.5%)**	**(45.7%)**	**78,842**	**80,685**	**(2.3%)**
Copec Chile physical sales (thousand of m3)	2,534	2,598	2,418	4.8%	(2.5%)	5,131	4,926	4.2%
Gas stations channel	1,386	1,436	1,362	1.8%	(3.4%)	2,822	2,765	2.1%
Industrial channel	1,147	1,162	1,056	8.6%	(1.3%)	2,309	2,162	6.8%
Copec Chile market share	57.1%	58.1%	55.8%	2.3%	(1.7%)	57.9%	56.2%	3.0%

Figures in millions of Chilean pesos

TERPEL	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Revenues	5,385,512	5,098,210	4,630,662	16.3%	5.6%	10,483,722	8,743,195	19.9%
EBITDA	**220,533**	**222,116**	**227,700**	**(3.1%)**	**(0.7%)**	**442,649**	**385,353**	**14.9%**
EBIT	130,336	145,604	179,374	(27.3%)	(10.5%)	275,941	291,247	(5.3%)
Non operating income	(71,022)	(53,740)	(70,718)	(0.4%)	(32.2%)	(124,762)	(157,428)	20.7%
Net income								
Profit attributable to controllers	**33,868**	**62,255**	**67,754**	**(50.0%)**	**(45.6%)**	**96,122**	**64,275**	**49.5%**
Profit attributable to minority interest	(0.3)	(2.6)	0.0	(861.8%)	90.1%	(2.9)	0.1	(5,626.9%)
Terpel physical sales (thousand of m3)	2,560	2,497	2,454	4.3%	2.5%	5,057	4,692	7.8%
Colombia	1,917	1,850	1,824	5.1%	3.6%	3,767	3,619	4.1%
Panama	261	268	231	13.0%	(2.7%)	529	458	15.4%
Ecuador	304	302	339	(10.6%)	0.5%	606	485	24.8%
Dominican Republic	56	56	46	21.6%	(0.3%)	113	104	8.0%
Peru	22	20	13	73.9%	12.5%	42	25	69.7%
Gazel NGV physical sales (thousand of m3)	84	81	84	(0.1%)	3.8%	165	168	(1.5%)
Colombia	62	60	63	(1.2%)	4.1%	122	126	(3.3%)
Peru	22	21	21	3.3%	3.1%	43	41	4.0%
Mexico	0	0	0	0.0%	0.0%	0	0	0.0%

Figures in millions of Colombian pesos

MAPCO	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Revenues	487	398	497	(2.0%)	22.3%	885	910	(2.8%)
EBITDA	**15**	**13**	**12**	**21.7%**	**12.9%**	**28**	**15**	**93.9%**
Mapco physical sales (thousand of m3)	559	507	552	1.2%	10.1%	1,066	1,051	1.4%

Figures in US$ million

2Q19 / 1Q19. Net income in the quarter fell Ch$23,375 million QoQ due to operational and non-operational factors.

Operating income dropped Ch$6,478 million, due to a lower performance in Chile related to decreased volumes and higher administration expenses, and at Terpel from declining margins from the lower revaluation of inventories, along with higher administration expenses.

Non-operating income was down Ch$25,182 million, mainly related to lower other revenue due to the sale of real estate assets at Copec in the previous quarter, along with exchange rate differences and unfavorable monetary correction income.

Volumes at service stations in Chile fell 3.4% and dropped 1.3% in the industrial channel. Terpel's volume rose 3.6% in Colombia and 12.5% in Peru, it was stable in Ecuador and the Dominican Republic, and dropped 2.7% in Panama. The NGV volumes climbed 4.1% in Colombia and 3.1% in Peru. Mapco had a 10.1% increase in physical sales.

2019 / 2018. Copec had net income of Ch$78,842 million, which was down on the Ch$80,685 million in the first half of 2018. That was mainly due to a drop in operating income from lower margins. This was partly offset by higher non-operating income, driven by other revenue from the sale of real estate assets. There were higher financial expenses and unfavorable exchange rate differences.

Consolidated **EBITDA** rose 5.8% to Ch$230,708 million, mainly explained by the impact of IFRS16. Higher EBITDAs at Terpel and Mapco, partly offset by a lower EBITDA at Copec Chile.

EBITDA in **Chile** dropped 6.6%, as a result of a lower revaluation of inventories and decreased supply margins. However, total volumes rose 4.2%, with increases of 2.1% in the dealer channel and 6.8% in the industrial channel. Market share is therefore 57.9% as of May 2019, which was an increase on the 56.2% as of June 2018.

Terpel's EBITDA increased 14.9%, because of higher volumes from organic growth and the acquisition of ExxonMobil's assets, offset by decreased margins related to the lower revaluation of inventories. Liquid fuel sales volumes rose 7.8% in consolidated terms, explained by increases of 4.1% in Colombia, 15.4% in Panama, 24.8% in Ecuador, 8.0% in the Dominican Republic and 69.7% in Peru. The NGV volume dropped 3.3% in Colombia and increased 4.0% in Peru.

Mapco's EBITDA was US$28 million and up on the US$15 million in the first half of 2018, with physical sales of 1,066 thousand m3, which was a 1.4% increase.

Consolidated **non-operating income** was less negative, largely due to higher other earnings, related to the sale of real estate assets, along with lower other expenses and higher income in associates. That was partly offset by greater financial expenses, mainly at Terpel and Copec Chile, and unfavorable exchange rate differences.

EMPRESAS COPEC

ABASTIBLE

2Q19 / 2Q18. Abastible posted net income of Ch$19,205 million, which was a 129.0% increase YoY. That was mainly due to less taxes, lower operational costs and a better non-operational result. That was offset by higher administrative cost and foreign exchange differences.

In consolidated terms, both **EBITDA** and **operating income** increased 9.3% and 9.2% on the same period of last year and amounted to Ch$33,903 million and Ch$25,280 million, respectively. There was greater income in Colombia, due to higher margins and lower administration expenses and distribution costs. Peru had a better performance because of decreased distribution costs, offset by a drop in gross earnings from lower margins. Ecuador increased its volumes, and Chile attained a stable result due to higher volumes offset by a decrease in margins.

Liquefied gas **volumes** in Chile and Colombia in 2Q19 were in line with the same period of last year, amounting to 140 thousand and 51 thousand tons, respectively. In turn, volumes in Peru increased 2.0% to 141 thousand tons, and in Ecuador rose 2.5% to 115 thousand tons.

2Q19 / 1Q19. Abastible's net income rose 81.3% QoQ, explained by operating income increasing Ch$8,379 million and mainly due to higher volumes in all the countries in which it operates. Volumes rose 44.4% in Chile, mainly explained by the seasonality of the winter months when demand increases. Volumes rose 5.1%, 3.3% and 5.5% in Colombia, Peru and Ecuador, respectively.

Non-operating income was down Ch$1,590 million, related to higher other expenses and unfavorable monetary correction income.

2019 / 2018. Abastible posted net income of Ch$29,796 million, which was a 64.2% increase on the previous year. That was mainly due to lower tax related to the effect of exchange rate variations on its investments abroad. There was also a lower non-operating income loss, because of the impairment charge recognized at the associate Sonamar last year, and higher operating income.

In consolidated terms, both EBITDA and operating income increased 5.3% and 5.1% on the same period of last year and amounted to Ch$59,328 million and Ch$42,181 million, respectively. There was greater income in Colombia from higher margins. Peru had a better performance because of higher volumes and lower distribution costs, partly offset by decreased margins. Operations in Chile and Ecuador remained stable.

In the first half of 2019, liquefied gas sales **volumes** in Chile and Colombia were in line with those in the same period of last year, amounting to 237 thousand and 99 thousand tons , respectively. Sales volumes in Peru increased 7.6% to 277 thousand tons, and in Ecuador rose 2.2% to 225 thousand tons.

ABASTIBLE CONS. (Includes Chile, Colombia, Peru, Ecuador)	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	199,494	182,435	221,298	(9.9%)	9.4%	381,929	390,529	(2.2%)
EBITDA	**33,903**	**25,425**	**31,023**	**9.3%**	**33.3%**	**59,328**	**56,317**	**5.3%**
EBIT	25,280	16,901	23,145	9.2%	49.6%	42,181	40,127	5.1%
Non operating income	(1,643)	(52)	(3,663)	55.2%	(3033.5%)	(1,695)	(6,778)	75.0%
Net income	**19,205**	**10,591**	**8,388**	**129.0%**	**81.3%**	**29,796**	**18,148**	**64.2%**
Abastible Chile LPG physical sales (thousand of tons)	140	97	138	1.4%	44.4%	237	236	0.3%

Figures in million chilean pesos

INVERSIONES DEL NORDESTE (Colombia)	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	138,872	136,683	133,403	4.1%	1.6%	275,555	272,344	1.2%
EBITDA	26,236	24,679	23,441	11.9%	6.3%	50,915	44,651	14.0%
IN Colombia LPG physical sales (thousand of tons)	51	48	51	(0.0%)	5.1%	99	99	(0.7%)

Figures in million colombian pesos

SOLGAS (Peru)	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	290,891	280,981	329,512	(11.7%)	3.5%	571,872	590,115	(3.1%)
EBITDA	19,337	9,187	9,822	96.9%	110.5%	28,524	21,278	34.1%
Solgas Perú LPG physical sales (thousand of tons)	141	136	138	2.0%	3.3%	277	257	7.6%

Figures in thousand soles peruanos

DURAGAS (Ecuador)	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	31	30	30	1.8%	2.9%	61	59	3.1%
EBITDA	3.3	2.4	3.0	8.9%	40.3%	5.7	5.6	1.1%
Duragas Ecuador LPG physical sales (thousand of tons)	115	109	113	2.5%	5.5%	225	220	2.2%

Figures in US$ thousands

PESQUERA IQUIQUE-GUANAYE (IGEMAR)

2Q19 / 2Q18. Igemar posted earnings attributable to the controller's owners of US$7.2 million in 2Q19, which was up on those of US$6.9 million in 2Q18, explained by higher operational income, offset by a lower non-operational income.

The increase on **operational income** is mainly explained by lower sales costs, less distribution costs and inferior administrative costs.

In the quarter, 11.6 thousand tons of fishmeal and 6.2 thousand tons of fish oil were sold, increasing 4.3% and 156.0%, respectively. Moreover, 576.8 thousand cases of canned fish and 8.5 thousand tons of frozen fish were sold, dropping 4.4% and 7.4%, respectively.

The total fish processed was 109.0 thousand tons, increasing 20.4%.

During the period, there were **price** decreases of all products, which dropped 3.5% for fishmeal; 1.2% for fish oil; 1.0% for canned fish; and 33.6% for frozen fish.

Non-operational income fell US$2.8 million YoY, largely explained by a drop in other earnings of US$1.6 million because of an insurance payout and divestment of property, plant and equipment in 2Q18, and higher financial expenses, and lower income in associates and joint ventures of US$1.7 million, mainly from Corpesca.

2Q19 / 1Q19. Net income increased US$8.7 million QoQ, due to higher operating income and non-operating income. That was partly offset by greater income tax expenses.

Operating income rose due to fishmeal and fish oil sales volumes increasing 165.4% and 498.7%, respectively.

Non-operating income was up on account of higher income in associates and joint ventures, mainly because of the better performance of Corpesca.

2019 / 2018. Net income was in line with that of the previous year. Decreases on operational and non-operational results were offset by lower taxes.

Operating income decreased YoY. International price decreases of fishmeal and fish oil, besides the costs of closing the productive activities of the mussels business, were offset by higher sales volumes.

During the period, prices dropped 6.7% for fishmeal; 8.9% for fish oil; 10.9% for canned fish; and 24.6% for frozen fish.

In the semester, physical sales accounted for 15.9 thousand tons of fishmeal, 7.2 thousand tons of fish oil and 13.6 thousand tons of frozen fish were sold, increasing 5.8%, 111.8% and 12.3%, respectively. On the other hand, 1,310 thousand cases of canned fish were sold, dropping 0.4%.

The total fish processed was 188.6 thousand tons, increasing 18.4% on the first half of 2018.

Non-operating income dropped US$2.5 million on 2018, mainly explained by lower income of US$3.1 million in associates and joint ventures, largely from Corpesca, along with lower other earnings and higher financial costs.

IGEMAR CONSOLIDATED	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sales	56.9	42.1	54.7	4.1%	35.2%	99.1	97.0	2.1%
EBITDA	**11.7**	**4.2**	**10.0**	**16.8%**	**176.4%**	**16.0**	**17.9**	**(10.7%)**
EBIT	9.1	1.5	6.3	44.7%	498.9%	10.6	11.0	(3.5%)
Non operating income	0.2	(5.7)	3.1	(93.3%)	103.6%	(5.5)	(3.0)	(83.1%)
Net income	**7.2**	**(1.5)**	**6.9**	**4.6%**	**564.6%**	**5.6**	**5.5**	**2.2%**
Physical sales								
Fishmeal (tons)	11,550	4,352	11,078	4.3%	165.4%	15,902	15,030	5.8%
Fish Oil (tons)	6,173	1,031	2,411	156.0%	498.7%	7,204	3,402	111.8%
Canned Fish (cases)	576,810	733,875	603,099	(4.4%)	(21.4%)	1,310,685	1,315,925	(0.4%)
Frozen Fish (tons)	8,518	5,125	9,199	(7.4%)	66.2%	13,643	12,144	12.3%
Catches (tons)	109,012	79,624	90,519	20.4%	36.9%	188,636	159,343	18.4%

Figures in US$ million

OTHER AFFILIATES

Sonacol

Sonacol had net income of Ch$6,474 million in 2Q19, higher than the Ch$6,236 million in 2Q18. That was because of an increase in operating income from a higher unit margin. That was offset by a 1.8% volume decrease YoY and a greater loss from exchange rate differences.

Net income was Ch$12,718 million YTD, which was up on the Ch$11,395 million YTD 2018. That is explained by an operating income increase due to a higher unit margin and a 2.1% volume increase compared to the same period of the previous year.

OTHER ASSOCIATED COMPANIES

Metrogas & AGESA

Metrogas posted net income of Ch$17,896 million in 2Q19, which was up on that of Ch$16,707 million in 2Q18. In 1H19 it had net income of Ch$19,342 million, and an increase on earnings of Ch$11,687 million in 1H18.

AGESA had net income of US$19.3 million in 2Q19, which was an 8.8% increase YoY. In 1H19 it had net income of US$36.1 million, increasing 27.2% on that in 1H18.

Corpesca and Caleta Vítor

Corpesca posted net income of US$8.1 million in 2Q19, which was down on that of US$17.8 million in 2Q18.

In 1H19 it had net income of US$2.6 million, a decrease on the US$17.5 million in 1H18.

Caleta Vitor had net income of US$3.3 million, largely due to the results of the subsidiary Serenor and Corpesca do Brasil, and to a lesser extent MPH and Kabsa. In 1H19 it had net income of US$6.0 million, mainly explained by the results of the subsidiary Serenor and Corpesca do Brasil, and to a lesser extent MPH and Kabsa.

Laguna Blanca (Mina Invierno)

As a result of restrictions imposed by the Third Environmental Court of Valdivia, during 2018 and 2019, production and sales of coal were only 650 thousand tons and 711 thousand tons of coal, respectively during 1H19, this is 54% and 50% lower than 2H18, respectively. The significant decrease on sales, resulted on the company laying off 230 workers during the 1H19.

As of August 20th, 2019 the Third Environmental Court of Valdivia resolved to revoke, the environmental resolution that authorized Mina Invierno to carry out blastings. The company is on the process of analyzing the verdict. The company estimates that, if the ruling does not change, then it will not be able to continue operations and will be forced to stop producing by end of the year. If this scenario where to happened, the impact on the workers and the community of Magallanes will be severe. Empresas Copec's total investment associated with Mina Invierno, as of 30th June 2019, amounts to MMUS$ 186.

Mina Invierno is convinced of its right to carry out blastings, as it was approved on the environmental resolution on September 2018, and the technical evidence and expert testimony, provided by prestigious local and international institutions. The company will use all the legal instances that the law allows to revert this verdict.

Net income from other affiliates and associates	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	2Q19 / 1Q19	Accum 19	Accum 18	Chg. 19 / 18
Sonacol*	6,474	6,244	6,236	3.8%	3.7%	12,718	11,395	11.6%
Camino Nevado	(17.4)	(8.5)	(0.8)	(2031.0%)	(104.7%)	(25.9)	0.3	(9213.7%)
Metrogas*	17,896	1,446	16,707	7.1%	1137.4%	19,342	11,687	65.5%
Agesa	19.3	16.7	17.8	8.8%	15.6%	36.1	28.3	27.2%
Corpesca	8.2	(10.8)	17.4	(52.9%)	176.0%	(2.6)	17.5	(114.8%)
Laguna Blanca**	(32.2)	(12.3)	1.5	(2215.8%)	(160.7%)	(44.5)	7.2	(716.8%)

Figures in US$ million

* Figures in millions of Chilean pesos

** Parent company of Mina Invierno, formerly named Isla Riesco

CONSOLIDATED BALANCE SHEET ANALYSIS

Consolidated **current assets** as of June 30, 2019 increased 6.8% on those as of December 2018. That change was principally driven by higher cash and cash equivalents related to securing financing for the construction of the MAPA project, along with greater inventories at Arauco.

Non-current assets as of June 30, 2019 increased 8.0% on those at the close of 2018. There was an increase in property, plant and equipment at Arauco, Copec and Abastible, related to leasing contracts that were activated in accordance with the change in IFRS 16. Moreover, the effect on the balance sheet of the progress of works underway at Arauco should also be highlighted.

Total **current liabilities** dropped 2.0% compared to those at the close of 2018. There was a decrease in current tax liabilities at Arauco, which was partly offset by higher other financial liabilities at Copec and Abastible.

Non-current liabilities rose 18.1%, mainly due to higher other financial liabilities at Arauco and Copec, related to leasing contracts shown on the balance sheet in accordance with the modification of IFRS 16, and to issuing debt, mainly at Arauco, to finance the development of the MAPA project.

Altogether, the company's shareholders' equity rose 2.3% on that at December 2018, mainly because of an increase in retained earnings and less negative other reserves.

Coverage of financial expenses went down due to lower EBTDA and higher financial costs related to increased debt.

Simplified Balance Sheet Statement	Jun-19	Dec-18	Chg. 19 / 18
Current assets	6,734	6,304	6.8%
Non-current assets	18,550	17,184	8.0%
TOTAL ASSETS	**25,284**	**23,487**	**7.6%**
Short term financial debt	1,261	1,144	10.2%
Other current liabilities	2,081	2,266	(8.2%)
Total current liabilities	**3,342**	**3,410**	**(2.0%)**
Long term financial debt	7,870	6,321	24.5%
Other non-current liabilities	2,617	2,562	2.1%
Total non-current liabilities	**10,486**	**8,883**	**18.1%**
TOTAL LIABILITIES	**13,828**	**12,293**	**12.5%**
Non-controlling interests	501	485	3.2%
Shareholder's Equity	10,955	10,709	2.3%
TOTAL EQUITY	**11,456**	**11,194**	**2.3%**
Leverage*	0.61	0.49	23.4%
Net financial debt	6,983	5,531	26.2%
ROCE**	9.0%	11.6%	(2.6pp)

Figures in US$ million

* Leverage = Net financial debt / Total equity

** ROCE = (Anualized EBIT + Gain from changes in fair value of biological assets + Financial income) / (Total current assets - Total current liabilities + Non-current biological assets + Property, Plant and Equipment - Net non-current assets classified as held for sale)

CASH FLOW STATEMENT ANALYSIS

The **operating cash flow** as of June 2019 decreased on the previous year, which was mainly due to greater payments to suppliers of goods and services at Copec and a higher tax payment at Arauco, partly offset by higher charges from the sale of goods and service at Copec and Arauco.

The **investing cash flow** was less negative, largely due to the higher cash flow used in 2018 to gain control of subsidiaries, related to Terpel acquiring ExxonMobil's assets and the purchase of 40% of the property of Marcobre. Additionally, on April 2019 Empresas Copec and Arauco sold their respective stake on Puertos y Logisticas S.A.. That was partly offset by the purchase of the assets of Masisa Mexico by Arauco in the first quarter of 2019.

The **financing cash flow** had a negative change, mainly explained by lower loan proceeds, associated with Terpel's bank loans to acquire ExxonMobil's assets in 2018, and those of Copec to refinance part of its debt. That was partly offset by new loans solicited by Arauco.

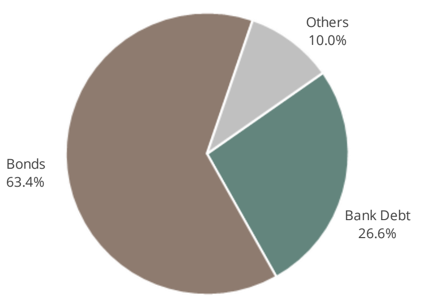
CASH FLOW STATEMENT	Jun-19	Jun-18
Cash flows from (used in) operating activities	550	608
Cash flows from (used in) investing activities	(737)	(1,271)
Cash flows from (used in) financing activities	446	559
Net increase (decrease) in cash and cash equivalents	**259**	**(104)**

Figures in million US$

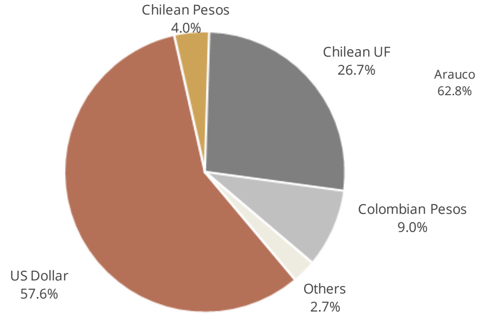
DEBT ANALYSIS

Total financial debt: MMUS$ 9,130
Cash and equivalents: MMUS$ 2,147

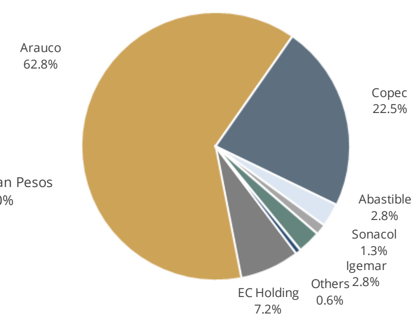
Debt by Type



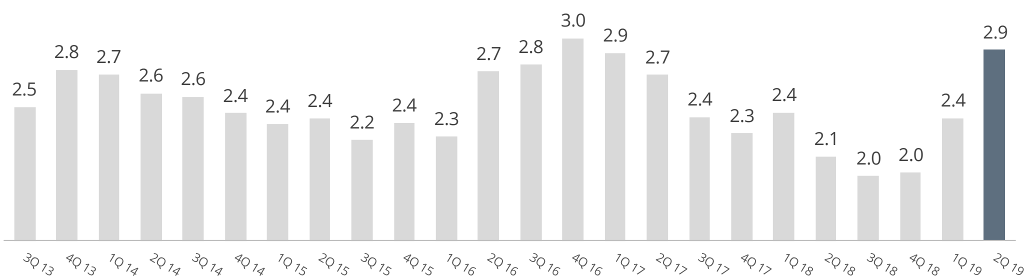
Debt by Currency



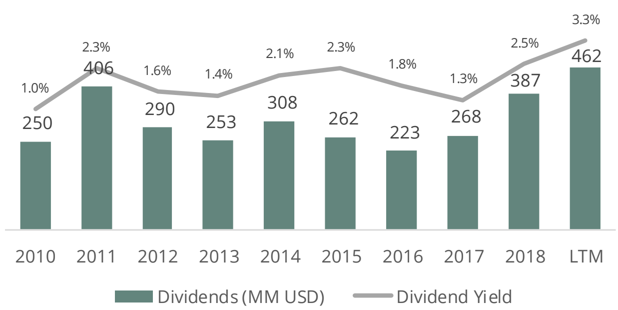
Debt by Subsidiary



Net Debt / EBITDA



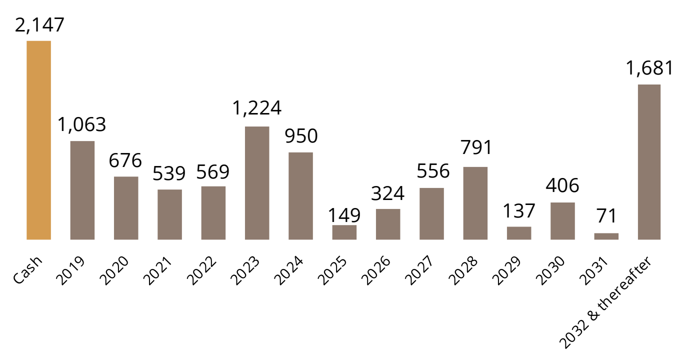
Dividend distribution and Dividend Yield*
Figures in US$ million



*Dividend Yield is calculated based on dividends paid per calendar year. Market value and exchange rate at the end of each period
** Dividends paid by Empresas Copec on a calendar year basis

Dividend policy of **40%** since 2002.

Financial debt maturities
Figures in US$ million



International Risk Rating	
Fitch Ratings	BBB / stable
Standard and Poor's	BBB / negative
Domestic Risk Rating	
Feller-Rate	AA / stable / 1st Class Level 1
Fitch Ratings	AA-/ stable / 1st Class Level 1

BREAKDOWN BY OPERATING SEGMENTS
(Accumulated as of June 2019)

Figures as of June 2019	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	2,739,756	8,411,697	558,649	26,836	99,078	269	11,836,285	-	11,836,285
Revenues between segments	-	48,202	3,736	14,545	2	562	67,047	(67,047)	-
Interest Income	14,845	4,828	1,187	60	360	9,712	30,992	-	30,992
Interest Expense	(126,940)	(64,343)	(10,771)	(1,886)	(5,017)	(1,408)	(210,365)	-	(210,365)
Interest expense, net	**(112,095)**	**(59,515)**	**(9,584)**	**(1,826)**	**(4,657)**	**8,304**	**(179,373)**	**-**	**(179,373)**
Income (loss) from the reporting segment	**183,527**	**127,581**	**48,037**	**18,820**	**6,983**	**(1,723)**	**383,225**	**-**	**383,225**
EBIT	258,203	212,480	62,112	28,379	10,645	(11,015)	560,804	-	560,804
Depreciation	247,101	88,865	25,248	4,875	5,118	515	371,722	-	371,722
Amortization	6,242	37,717	1,352	-	188	12	45,511	-	45,511
Fair value cost of timber harvested	154,421	-	-	-	-	-	154,421	-	154,421
EBITDA	**665,967**	**339,062**	**88,712**	**33,254**	**15,951**	**(10,488)**	**1,132,458**	**-**	**1,132,458**
Share in income (loss) of associates	9,657	9,622	7,585	-	1,786	(9,500)	19,150	-	19,150
Income (expense) from income taxes	(46,965)	(42,239)	(11,578)	(7,018)	1,850	(3,079)	(109,029)	-	(109,029)
Investments by segment									
Payments for acq. prop., plant and equip.	443,637	100,183	52,125	10,092	3,100	2	609,139	-	609,139
Acquisition other long term assets	133,051	-	246	-	-	-	133,297	-	133,297
Payments for acq. affiliates and associates	151,332	-	-	-	20,000	35,480	206,812	-	206,812
Purchase of intangible assets	8,788	15,288	859	-	-	-	24,935	-	24,935
Other Payments for Investments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total investments	**736,808**	**115,471**	**53,230**	**10,092**	**23,100**	**35,482**	**974,183**	**-**	**974,183**
Country of origin of operating revenue									
Operating revenues - local (chile)	1,312,618	4,237,206	256,930	26,836	99,078	269	5,932,937	-	5,932,937
Operating revenues - foreign (foreign companies)	1,427,138	4,174,491	301,719	-	-	-	5,903,348	-	5,903,348
Total operating revenues	**2,739,756**	**8,411,697**	**558,649**	**26,836**	**99,078**	**269**	**11,836,285**	**-**	**11,836,285**
Assets by segment	**15,926,592**	**5,852,230**	**1,360,354**	**302,600**	**545,073**	**1,297,016**	**25,283,865**	**-**	**25,283,865**
Equity method investments	304,971	56,641	59,212	-	201,484	556,361	1,178,669	-	1,178,669
Liabilities by segments	8,452,055	3,963,824	859,205	196,973	306,752	49,463	13,828,272	-	13,828,272
Country of origin of non-current assets									
Nacionalidad activos no corrientes	7,550,934	1,849,939	582,273	290,315	390,781	854,436	11,518,678	-	11,518,678
Foreign	4,545,730	1,928,050	557,260	-	-	-	7,031,040	-	7,031,040
Total non-current assets	**12,096,664**	**3,777,989**	**1,139,533**	**290,315**	**390,781**	**854,436**	**18,549,718**	**-**	**18,549,718**

*Includes Alxar, Empresas Copec parent company and others
Figures in thousand US$

Breakdown by country

	Chile	Colombia	USA/Canada	Panama	Argentina	Brazil	Uruguay	Ecuador	Dominican Republic	Peru	México	Islas Vírgenes B.	Total
Revenues	5,932,937	2,570,306	1,582,018	371,314	198,212	245,959	228,632	144,882	213,997	290,793	57,235	-	11,836,285
Non-current assets	11,519,911	916,014	1,410,977	262,931	812,931	1,030,395	1,740,966	61,498	3,580	668,111	122,404	-	18,549,718

Figures in thousand US$

EMPRESAS COPEC

BREAKDOWN BY OPERATING SEGMENTS
(Accumulated as of June 2018)

Figures as of June 2018	Arauco	Copec	Abastible	Sonacol	Igemar	Others*	Subtotal	Elimin.	Total
Revenues from external clients	3,023,991	8,084,520	634,453	27,107	97,024	557	11,867,652	-	11,867,652
Revenues between segments	-	41,897	5,424	15,393	-	449	63,163	(63,163)	-
Interest Income	7,345	6,350	1,247	46	215	4,925	20,128	-	20,128
Interest Expense	(103,081)	(57,168)	(11,362)	(2,069)	(3,286)	(1,186)	(178,152)	-	(178,152)
Interest expense, net	**(95,736)**	**(50,818)**	**(10,115)**	**(2,023)**	**(3,071)**	**3,739**	**(158,024)**	**-**	**(158,024)**
Income (loss) from the reporting segment	**435,944**	**138,838**	**34,188**	**18,609**	**5,533**	**3,693**	**636,805**	**-**	**636,805**
EBIT	615,757	269,878	65,748	28,343	11,034	(10,977)	979,783	-	979,783
Depreciation	200,230	55,801	26,527	5,479	6,463	683	295,183	-	295,183
Amortization	6,496	28,063	1,499	-	362	322	36,742	-	36,742
Fair value cost of timber harvested	173,254	-	-	-	-	-	173,254	-	173,254
EBITDA	**995,737**	**353,742**	**93,774**	**33,822**	**17,859**	**(9,972)**	**1,484,962**	**-**	**1,484,962**
Share in income (loss) of associates	24,009	3,685	(448)	-	4,923	12,996	45,165	-	45,165
Income (expense) from income taxes	(124,696)	(67,417)	(20,454)	(6,890)	(2,490)	4,559	(217,388)	-	(217,388)
Investments by segment									
Payments for acq. prop., plant and equip.	249,185	89,642	50,427	5,233	1,158	-	395,645	-	395,645
Acquisition other long term assets	118,490	-	-	-	-	-	118,490	-	118,490
Payments for acq. affiliates and associates	17,283	498,279	6,606	-	-	183,458	705,626	(1,000)	704,626
Purchase of intangible assets	472	20,276	4,988	-	-	1,108	26,844	-	26,844
Total investments	**385,430**	**608,197**	**62,021**	**5,233**	**1,158**	**184,566**	**1,246,605**	**(1,000)**	**1,245,605**
Country of origin of operating revenue	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operating revenues - local (chile)	1,859,287	4,101,411	287,120	27,107	97,024	557	6,372,506	-	6,372,506
Operating revenues - foreign (foreign companies)	1,164,704	3,983,109	347,333	-	-	-	5,495,146	-	5,495,146
Total operating revenues	**3,023,991**	**8,084,520**	**634,453**	**27,107**	**97,024**	**557**	**11,867,652**	**-**	**11,867,652**
Assets by segment	**14,180,832**	**5,411,278**	**1,279,524**	**301,579**	**535,111**	**1,237,369**	**22,945,693**	**-**	**22,945,693**
Equity method investments	367,657	58,419	54,583	-	171,834	510,705	1,163,198	-	1,163,198
Liabilities by segments	6,959,814	3,565,492	787,603	191,421	270,269	85,335	11,859,934	-	11,859,934
Country of origin of non-current assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Nacionalidad activos no corrientes	7,020,072	1,619,545	509,595	289,349	372,998	814,215	10,625,774	-	10,625,774
Foreign	4,256,508	1,580,462	537,638	-	-	-	6,374,608	-	6,374,608
Total non-current assets	**11,276,580**	**3,200,007**	**1,047,233**	**289,349**	**372,998**	**814,215**	**17,000,382**	**-**	**17,000,382**

*Includes Alxar, Empresas Copec parent company and others

Figures in thousand US$

Breakdown by country

	Chile	Colombia	USA/Canada	Panama	Argentina	Brazil	Uruguay	Ecuador	Dominican Republic	Peru	Mexico	Islas Vírgenes B.	Total
Revenues	6,372,506	2,521,350	1,317,043	345,257	246,930	248,790	262,488	204,497	81,454	267,337	-	-	11,867,652
Non-current assets	10,629,292	765,996	1,240,287	147,752	931,792	1,007,304	1,664,674	36,994	3,545	413,533	-	159,212	17,000,381

Figures in thousand US$

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION	Jun-19	Jun-18	Chg. 19 / 18
Revenue	11,836,285	11,867,652	(0.3%)
Cost of sales	(10,082,193)	(9,700,249)	3.9%
Gross profit	**1,754,092**	**2,167,403**	(19.1%)
Other income	161,577	74,889	115.8%
Distribution costs	(668,736)	(669,632)	(0.1%)
Administrative expenses	(524,552)	(517,988)	1.3%
Other expense	(68,509)	(64,984)	5.4%
Other gains (losses)	8,490	3,977	113.5%
Finance income	30,992	20,128	54.0%
Financial costs	(210,365)	(178,152)	18.1%
Share of profit (loss) of associates and joint ventures accounted for using equity method	19,150	45,165	(57.6%)
Foreign exchange differences	(2,229)	(19,022)	(88.3%)
Gains (losses) on net monetary position	(7,656)	(7,591)	0.9%
Profit (loss) before tax	**492,254**	**854,193**	(42.4%)
Income tax expense	(109,029)	(217,388)	(49.8%)
Profit (loss) from continuing operations	**383,225**	**636,805**	(39.8%)
Profit (loss)	**383,225**	**636,805**	(39.8%)
Profit (loss), attributable to			
Profit (loss), attributable to owners of parent	356,542	615,237	(42.0%)
Profit (loss), attributable to non-controlling interests	26,683	21,568	23.7%
Total profit (loss)	**383,225**	**636,805**	(39.8%)

Figures in thousand US$

EMPRESAS COPEC

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME	Jun-19	Jun-18	Chg. 19 / 18
Profit (loss)	383,225	636,805	(39.8%)
Other comprehensive income, before tax, actuarial gain (losses) to defined benefit plans	329	(1,682)	119.6%
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profile, before tax	0	(4,429)	100.0%
Other comprehensive income that will not be reclassified to profile	329	(6,111)	105.4%
Gains (losses) on exchange differences on translation, before tax	42,533	(212,853)	120.0%
Other comprehensive income, before tax, exchange differences on translation	42,533	(212,853)	120.0%
Gains (losses) on remeasuring available-for-sale financial assets, before tax	527	(50)	1154.0%
Other comprehensive income, before tax, available-for-sale financial assets	527	(50)	1154.0%
Gains (losses) on cash flow hedges, before tax	16,359	64,918	(74.8%)
Reclassification adjustments on cash flow hedges, before tax	(12,907)	(6,120)	(110.9%)
Other comprehensive income, before tax, gains (losses) from investments in equity instruments	3,452	58,798	(94.1%)
Other comprehensive income, before tax, gains (losses) on revaluation	0	13000.0%	(100.0%)
Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	(6,926)	220800.0%	(413.7%)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(111)	566	(119.6%)
Other comprehensive income, before tax	50,455	(151,201)	133.4%
Income tax relating to exchange differences on translation of other comprehensive income	0	0	-
Income tax relating to investments in equity instruments of other comprehensive income	(2,171)	(152200.0%)	(42.6%)
Income tax relating to available-for-sale financial assets of other comprehensive income	0	13	(100.0%)
Income tax relating to cash flow hedges of other comprehensive income	(918)	(14,722)	93.8%
Income tax relating to defined benefit plans of other comprehensive income	(95)	306	(131.0%)
Reclassification adjustments on income tax relating to components of other comprehensive income	0	(4800.0%)	100.0%
Aggregated income tax relating to components of other comprehensive income	(3,184)	(15,973)	80.1%
Other comprehensive income	47,600	(173,285)	127.5%
Total comprehensive income	**430,825**	**463,520**	**(7.1%)**
Comprehensive income, attributable to owners of parent	**395,859**	**434,804**	**(9.0%)**
Comprehensive income, attributable to non-controlling interests	**34,966**	**28,716**	**21.8%**

Figures in thousand US$

FINANCIAL STATEMENTS

BALANCE SHEET - ASSETS	Jun-19	Dec-18	Chg. 19 / 18
Assets			
Current assets			
Cash and cash equivalents	1,981,568	1,713,803	15.6%
Other current financial assets	165,837	219,843	(24.6%)
Other current non-financial assets	225,687	164,240	37.4%
Trade and other receivables, current	1,906,037	1,970,882	(3.3%)
Trade and other current receivables	47,041	50,289	(6.5%)
Inventories	1,937,466	1,742,757	11.2%
Current biological assets	308,589	319,021	(3.3%)
Current tax assets	143,843	104,430	37.7%
Total current assets other than assets or disposal groups classified as held for sale or as held for distribution to owners	**6,716,068**	**6,285,265**	**6.9%**
Non-current assets or disposal groups classified as held for sale	18,079	18,439	(2.0%)
Non-current assets or disposal groups classified as held for sale or for distribution to owners	**18,079**	**18,439**	**(2.0%)**
Total current assets	**6,734,147**	**6,303,704**	**6.8%**
Non-current assets			
Other non-current financial assets	119,780	83,847	42.9%
Other non-current non-financial assets	174,161	153,225	13.7%
Non-current receivables to related parties	7,599	7,867	(3.4%)
Investments accounted for using equity method	1,178,669	1,156,742	1.9%
Intangible assets other than goodwill	1,050,466	1,047,549	0.3%
Goodwill	423,802	432,729	(2.1%)
Property, plant and equipment	11,743,319	10,553,211	11.3%
Non-current biological assets	3,374,596	3,336,339	1.1%
Investment property	41,033	40,583	1.1%
Deferred tax assets	413,414	343,080	20.5%
Total non-current assets	**18,549,718**	**17,183,571**	**8.0%**
Total assets	**25,283,865**	**23,487,275**	**7.6%**

Figures in thousand US$

FINANCIAL STATEMENTS

BALANCE SHEET - LIABILITIES AND EQUITY	Jun-19	Dec-18	Chg. 19 / 18
Liabilities			
Current liabilities			
Other current financial libilities	1,260,518	1,144,023	10.2%
Trade and other current payables	1,805,960	1,744,426	3.5%
Other current payables to related parties	14,380	8,848	62.5%
Other short-term provisions	19,886	19,763	0.6%
Current tax liabilities	18,758	177,436	(89.4%)
Current provisions for employee benefits	11,783	11,155	5.6%
Other current financial liabilities	210,516	304,656	(30.9%)
Total current liabilities	**3,341,801**	**3,410,307**	**(2.0%)**
Non-current payables			
Other non-current financial liabilities	7,869,650	6,321,044	24.5%
Non-current payables	5,909	6,811	(13.2%)
Other long-term provisions	90,165	90,230	(0.1%)
Deferred tax liabilities	2,208,261	2,164,801	2.0%
Non-current provisions for employee benefits	115,373	111,463	3.5%
Other non-current non-financial liabilities	197,113	188,719	4.4%
Total non-current liabilities	**10,486,471**	**8,883,068**	**18.1%**
Total liabilities	**13,828,272**	**12,293,375**	**12.5%**
Equity			
Issued capital	686,114	686,114	0.0%
Retained earnings	11,409,447	11,202,802	1.8%
Other reserves	(1,140,470)	(1,179,787)	(3.3%)
Equity attributable to owners of parent	**10,955,091**	**10,709,129**	**2.3%**
Non-controlling interests	500,502	484,771	3.2%
Total equity	**11,455,593**	**11,193,900**	**2.3%**
Total equity and liabilities	**25,283,865**	**23,487,275**	**7.6%**

Figures in thousand US$

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS	Jun-19	Jun-18	Chg. 19 / 18
Statement of cash flows			
Cash flows from (used in) operating activities			
Classes of cash receipts from operating activities			
Receipts from sales of goods and rendering of services	12,981,109	12,141,253	6.9%
Receipts from premiums and claims, annuities and other policy benefits	344	1,403	(75.5%)
Other cash receipts from operating activities	201,037	212,714	(5.5%)
Payments to suppliers for goods and services	(11,542,601)	(10,886,651)	(6.0%)
Payments to and on behalf of employees	(557,034)	(525,171)	(6.1%)
Payments for premiums and claims, annuities and other policy benefits	(8,223)	(5,831)	(41.0%)
Other cash payments from operating activities	(136,742)	(163,213)	16.2%
Dividends received	1,771	5,410	(67.3%)
Interest paid	(113,421)	(92,464)	(22.7%)
Interest received	22,782	13,256	71.9%
Income taxes refund (paid)	(299,730)	(91,915)	(226.1%)
Other inflows (outflows) of cash	359	(411)	187.3%
Net cash flows from (used in) operating activities	**549,651**	**608,380**	**(9.7%)**

Figures in thousand US$

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Jun-19	Jun-18	Chg. 19 / 18
Cash flows from (used in) investing activities			
Cash flows from losing control of subsidiaries or other businesses	117,376	0	-
Cash flows used in obtaining control of subsidiaries or other businesses	(150,862)	(514,830)	70.7%
Cash flows used in the purchase of non-controlling interests	(55,950)	(189,796)	70.5%
Loans to related parties	(5,271)	(497)	(960.6%)
Proceeds from sales of property, plant and equipment	55,191	6,974	691.4%
Purchase of property, plant and equipment	(609,139)	(395,645)	(54.0%)
Purchase of intangible assets	(24,935)	(26,844)	7.1%
Proceeds from other long-term assets	2,927	2,089	40.1%
Purchase of other long-term assets	(133,297)	(118,490)	(12.5%)
Cash advances and loans made to other parties	14	(10,874)	100.1%
Cash receipts from repayment of advances and loans made to other parties	7	48,510	(100.0%)
Cash payments for future contracts, forward contracts, option contracts and swap contracts	0	(40,941)	100.0%
Cash receipts from future contracts, forward contracts, option contracts and swap contracts	168	0	
Cash receipts from related parties	0	627	(100.0%)
Dividends received	17,837	24,040	(25.8%)
Interest received	33	2,145	(98.5%)
Other inflows (outflows) of cash	48,699	(57,590)	184.6%
Net cash flows from (used in) investing activities	**(737,202)**	**(1,271,122)**	**42.0%**

Figures in thousand US$

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS (continuation)	Jun-19	Jun-18	Chg. 19 / 18
Cash flows from (used in) financing activities			
Proceeds from issuing shares	8,230	0	
Payments to acquire or redeem entity's shares	0	(761)	100.0%
Proceeds from long term borrowings	1,073,536	1,611,123	(33.4%)
Proceeds from short term borrowings	428,168	383,481	11.7%
Proceeds from borrowings	**1,501,704**	**1,994,604**	**(24.7%)**
Payments of borrowings	(639,204)	(1,168,390)	45.3%
Payments of finance lease liabilities	(57,395)	(2,016)	(2747.0%)
Loan payments to related parties	(546)	0	
Dividends paid	(289,383)	(216,154)	(33.9%)
Interest paid	(72,143)	(44,244)	(63.1%)
Other inflows (outflows) of cash	(5,125)	(4,460)	(14.9%)
Net cash flows from (used in) financing activities	**446,138**	**558,579**	**(20.1%)**
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	**258,587**	**(104,163)**	**348.3%**
Effect of exchange rate changes on cash and cash equivalents	9,178	(19,272)	147.6%
Net increase (decrease) in cash and cash equivalents	**267,765**	**(123,435)**	**316.9%**
Cash and cash equivalents at beginning of period	1,713,803	1,341,699	27.7%
Cash and cash equivalents at end of period	**1,981,568**	**1,218,264**	**62.7%**

Figures in thousand US$

EMPRESAS COPEC

EXHIBIT

Adjusted EBITDA Calculation

As from 1Q13, Empresas Copec presents an alternative calculation of EBITDA, denominated "adjusted EBITDA". The methodology, adopted by the subsidiary Arauco in 2012, better suits the IFRS definition of the indicator, and has the advantage of including the profits from associates. These may be especially relevant for Empresas Copec, given the importance some associates may acquire.

	2Q 19	1Q 19	2Q 18	2Q19 / 2Q18	Accum 19	Accum 18	Chg. 19 / 18
Net Income	147	236	352	(58.2%)	383	637	(39.8%)
(-)Financial Costs	(111)	(99)	(71)	56.9%	(210)	(178)	18.1%
(-) Financial Income	16	15	8	94.2%	31	20	54.0%
(-) Income Tax	(60)	(49)	(129)	(53.1%)	(109)	(217)	(49.8%)
(+) Depr & Amort	211	206	166	27.0%	417	332	25.7%
(+) Fair value cost of timber harvested	80	75	91	(12.9%)	154	173	(10.9%)
(-) Gain from changes in fair value of biological assets	37	37	22	67.8%	74	52	43.4%
(-) Exchange rate differences	(13)	10	(26)	(52.3%)	(2)	(19)	(88.3%)
(-) Others*	(12)	(3)	(2)	-	(15)	(9)	-
Adjusted EBITDA	581**	605	807	(28.0%)	1,186	1,494	(20.6%)

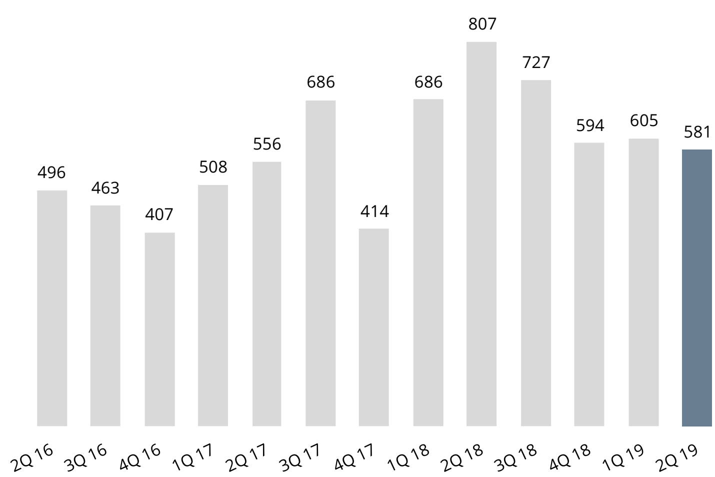
*2Q19 includes US$ 12,4 million due to provisions of property, plant and equipment in Arauco. 1Q19 includes US$ 2,6 millions due to provisions of property, plant and equipment in Arauco. 2Q18 includes US$ 2 million due to provision of wildfire loss and fixed assets.

Figures in US$ million

** Includes the income generated by the sale of Puertos y Logística S.A.

Traditional calculated EBITDA (EBITDA Operating Income + Depreciation + Amortization + Fair value cost of timber harvested), and adjusted EBITDA may differ given the methodological differences.

Adjusted EBITDA



Figures in US$ million